

Control Number: 46996



Item Number: 1

Addendum StartPage: 0



RECEIVED

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

2017 MAR 27 PM 1:47

Pursuant to Chapter 13.251 of the Texas Water Code

PUBLIC UTILITY COMMISSION  
FILING CLERK

**Docket Number: 46996**

(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

**TABLE OF CONTENTS**

Part A – General Information.....	2
Part B – Current Service Provider or Seller Information.....	2
Part C – Purchaser or Transferee Information .....	3
Part D – Historical Financial Information .....	9
Part E – Projected Information .....	12
Part F – Public Water System Information .....	16
Part G – Oaths and Notices .....	18

**Part A – General Information**

\*RN#  \*CN#  \* (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.:   
 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:

This transaction will include the purchase of all CCN areas held by Chuck Bell DBA Chuck Bell Water Systems, LLC  
(Please see Attachment 'A')

and to:

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

2. Proposed effective date of this transaction:

(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:   
(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:  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:  Title:   
Address:  Telephone: (AC)

Fax: \_\_\_\_\_

Email: mstrgolfer@sbcglobal.net

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

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

4/6/2015

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: 37241-R / 43245

Date 4/6/2015

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
Please See Attachment 'B'			

**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: Undine Texas, LLC

(Individual, Corporation, or Other Legal Entity)

Utility Name: Undine Texas, LLC

(If different than above)

Utility Address: 10913 Metronome Dr, Houston Texas 77043

Fax: (713) 647-0277

Email: cthomas@undinellc.com

Telephone (AC): (713) 574-5953

CCN Numbers held prior to the filing of this application: 21019, 20816 and 20832

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

Please See Attachment 'C'

Corporation; provide charter number as recorded with the Office of the Secretary of State for

Texas: 802339329

Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water 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): <input type="text"/>

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

Name:	NA	Email:	
Address:	NA		
Telephone (AC):		Fax (AC):	

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

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

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

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

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

•Name:		Telephone (AC):	
Address:			
Position:		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: **Please See Attachment 'D'**

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:	Peter T. Gregg	Title:	Partner-Dubois Bryant & Campbell
Address:	303 Colorado, Suite 2300 Austin, Texas 78701	Telephone (AC):	(512) 457-8000
Fax #	(512) 457-8008	Email	pgregg@dbclp.com
Relationship to the applicant:	Attorney		

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

Please See Attachment 'E'

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.

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.

Undine Texas, LLC is funded through equity and bank financing. Additional funding information will be provided upon request.

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

Undine Texas, LLC intends to raise the standards for quality of customer service, customer and regulatory communications with respect to all regulatory compliance issues.

E. How will the transaction serve the public interest?

The public will be better served through Undine Texas, LLC ownership of water and/or wastewater utilities due to the improvements to utility customer service and the improvements to operations and maintenance. The EPA reports to Congress state that the best possible future for small to midsize privately owned utilities is to be acquired by a larger more responsible provider that possesses the financial, managerial and technical experience to insure the system meets regulatory requirements.

12. Please describe the nature of the proposed transaction:

Undine Texas, LLC will purchase all of utility assets listed in Attachment 'A'

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: See Attachment 'F'

A.

• Total Purchase Price: [ ]

• 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):

None

- Other Contributions (please explain):

None

Total Contributions in Aid of Construction

[ ]

• 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:  Date:

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]:

The public will be better served through Undine Texas, LLC ownership of water and wastewater utilities due to the improvements to utility customer service and the improvements to operations and maintenance. The EPA reports to Congress state that the best possible future for small to midsize privately owned utilities is to be acquired by a larger more responsible provider that possesses the financial, managerial and technical experience to insure the system meets regulatory requirements.

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:	<input type="text"/>
Plant Acquisition Adjustment:	<input type="text"/>
Extraordinary Loss on Purchase:	<input type="text"/>
Accumulated Depreciation of Plant:	<input type="text"/>
Cash:	<input type="text"/>
Notes Payable:	<input type="text"/>
Mortgage Payable:	<input type="text"/>
Others (please list):	<input type="text"/>

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.



