



Control Number: 47883



Item Number: 1

Addendum StartPage: 0

1 47883

NOTICE OF IMPLEMENTATION OF PASS-THROUGH CHARGE

DATE: December 19, 2017

TO: Public Utility Commission of Texas
Central Records
1701 N. Congress Ave, Suite 8-100
Austin, Texas 78701

FROM: Undine Texas, LLC (Undine), in its capacity as Temporary Manager of
Suburban Utility Company
Water CCN 10835
10913 Metronome Drive
Houston, Texas 77868

BY: Georgia N. Crump
Attorney for Undine Texas, LLC.
816 Congress Avenue, Suite 1900
Austin, Texas 78701
(512) 322-5800 (phone)
(512) 472-0532 (facsimile)
Email: gcrump@lglawfirm.com

RE: Notice of Pass-Through Rate Change pursuant to 16 Tex. Admin. Code
§ 24.21(b)(2)(B) and (E) Water Purchase Fee

RECEIVED
2017 DEC 19 PM 1:11

Undine files this Notice of Implementation of Pass-Through Rate pursuant to 16 Tex. Admin. Code § 24.21(b)(2)(B) and (E) for the Beaumont Place system.

Undine was appointed Temporary Manager of Suburban Utility Company by the Public Utility Commission on September 22, 2017. On September 23, 2017, the two wells that service the Beaumont Place subdivision experienced a failure, leaving the residents without a dependable water supply. On that same date, Undine contacted the Harris County Municipal Utility District No. 421 (MUD 421) and requested a supply of potable water from MUD 421 to use during the period that the subdivision's groundwater supply was unavailable. MUD 421 was willing to provide such emergency service, and Undine immediately designed and constructed a water line connecting the Beaumont Place subdivision water distribution system to MUD 421. As a result, water pressure was quickly restored to the customers in Beaumont Place.

Undine and MUD 421 have agreed to continue the provision of potable water from MUD 421 to Beaumont Place under the conditions contained in the Interim Emergency Water Supply Contract (Emergency Supply Contract), a draft of which is included with this filing. (The Emergency Supply Contract is expected to be finalized very soon, and an executed copy will be provided to the Commission as soon as it is available. Undine does not anticipate that the price of the purchased water will change in the final document from this draft.)

A meter has been installed at the Point of Interconnection identified in the Emergency Supply Contract, and water has been flowing through the meter since the time of interconnection; the price being paid by Undine to MUD 421 for water furnished is \$4.75/1,000 gallons. The pass-through fee sought in this filing is for the purpose of recovering the purchased water cost associated with the need to switch from groundwater produced by local wells to water purchased from MUD 421 on an emergency basis in order to maintain service. The pass-through fee is for the water only, it does not include any recovery by Undine of its costs associated with the design or construction of the water line that effectuates the emergency interconnection.

Although Undine is working to remedy the problems within the Beaumont Place subdivision that caused the need for the emergency interconnect, Undine has not yet determined the date by which the emergency interconnect will no longer be needed. Therefore, Undine requests to amend the tariff of Suburban Utility to allow for recovery under the tariff of the pass-through water purchase fee in the amount of \$4.75 per 1,000 gallons used by its customers in the Beaumont Place subdivision. The pass-through amount will be billed to the customers based upon their individual water meter readings, and will continue until collections thereunder are sufficient to pay the full amount of charges from MUD 421 under the Emergency Supply Contract. Undine will include as a bill insert a Customer Notice of this Pass-Through Rate to all of its Beaumont Place customers as required by Rule 24.21(b)(2)(E)(ii) on or about January 8, 2018, for the usage period of December 19, 2017, through January 18, 2018. The pass-through will appear for the first time on bills dated on or about February 8, 2018.

Rule 24.21(b)(2)(E)(i) attachments:

1. List of the affected subdivision(s), public water system name(s) and corresponding number(s) issued by the TCEQ, and the water quality system name(s) and corresponding number(s) issued by the TCEQ, if applicable, attached as Exhibit "A."
2. Copy of the Customer Notice of Pass-Through Rate Implementation to be sent to Suburban's customers in the Beaumont Place subdivision on or about January 8, 2018, in advance of the billing statement (on or about February 8, 2018) in which the pass-through rate is to be implemented, attached as Exhibit "B."
3. Proof of the cost of the water purchased by Undine from MUD 421 in the form of a copy of the Emergency Supply Contract between Undine, as temporary manager for Suburban, and MUD 421, commencing on September 23, 2017, a draft of which is attached as Exhibit "C."
4. Copy of the page of the tariff that contains the rates that will change if the utility's application is approved, attached as Exhibit "D."

Please process this application in accordance with all applicable substantive rules of the Public Utility Commission. Thank you for your time and attention to Undine's request.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900

Austin, Texas 78701

(512) 322-5800 (phone)

(512) 472-0532 (facsimile)

A handwritten signature in black ink, appearing to read "Georgia N. Crump", written over a horizontal line.

GEORGIA N. CRUMP

State Bar No. 05185500

gcrump@lglawfirm.com

JAMIE L. MAULDIN

State Bar No. 24065694

jmauldin@lglawfirm.com

ATTORNEYS FOR UNDINE TEXAS, LLC

Exhibit A

Pass-Through to be effective in CCN 10835, Beaumont Place subdivision only.
Beaumont Place Water System, PWS # 1010098

Exhibit B

Customer Notice of Pass-Through Rate Implementation January 8, 2018

CUSTOMER NOTICE OF CHANGE IN WATER RATE
Effective Date of Change: December 19, 2017

Date: January 8, 2018

To: All customers of Suburban Utility Company in the Beaumont Place Subdivision

From: Undine Texas, LLC, as Temporary Manager of Suburban Utility Company, (address for Undine)

Be advised that Undine Texas, LLC, (Undine) as Temporary Manager of Suburban Utility Company (Suburban), on September 23, 2017, implemented an Emergency Interconnection with Harris County Municipal Utility District No. 421 (MUD 421) to change from groundwater to surface water in order to maintain water utility services to the Beaumont Place Subdivision. As a result, Undine has been receiving water from MUD 421 in order to serve Beaumont Place subdivision, and has contractually committed to payment to MUD 421 for the purchase of such water. The amount charged by MUD 421 for such water purchase is \$4.75/1000 gallons, which Undine will pass-through to Beaumont Place customers, as measured by individual meters, to continue until collections are sufficient to pay the full amount of charges from MUD 421.

Water Use Fee to be charged is \$4.75/1,000 gallons

This change in the cost and source of water provided to you by Undine, as Temporary Manager of Suburban, requires Undine to provide you NOTICE under 16 Texas Administrative Code § 24.21(b)(2)(E) of a TARIFF RATE REVISION as follows:

Pass-Through Rate Provision to Beaumont Place Subdivision:

\$4.75 per 1,000 gallon additional fee will be added as a Pass-Through charge for purchase of treated water from Harris County Municipal Utility District No. 421, for the customers in the Beaumont Place subdivision only. This pass-through charge takes the place of volumetric charges currently in the approved tariff.

This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code § 24.21. The cost to you as a result of this change will not exceed the costs charged to your utility.

Calculation for customer billing prior to December 19, 2017:

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 -- Rates

Meter Size	Monthly Minimum Charge (Includes 0 gallons all Meter Sizes)	Gallonge Charge
5/8" x 3/4"	\$23.00	\$2.15 per 1000 gallons up to 20,000 gallons
3/4"	\$23.00	\$2.40 per 1000 gallons from 20,001 to 35,000 gallons
1"	\$57.50	\$2.65 per 1000 gallons from 35,001 to 50,000 gallons
1 1/2"	\$115.00	\$3.00 per 1000 gallons from 50,001 gallons and up
2"	\$184.00	* Plus Pass-Through Fees below
3"	\$345.00	