If rates are changing, please explain:

Not Applicable

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:

Not Applicable

Other. Please explain:

Not Applicable

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.

Please see Attachment 'G'

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

Please See Attachment 'F'

**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>						

Please See Attachment 'F'

<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>						

Please See Attachment 'F'

<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						

Please See Attachment 'F'

**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>						

Please See Attachment 'F'

**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>						

Please See Attachment 'F'

**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>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
<b>Total</b>						
<b>% Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

Please See Attachment 'F'

**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.

**See Attachment 'H'**

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

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:

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

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: 0.00%

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

Water		Sewer	
-Non Metered	-2" meter	-Residential Connection	
-5/8" or 3/4" meter	-3" meter	-Commercial Connection	
-1" meter	-4" meter	-Industrial Connection	
-1 1/2" meter	-Other	-Other	
Total Water Connections:		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#
See Attachment 'J'		

24. Attach the following maps with each copy of the application: **See Attachment 'J'**
- 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**

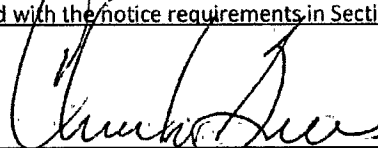
**OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF TEXAS

COUNTY OF JOHNSON

I, Chuck Bell, 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 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.



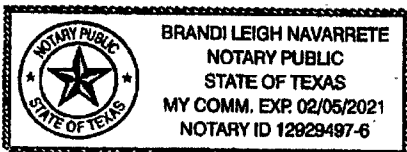
AFFIANT

(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 17 of March, 2017.

SEAL



NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Brandi Leigh Navarrete  
PRINT OR TYPE NAME OF NOTARY.

MY COMMISSION EXPIRES

02/05/2021

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 Harris

I, Carey A. Thomas, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as Sr. Vice President, Undine Texas, LLC  
*(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.

Carey A. Thomas  
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 22<sup>ND</sup> of MARCH, 20 17.

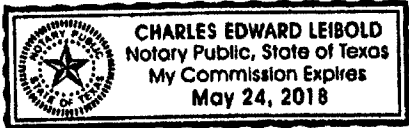
SEAL

Charles E. Leibold  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

CHARLES E. LEIBOLD  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 5/24/2018

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



Notice to Current Customers, Neighboring Systems and Cities

Chuck Bell DBA Chuck Bell Water Systems, LLC 'S  
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND  
NECESSITY (CCN) NO 12190 TO Undine Texas, LLC  
(Purchaser's or Transferee's Name)

IN Tarrant and Johnson COUNTY, TEXAS

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

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

City State Zip

Chuck Bell DBA Chuck Bell Water Systems, LLC PO Box 731 Crowley, Texas 76036  
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. 12190 in Tarrant and Johnson [County Name]

County to:

Undine Texas, LLC 10913 Metronome Dr. Houston Texas 77043  
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): **Please see Attachment 'J'**

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  
P \_\_\_\_\_; 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:

This application will not change the customers rates

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

Notice to Current Customers, Neighboring Systems, Landowner and Cities

Chuck Bell DBA Chuck Bell Water Systems, LLC 'S NOTICE OF INTENT TO SELL FACILITIES TO

(Seller's or Transferor's Name)

Undine Texas, LLC

(Purchaser's or Transferee's Name)

AND FOR

Undine Texas, LLC

Purchaser's or Transferee's Name)

TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN  
Tarrant and Johnson COUNTY, TEXAS

To: \_\_\_\_\_ Date Notice Mailed \_\_\_\_\_, 20\_\_\_\_

(Name of Customer, Neighboring System, Landowner or City)

(Address)

City State Zip

Chuck Bell DBA Chuck Bell Water Systems, LLC PO Box 731 Crowley, Texas / 76036  
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 Tarrant and Johnson [County Name] County to:

Undine Texas, LLC 10913 Metronome Dr., Houston Texas 77043  
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):

**Please see Attachment 'J'**

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:

This application will not change the customers rates

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  
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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



# TABLE OF CONTENT

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

<b>Attachment 'A'</b>	CCN Number, Subdivision Name(s), RN Number(s), and Current Tariff
<b>Attachment 'B'</b> Confidential	Customer Name, Address, and Deposit Information
<b>Attachment 'C'</b> Confidential	Limited Liability Company – Undine Texas, LLC Organizational Chart
<b>Attachment 'D'</b>	Certificate of Account Status
<b>Attachment 'E'</b> Confidential	Evidence of Financial, Managerial and Technical, and Capabilities
<b>Attachment 'F'</b> Confidential	Financial Information
<b>Attachment 'G'</b>	Utilities within 2-Miles
<b>Attachment 'H'</b>	Individual Page 16 & 17 for Each System, and Inspection Reports
<b>Attachment 'I'</b>	Operators Information
<b>Attachment 'J'</b>	CCN Maps to be Transferred with this Application, and CCN Descriptions
<b>Attachment 'K'</b> Confidential	Letter of Intent

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## **Attachment 'A'**

CCN Number, Subdivision Name, RN Number, and Current Tariff

ATTACHMENT "A"

STM FILING UNDINE TEXAS, LLC AND CHUCK BELL DBA CHUCK BELL WATER SYSTEMS, LLC

**Bear Creek Estates**

CN	600627780
CCN	12190
RN	101438174
PWSID No	2200336
Subdivision	Bear Creek Estates
County	Tarrant
Connections (TCEQ)	19

**Bell Manor Subdivision**

CN	604008680
CCN	12190
RN	101231090
PWSID No	1260080
Subdivision	Bell Manor
County	Johnson
Connections (TCEQ)	21

**Buffalo Creek**

CN	604008680
CCN	12190
RN	101259596
PWSID No	1260084
Subdivision	Buffalo Creek
County	Johnson
Connections (TCEQ)	38

**Crowley II Acres Subdivision**

CN	604008680
CCN	12190
RN	102679842
PWSID No	1260012
Subdivision	Crowley II Acre
County	Johnson
Connections (TCEQ)	89

**John Dame**

CN	604008680
CCN	12190
RN	101280105
PWSID No	1260090
Subdivision	John Dame
County	Johnson
Connections (TCEQ)	40

**Martin Creek Estates**

CN	604008680
CCN	12190
RN	101205482
PWSID No	1260122
Subdivision	Martin Creek Estates
County	Johnson
Connections (TCEQ)	23

**Rock Creek Estates**

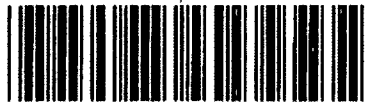
CN	604008680
CCN	12190
RN	101180107
PWSID No	1260082
Subdivision	Rock Creek Estates
County	Johnson
Connections (TCEQ)	38

**Sandersview Subdivision PWS**

CN	604008680
CCN	12190
RN	101206001
PWSID No	1260086
Subdivision	Sandersview
County	Johnson
Connections (TCEQ)	20



Control Number: 43245



Item Number: 17

Addendum StartPage: 0

DOCKET NO. 43245

RECEIVED

2015 APR -6 PM 4: 33

APPLICATION OF CHUCK BELL §  
D/B/A CHUCK BELL WATER §  
SYSTEMS LLC FOR A RATE/TARIFF §  
CHANGE AND SURCHARGE (37241-R) §

PUBLIC UTILITY COMMISSION  
FILING CLERK  
OF TEXAS

**NOTICE OF APPROVAL**

This Notice addresses the application of Chuck Bell d/b/a Chuck Bell Water Systems LLC (Chuck Bell) for a water rate/tariff change and capital asset surcharge. Public Utility Commission of Texas (Commission) Staff recommended approval of the application. The application is approved.