***Pass-Through for Cypress Bend Subdivision:**

\$3.41 (Docket 47005) per 1000 gallons additional fee will be added as a Pass Through charge by North Harris County Regional Water Authority (NHCRA) for the customers in Cypress Bend Subdivision only, effective April 1, 2017. $\{\$2.90 / (1 - 0.15)\} = \{\$2.90 / \$0.85\} = \3.41

\$0.99 (Docket 44762) per 1000 gallons (which is \$0.8526 plus line loss of 15 percent) will be added as a Pass-Through charge by the City of Houston for customers in Castlewood Subdivision.

New calculation of customer billing EFFECTIVE DECEMBER 19, 2017:

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 -- Rates

Meter Size	Monthly Minimum Charge (Includes 0 gallons all Meter Sizes)	Gallonge Charge**
5/8" x 3/4"	\$23.00	\$2.15 per 1000 gallons up to 20,000 gallons
3/4"	\$23.00	\$2.40 per 1000 gallons from 20,001 to 35,000 gallons
1"	\$57.50	\$2.65 per 1000 gallons from 35,001 to 50,000 gallons
1 1/2"	\$115.00	\$3.00 per 1000 gallons from 50,001 gallons and up
2"	\$184.00	* Plus Pass-Through Fees below
3"	\$345.00	**Beaumont Place subdivision customers pay only gallonge charges as provided in the Pass-Through amount shown below.

***Pass-Through for Cypress Bend Subdivision:**

\$3.41 (Docket 47005) per 1000 gallons additional fee will be added as a Pass-Through charge by North Harris County Regional Water Authority (NHCRA) for the customers in Cypress Bend Subdivision only, effective April 1, 2017. $\{\$2.90 / (1 - 0.15)\} = \{\$2.90 / \$0.85\} = \3.41

***Pass-Through for Castlewood Subdivision:**

\$0.99 (Docket 44762) per 1000 gallons (which is \$0.8526 plus line loss of 15 percent) will be added as a Pass-Through charge by the City of Houston for customers in Castlewood Subdivision.

****Pass-Through for Beaumont Place Subdivision:**

\$4.75 (Docket _____) per 1000 gallons will be added as a Pass-Through charge by Harris County MUD No. 421 for all gallons used by customers in Beaumont Place Subdivision. During the time of the emergency interconnect with Harris County MUD No. 421, Suburban gallonge charges shall not apply.

Exhibit C

**Emergency Interconnect Agreement with Harris County Municipal Utility District No. 421
(Draft – Final Executed Copy to be Provided)**

INTERIM EMERGENCY WATER SUPPLY CONTRACT
BY AND BETWEEN
HARRIS COUNTY MUNICIPAL UTILITY
DISTRICT NO. 421
AND
UNDINE TEXAS L.L.C. (BEAUMONT PLACE)

INTERIM EMERGENCY WATER SUPPLY CONTRACT

THE STATE OF TEXAS §

COUNTY OF MONTGOMERY §

This Interim Emergency Water Supply Contract ("Contract") is made and entered into as of this 23rd day of September, 2017 ("Effective Date"), by and between Harris County Municipal Utility District No. 421 of Harris County, Texas ("MUD 421"), a conservation and reclamation district created pursuant to the authority of Article XVI, Section 59 of the Constitution of Texas, and operating under the provisions of Chapters 49 and 54, Texas Water Code, as amended, and Undine Texas L.L.C., a limited liability company ("UNDINE"), an investor-owned utility operating the water system of Beaumont Place subdivision in Harris County, Texas. UNDINE and MUD 421 are also referred to herein collectively and individually as "Party" or "Parties."