The Commission adopts the following findings of fact and conclusions of law:

**I. Findings of Fact**

**Procedural History**

1. On December 30, 2011, Chuck Bell filed an application with the Texas Commission on Environmental Quality (TCEQ) for a rate/tariff change and capital asset surcharge for several subdivisions or water systems in Johnson and Tarrant Counties.
2. Chuck Bell holds Certificate of Convenience and Necessity (CCN) No. 12190.
3. TCEQ sent a notice of deficiency to Chuck Bell on January 13, 2012.
4. Chuck Bell's response to the notice of deficiency was received by TCEQ on March 5, 2012.
5. On March 27, 2012, TCEQ notified Chuck Bell that the application was accepted for filing and that the proposed rates could go into effect on March 5, 2012.
6. TCEQ did not receive protest requests from 10% of ratepayers. The applicable time period for 10% of the ratepayers to request a hearing expired on June 4, 2012.
7. TCEQ did not refer the proceeding to the State Office of Administrative Hearings (SOAH) for a hearing on the merits. Pursuant to TEX. WATER CODE § 13.187(f) the deadline for TCEQ to request a hearing was July 3, 2012.

8. On September 1, 2014, functions relating to the economic regulation of water and sewer utilities were transferred from TCEQ to the Commission.
9. On December 4, 2014, the Commission's administrative law judge (ALJ) issued Order No. 1, addressing the water program transfer and other procedural matters.
10. On December 4, 2014, the Commission's ALJ issued Order No. 2, requesting that Commission Staff file, on or before January 14, 2014, a recommendation regarding the status of Chuck Bell's application or to propose a procedural schedule for processing.
11. On January 14, 2015, Commission Staff recommended approval of the application and associated tariff.
12. On January 15, 2015, the Commission's ALJ issued Order No. 3, requiring a joint proposed notice of approval and final tariff.
13. On February 25, 2015, the Commission's ALJ issued Order No. 4, extending the time for Commission Staff to file a joint proposed notice of approval and final tariff.
14. On March 27, 2015, Commission Staff filed a proposed notice of approval and request to admit evidence.
15. On March 31, 2015, the Commission's ALJ issued Order No. 5, admitting evidence into the record of this proceeding.

**Proposed Rate Increase**

16. Chuck Bell requested an annual revenue requirement of \$219,960 as shown in Section IX, Table B of the application.
17. The capital asset/improvement surcharge requested was \$85,000 plus interest.
18. The rates proposed by Chuck Bell were as follows:

5/8" x 3/4" or unmetered	\$ 40.00
3/4"	\$ 60.00
1"	\$100.00
1 1/2"	\$200.00
2"	\$320.00
3"	\$600.00

19. Chuck Bell's surcharge request and proposed rates, included in the tariff attached to this Notice as Attachment 1, are just and reasonable.
20. Chuck Bell's proposed changes in rates permit the utility a reasonable opportunity to earn a reasonable return on invested capital and to preserve the financial integrity of the utility.

## II. Conclusions of Law

1. Chuck Bell is a retail public utility as defined in P.U.C. SUBST. R. 24.3(41) and TEX. WATER CODE § 13.002(19).
2. The Commission has jurisdiction over this matter pursuant to TEX. WATER CODE §§ 13.041 and 13.181.
3. Chuck Bell provided notice consistent with P.U.C. SUBST. R. 24.22.
4. This docket was processed in accordance with the requirements of the Texas Water Code and Commission rules.
5. This docket contains no remaining contested issues of fact or law.
6. The rates approved herein are consistent with the requirements of TEX. WATER CODE §§ 13.182 and 13.183.
7. The requirements for informal disposition pursuant to P.U.C. PROC. R. 22.35 have been met in this proceeding.

## III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following Order:

1. The application of Chuck Bell is approved.
2. The tariff implementing the approved rates is provided with this Notice as Attachment 1.
3. Within 30 days of the date this Notice is signed, Chuck Bell shall file a compliance report in **Project No. 44610, Compliance Report Regarding the Surcharge Approved in Docket No. 43245**. The report shall include copies of invoices for the costs incurred for the capital asset surcharge related to this application and a monthly schedule of the



amounts billed and collected related to the surcharge. Chuck Bell shall file an updated compliance report every six months thereafter until the full amount of the surcharge has been recovered and an accounting for such recovery has been provided.

4. Chuck Bell shall cease collecting the capital asset surcharge from customers following recovery of \$117,158 and refund to customers all amounts collected in excess of this amount.
5. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are denied.

SIGNED AT AUSTIN, TEXAS the 6th day of April 2015.

**PUBLIC UTILITY COMMISSION OF TEXAS**



**IRENE MONTELONGO**  
**DIRECTOR, DOCKET MANAGEMENT**



# WATER UTILITY TARIFF

Docket Number: 43245

Chuck Bell dba Chuck Bell Water Systems, LLC  
(Utility Name)

P.O. Box 731  
(Business Address)

Crowley, Texas 76036  
(City, State, Zip Code)

(817) 980-6394  
(Area Code/Telephone)

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

12190

This tariff is effective in the following counties:

Johnson and Tarrant

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

None

This tariff is effective in the following subdivisions and public water systems:

See attached list.

## 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 .....	3
SECTION 3.0 -- EXTENSION POLICY .....	10
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN .....	16
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

**Docket No. 43245**

This tariff is effective in the following Subdivisions or Systems:

<b>SUBDIVISION</b>	<b>PWS ID NUMBER</b>	<b>COUNTY</b>
Bear Creek Estates	2200336	Tarrant
Bell Manor Subdivision	1260080	Johnson
Buffalo Creek	12600 84	Johnson
Crowley II Acre Subdivision	1260012	Johnson
John Dame	1260090	Johnson
Martin Creek Estates	1260122	Johnson
Rock Creek Estates	1260082	Johnson
Sanders View Subdivision	1260086	Johnson
Stonefield Water System	1260118	Johnson

**Docket No. 43245**

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge (including 0 gallons)	Gallonge Charge
5/8" x 3/4"	\$40.00	\$3.49 per 1000 gallons, over the minimum
3/4"	\$60.00	
1"	\$100.00	
1 1/2"	\$200.00	
2"	\$320.00	
3"	\$600.00	

Additional Gallonge Charges:

Purchased Water Fees for Johnson County Special Utility District  
 (Bell Manor Subdivision customers only) \$2.51/1000 gallons

Water Production Fee for Prairielands Groundwater Conservation District  
 (For all subdivisions except Bear Creek Estates in Tarrant County) \$0.24/1,000 gallons

Capital Improvement Surcharge for 72 months Effective March 5, 2012  
\$5.65 per connection

FORM OF PAYMENT: The utility will accept the following forms of payment:  
 Cash X, Check X, Money Order X, Credit Card \_\_\_\_\_, Other (specify) \_\_\_\_\_  
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT  
 PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE  
 GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT ..... 1.0%  
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL  
 MONTHLY BILL AND TO REMIT TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$1,000  
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD  
 RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED  
 IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) ..... Actual Cost  
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL  
 AREAS.

TAP FEE (Large meter) ..... Actual Cost  
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE  
 INSTALLED.

Docket No. 43245

SECTION 1.0 -- RATE SCHEDULE (Continued)

**METER RELOCATION FEE**..... Actual Relocation Cost, Not to Exceed Tap Fee  
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED

**METER TEST FEE**..... \$25.00  
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

**LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)** ..... \$5.00  
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

**RETURNED CHECK CHARGE** ..... \$30.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

**RECONNECTION FEE**  
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO 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) ..... \$25.00
- b) Customer's request that service be disconnected ..... \$60.00
- c) After Hours Reconnect Fee..... \$35.00  
If after a customer has been notified that an after hours charge will be assessed and the customer still chooses to have service connected after 5:00 p.m. instead of waiting until the next business day, the utility can charge an after hours charge in addition to the normal fee; however, the total charge cannot exceed \$60.00. If service is required to be restored within 36 hours pursuant to P.U.C. SUBST. R. 24.88(h)(1) the utility cannot charge the additional fee after the expiration of the first 24 hours following the payment of a disconnected delinquent account. If the customer requests to have the service reconnected after normal business hours within the first 24 hours following payment, the additional fee may be charged.