RECITALS:

On or about September 23, 2017, the two wells that service the Beaumont Place subdivision experienced a failure, leaving the residents without a dependable water supply. UNDINE, as temporary manager of Suburban Utility Company (the investor-owned utility that owned the Beaumont Place water system), requested a supply of potable water for use during an emergency situation, as defined herein. MUD 421 was willing to provide such emergency service and is willing to continue to provide service under the conditions contained herein. MUD 421 and UNDINE have determined that they are authorized to enter into this Contract under the Constitution and laws of State of Texas, particularly Section 49.213, Texas Water Code, as amended.

AGREEMENT

For and in consideration of the mutual promises, obligations and benefits hereinafter set forth, MUD 421 and UNDINE contract and agree as follows:

ARTICLE I **DEFINITIONS**

DRAFT 12/4/2017

Section 1.01. Definitions. When used herein the following terms shall have the meanings specified:

A. The term "Emergency" shall mean a mechanical or electrical failure, repair or maintenance, or any act, event or circumstance not reasonably within the control of the Party causing a loss of production or distribution capacity of the Party's water system which in turn results in either Party being unable to supply its customers with an adequate supply of water; the inability of either Party to produce water due to repairs of a water plant or line; or a fire requiring immediate use of either Party's water system for firefighting purposes and activities related thereto.

B. The term "Interconnect Facilities" means the water line, meter, backflow prevention device, valves and related appurtenances required to connect the water distribution systems of UNDINE and MUD 421.

C. The term "Point of Interconnect" means the connection between MUD 421's water distribution system and UNDINE's water distribution system located as shown on Exhibit "A" attached to and incorporated for all purposes into this Contract and any additional points of connection the Parties agree to add at a later date.

ARTICLE II

CONSTRUCTION OF INTERCONNECT AND PAYMENT OF INITIAL COSTS

Section 2.01. Construction/Ownership. UNDINE has previously, at its sole cost, designed and constructed a water line on its water distribution system as shown on Exhibit "A" attached hereto from the boundary of the MUD 421 water distribution system to the Point of Interconnect. Both Parties shall have keys and right of access to the Interconnect Facilities at all times to be used during an Emergency. MUD 421 will have title to and possession and control of all water on MUD 421's side of the Point of Interconnect, and UNDINE will have title to and possession and control of all water on UNDINE's side of the Point of Interconnect. After completion of construction, UNDINE shall own and maintain the portion of the Interconnect Facilities on UNDINE's side of the Point of Interconnect, and MUD 421 shall own and maintain the portion of the Interconnect Facilities on MUD 421's side of the Point of Interconnect.

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UNDINE shall provide MUD 421, upon completion, one set of "Record Drawings" of the Interconnect Facilities. UNDINE shall own and maintain the Interconnect Facilities.

Section 2.02. Maintenance. Each Party shall be responsible for maintaining the interconnect line on its respective side of the Point of Interconnect at its sole cost and expense throughout the term of this Contract. Should UNDINE fail to make any needed repair to its interconnect line, MUD 421 may make said repair, after reasonable notice to UNDINE, and charge the actual cost thereof to UNDINE. MUD 421 shall consistently maintain its water distribution system in good condition and shall immediately repair any leaks or breaks in such system. In the event a leak, rupture or other defect occurs within MUD 421's water distribution system which could either endanger or contaminate UNDINE's water distribution system or prejudice UNDINE's ability to provide water service to its customers, UNDINE shall have the right to valve off and discontinue service to MUD 421 until such leak, rupture or other defect has been remedied. In the event MUD 421 fails to immediately repair or proceed with the repairs of such leak, rupture or the defect, UNDINE may at its option, repair same and charge MUD 421 its actual cost of such repair. Likewise, UNDINE shall consistently maintain its water distribution system in good condition and shall immediately repair any leaks or breaks in such system. In the event a leak, rupture or other defect occurs within UNDINE's water distribution system which could either endanger or contaminate MUD 421's water distribution system or prejudice MUD 421's ability to provide water service to its customers, MUD 421 shall have the right to valve off and discontinue service to UNDINE until such leak, rupture or other defect has been remedied. In the event UNDINE fails to immediately repair or proceed with the repairs of such leak, rupture or the defect, MUD 421 may at its option, repair same and charge UNDINE its actual cost of such repair.

Section 2.03. Installation of Customer Meters. All connections to each Party's respective water supply systems shall be metered.

Section 2.04. Payment of Costs Incurred. MUD 421 incurred certain operations and legal costs in providing service to UNDINE pursuant to this Contract. Upon execution of this Contract, UNDINE shall pay MUD 421 the sum of \$5,000 for such costs incurred.

ARTICLE III

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DELIVERY OF WATER

Section 3.01. Interim Delivery of Water. During the term of this Contract, UNDINE may open the valve at the Point of Interconnect and be supplied water by MUD 421, up to 165,000 gallons per day average daily flow.

Section 3.02. Simultaneous Emergencies. MUD 421 shall not be obligated to supply water pursuant to this Contract if an Emergency exists for MUD 421 but may do so pursuant to agreement.

Section 3.03. Other Water Supply Agreements. Both Parties may enter into additional water supply agreements with other persons, corporations, partnerships or political subdivisions of the State of Texas or any other entity; provided, however, that the Parties covenant and agree that they will not so agree with others to such an extent as to impair their ability to perform fully and punctually their obligations under this Contract. It is acknowledged and agreed that upon the opening of the interconnect during an Emergency, water so delivered may flow to another party. Nevertheless, UNDINE shall be required to pay for all water used through the Point of Interconnect.

Section 3.04. No Liability for MUD 421. UNDINE recognizes that it cannot be guaranteed a specific quantity or pressure of water from MUD 421 during the term of this Contract. MUD 421 shall have no liability to UNDINE or to any of its customers for failure to deliver water; however, MUD 421 shall use its best efforts at all times to provide water to UNDINE at a pressure of no less than 35 psi.

Section 3.05. Payment. The price to be paid by UNDINE to MUD 421 for water furnished under this Contract shall be \$4.75 per 1,000 gallons of water. The amount of water delivered shall be determined by the operator for MUD 421 based upon the metered flow. If any service charge, fee, penalty, or fine is imposed upon MUD 421 because of, or as a condition to, providing service to UNDINE, UNDINE shall pay such service charge, fee, penalty or fine assessed. Bills shall be paid promptly upon receipt of an invoice from the Party supplying water or providing maintenance under the terms of this Contract.

Section 3.06. Billing and Payment. MUD 421 and UNDINE shall instruct their respective utility operators to keep detailed and accurate records of UNDINE's use of water and

of the dates and duration of any use of the Interconnect Facilities and of the operation, maintenance, and repair and replacement costs. On or about the first (1st) day of each month, MUD 421 shall invoice UNDINE for water taken through the Interconnect Facilities pursuant to this Contract during the preceding month, which invoice shall state the quantity supplied for the billing period and the price to be paid and any operation, maintenance, repair and/or replacement. Payments shall be due and payable within twenty (20) days after such bill is deposited in the United States mail, properly stamped and addressed. In the event UNDINE fails to make such payment on a timely basis, then MUD 421 must give written notice of such delinquency, and if all amounts due and unpaid are not paid within fifteen (15) days of delivery of such notice, then MUD 421 shall be authorized to institute suit for collection thereof and collect any amounts due and unpaid, together with interest thereon at the maximum legal rates and reasonable attorneys' fees incurred in the collection thereof.

For billing purposes, the address of the Parties shall be as follows:

Montgomery County Municipal Utility Party No. 421
Myrtle Cruz, Incorporated
c/o Ms. Mary Jarmon
3401 Louisiana Street, Suite 400
Houston, Texas 77002

UNDINE TEXAS L.L.C.
c/o Ms. Carey Thomas
10913 Metronome Drive
Houston, Texas 77043

Section 3.07. Books and Records. Each Party shall preserve for a period of at least four (4) years from the date of their respective origins, all books, records, test data, charts and other records pertaining to this Contract. Each Party shall have the right, at all reasonable business hours, to inspect such records of the other Party to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to any provision of this Contract.