**RECONNECT FEE.** The Utility shall charge a reconnect fee of \$25.00 for reconnecting service during normal weekday business hours. A surcharge of \$35.00 may be charged when the customer requests service to be reconnected after 5:00pm on business days, weekends and holidays, subject to Title 16 Texas Administrative Code Chapter 24.88(h). The customer must be advised that this additional fee will be charged and given an opportunity to decline the service at the time the "after hours" reconnect request is originally made.

**TRANSFER FEE**..... \$65.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

**CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)** ..... \$50.00

SECTION 1.0 -- RATE SCHEDULE (Continued)

COMMERCIAL & NON-RESIDENTIAL DEPOSIT ..... 1/6TH OF ESTIMATED ANNUAL BILL

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:**

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [P.U.C. SUBST. R. 24.21(K)(2)]

**LINE EXTENSION AND CONSTRUCTION CHARGES:**

REFER TO SECTION 3.0—EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

**PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE**

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$AG = G + B / (1 - L)$ , where

AG= adjusted gallonage charge, rounded to the nearest one cent:

G= approved gallonage charge (per 1,000 gallons);

B=change in purchased water/district gallonage charge (per 1,000 gallons);

L=system average line loss for preceding 12 months not to exceed 0.15

**FRANCHISE FEE ASSESSMENT.** Franchise fees levied by a municipality may be passed through to those customers inside the city generating the revenues upon which the franchise fee is calculated. Implementation of this pass through clause shall be subject to the notice and approval process of the city having original jurisdiction over these fees. Franchise fees may not be passed through or allocated to utility customers outside the municipality.

**EASEMENTS.** Pursuant to P.U.C. SUBST. R. 24.85(d), easements from customers may be required as a precondition of service when:

- (1) Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the property of a service applicant, the public utility may require the service applicant or land owner to grant a permanent recorded public easement dedicated to the public utility to construct, install, maintain, inspect and test water and/or sewer facilities necessary to serve the applicant.
- (2) As a condition of service to a new subdivision, public utilities may require developers to provide permanent recorded public utility easements to and throughout the subdivision sufficient to construct, install, maintain, inspect, and test water and/or sewer facilities necessary to serve the subdivision's anticipated service demands upon full occupancy.

SECTION 2.0 -- SERVICE RULES AND POLICIES

Section 2.01 - Public Utility Commission of Texas Rules

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02 - Application for and Provision of Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

Section 2.04 - Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

**Docket Number: 43245**

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.04 – Customer Deposits (cont.)

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit. - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

Section 2.05 – Meter Requirements, Readings, and Testing

All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers. One meter is required for each residential, commercial, or industrial connection.

Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

**Docket Number: 43245**



SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.06 - Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the commission.

Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

**Docket Number: 43245**

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.07 - Service Disconnection (cont.)

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Section 2.08 - Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

**Prorated Bills** - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.10 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the Commission may require continuation or restoration of service.

Docket Number: 43245

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.11 - Customer Complaints and Disputes (cont.)

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

SECTION 2.20 – SPECIFIC UTILITY SERVICE RULES AND POLICIES

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with PUC rules to be effective.

**Docket Number: 43245**

**SECTION 3.0--EXTENSION POLICY**

**Section 3.01 - Standard Extension Requirements**

**LINE EXTENSION AND CONSTRUCTION CHARGES:** No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

**COSTS THE UTILITIES SHALL BEAR.** Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with TCEQ's Rules and Regulations for Public Water Systems.

**Docket Number: 43245**

**SECTION 3.20—SPECIFIC UTILITY EXTENSION POLICY**

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with PUC rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Chuck Bell dba Chuck Bell Water Systems, LLC  
(Utility Name)

Water Tariff Page No. 12

**SECTION 4.0 – DROUGHT CONTINGENCY PLAN**  
(Utility must attach a copy of TCEQ approved Drought Contingency Plan)

**Docket Number: 43245**

APPENDIX A -- APPLICATION FOR SERVICE  
(Utility Must Attach Blank Copy)