Section 3.08. Force Majeure. If either Party should be prevented, wholly or in part, from performance under this Contract, other than payment of money, by reason of any force majeure, including without limitation, acts of God, unavoidable accident, acts of the public enemy, strikes, riots, floods, fires, government restraint or regulations, breaks in either Party's

pipe lines, power failure, or for any other cause beyond either Party's control, then the obligation of that Party to the other shall be suspended during the continuance of such force majeure.

ARTICLE IV

TERM AND GENERAL PROVISIONS

Section 4.01. Approvals by Parties. Whenever this Contract requires or permits approval or consent to be given by either Party such approval or consent shall be effective without regard to whether such approval or consent is given before or after the time required herein. Such approval or consent shall be evidenced by a resolution adopted by the Board of Directors of the Party or by an appropriate certificate executed by a person, firm or entity authorized to determine and give approval or consent on behalf of said Party, or by entry in the minutes of a meeting of the Board of Directors of said Party.

Section 4.02. Special Conditions. This Contract and MUD 421's obligation to deliver water to UNDINE as provided herein shall be subject to all present and future laws, orders, rules and regulations of the United States of America, the State of Texas, and any regulatory body having jurisdiction (and the Parties agree to cooperate to obtain compliance therewith). It is further provided that when receiving water pursuant to this Contract and supplying such water to its own residents and other water users, UNDINE acts in the capacity of owner and operator of a "public water system", as that term is used in the federal Safe Drinking Water Act, and, in that regard, is solely responsible for complying with all governmental rules, regulations, and laws relating to the protection of the health and welfare of its users including, but not limited to, keeping all necessary records and performing all necessary testing, monitoring and treatment, and MUD 421 will have no responsibility with respect thereto; provided, however, that MUD 421 shall provide to UNDINE the information required for preparation of UNDINE's "Consumer Confidence Report" under applicable regulations of the United States Environmental Protection Agency and the Texas Commission on Environmental Quality on or before the deadline provided by regulation for provision of such information.

Section 4.03. Water Analysis. If requested by either Party, the other Party will obtain a bacteriological water analysis on a sample of water taken from its water distribution system at least once per month and shall submit the results of said analysis to the requesting Party, with the costs of such testing to be borne by the requesting Party.

Section 4.04. Term. This Contract shall be in force and effect from the Effective Date until January 31, 2018, unless earlier terminated pursuant to the provisions hereof or pursuant to mutual written consent of the Parties.

In the event either Party determines in its sole discretion to convert its disinfection system from its current system to a disinfection system that is incompatible, this Contract shall automatically terminate upon such conversion by either Party. The Parties agree to provide at least thirty days' notice of conversion.

Section 4.05. Default. In the event of default in the terms of this Contract, after notice thereof and failure to cure, the non-defaulting Party may terminate this Contract.

Section 4.06. No Additional Waiver Implied. No waiver or waivers of any breach or default by either Party hereto of any term, covenant condition, or liability hereunder, or of performance by the other Party of any duty or obligation hereunder, shall be deemed a waiver thereof in the future; nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character or description, under any circumstances.

Section 4.07. Address and Notice. Unless otherwise provided in this Contract, any notice herein provided or permitted to be given, made, or accepted by either Party must be in writing and may be given by depositing the same in the United States mail postage prepaid. Notice deposited in the mail in the manner described above shall be conclusively deemed to be effective from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the addresses of the Parties shall be as follows:

Harris County Municipal Utility District No. 421
c/o Smith, Murdaugh, Little & Bonham, L.L.P.
Attn: Ms. Lori G. Aylett
2727 Allen Parkway, Suite 1100
Houston, Texas 77019

With a copy to the Board President as reflected on the most current registration page filed with the Texas Commission on Environmental Quality

and

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UNDINE TEXAS L.L.C.
c/o Ms. Carey Thomas
10913 Metronome Drive
Houston, Texas 77043

With a copy to the registered agent as reflected on the Secretary of State's records.

The Parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address in the State of Texas by at least fifteen (15) days' written notice to the other Party.

Section 4.08. Modification. This Contract shall be subject to change or modification at any time, but only with the mutual written consent of the Parties hereto.

Section 4.09. Assignability. This Contract shall be binding upon and inure to the benefit of the Parties hereto and their successors, but this Contract shall not be assignable by either Party without the prior written consent of the other.

Section 4.10. Parties in Interest. This Contract is for the sole and exclusive benefit of MUD 421 and UNDINE and shall not be construed to confer any benefit or right upon any other Party or any customer of either Party.

Section 4.11. Provisions Severable. The provisions of this Contract are severable, and if any provision or part of this Contract or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such provision or part of this Contract to other persons or circumstances shall not be affected thereby.

Section 4.12. Merger. This Contract embodies the entire understanding between the Parties regarding the subject matter set forth herein and there are no prior effective representations, warranties or agreements regarding same.

Section 4.13. Compliance with 2270.002 of the Texas Government Code. As required by Section 2270.002 of the Texas Government Code, Undine hereby verifies that it does not boycott Israel and will not boycott Israel during the term of this Contract. For purposes of this Contract, the phrase "boycott Israel" means refusing to deal with, terminating business

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activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Section 4.14. Compliance with Texas Government Code Chapter 2252 Subchapter F. Pursuant to Section 2252.152 of the Texas Government Code, Undine hereby verifies that it is not engaged in active business operations with Sudan, Iran, or a foreign terrorist organization. For purposes of this Contract, the phrase “foreign terrorist organization” means an organization designated as a foreign terrorist organization by the United States secretary of state as authorized by 8 U.S.C. Section 1189.

IN WITNESS HEREOF, this Contract has been executed and is effective as of the date and year first above written.

HARRIS COUNTY MUNICIPAL
UTILITY DISTRICT NO. 421

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 2017, by _____, President of the Board of Directors and _____, Secretary of the Board of Directors of Harris County Municipal Utility District No. 421, on behalf of said municipal utility district for purposes intended.

Notary Public in and for
the State of TEXAS

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UNDINE TEXAS L.L.C., a limited liability
company

By: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____,
2017, by _____, _____ of Undine Texas, L.L.C., a limited liability
company, on behalf of said limited liability company, for purposes intended.

Notary Public in and for
the State of TEXAS

EXHIBIT A
POINT OF INTERCONNECT

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Exhibit D

Current Tariff with Requested Change

SECTION 1.0 – RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all Meter Sizes)	<u>Gallonge Charge**</u>
5/8" x 3/4"	\$23.00	\$2.15 per 1000 gallons up to 20,000 gallons
3/4"	\$23.00	\$2.40 per 1000 gallons from 20,001 to 35,000 gallons
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2"	\$184.00	* Plus Pass-Through Fees below
3"	\$345.00	**Beaumont Place subdivision customers pay only gallonge charges as provided in the Pass-Through amount shown below.

*Pass-Through for Cypress Bend Subdivision:

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*Pass-Through for Castlewood Subdivision:

\$0.99 (Docket 44762) per 1000 gallons (which is \$0.8526 plus line loss of 15 percent) will be added as a Pass-Through charge by the City of Houston for customers in Castlewood Subdivision.

**Pass-Through for Beaumont Place Subdivision:

\$4.75 (Docket _____) per 1000 gallons will be added as a Pass-Through charge by Harris County MUD No. 421 for all gallons used by customers in Beaumont Place Subdivision. During the time of the emergency interconnect with Harris County MUD No. 421, Suburban gallonge charges shall not apply.

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 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 FEE TO THE TCEQ.

Section 1.02 – Miscellaneous Fees

TAP FEE..... \$600.00
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.

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

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