



Control Number: 47922



Item Number: 1

Addendum StartPage: 0



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

Pursuant to Chapter 13.251 of the Texas Water Code

RECEIVED

2013 JUN -3 PM 3:42

PUBLIC UTILITY COMMISSION
FILING CLERK

Docket Number: 47922

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

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

Public Utility Commission of Texas

Attention: Filing Clerk

1701 N. Congress Avenue

P.O. Box 13326

Austin, Texas 78711-3326

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

Texas Natural Resources Information System

1700 N. Congress Ave, Room B40

Austin, Texas 78701

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Part A – General Information

*RN# *CN# * (PRIOR TCEQ ID numbers)

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

<input type="checkbox"/> Sale of	<input checked="" type="checkbox"/> All	<input type="checkbox"/> Portion	of the	<input checked="" type="checkbox"/> Water system(s) under CCN No.:	<input type="text" value="12830"/>
<input checked="" type="checkbox"/> Acquisition				<input type="checkbox"/> Sewer system(s) under CCN No.:	<input type="text"/>
<input type="checkbox"/> Lease/Rental					

<input type="checkbox"/> Transfer of	<input type="checkbox"/> All	<input type="checkbox"/> Portion	of the	<input type="checkbox"/> Certificated water service area – CCN No.:	<input type="text"/>
				<input type="checkbox"/> Certificated sewer service area – CCN No.:	<input type="text"/>

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


and to:

<input type="checkbox"/> Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN	
<input checked="" type="checkbox"/> Amend the transferee's CCN No.:	<input type="text" value="12983"/>
<input type="checkbox"/> Merge or consolidate public utilities	<input type="text"/>
<input type="checkbox"/> Cancel CCN of the transferor (seller)	<input type="text"/>

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:	<input type="text" value="Pam Monroe"/>	Title:	<input type="text" value="Owner/Manager"/>
Address:	<input type="text" value="P.O. Box 1531 Athens, TX 75751"/>	Telephone: (AC)	<input type="text" value="(903) 477-6270"/>

Fax: Email:

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

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

9/1/1993

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

☐

No

☒

Yes- Application/Docket Number:

Date

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

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
see list in Appendix A			

Part C – Purchaser or Transferee Information

 Questions 6 through 16 refer to the transferee or purchaser.

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

Applicant:

(Individual, Corporation, or Other Legal Entity)

Utility Name:

(If different than above)

Utility Address:

Fax:

Email:

Telephone (AC):

CCN Numbers held prior to the filing of this application:

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

☐

Individual

☐

Home or Property Owners Association

☐

Partnership; attach copy of partnership agreement

☐

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

☐

Texas:

☐

Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water 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 checked="" type="checkbox"/>	Other (please explain): Limited Partnership: Monarch Utilities I, L.P. Texas SOS File Number 0800034797

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

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

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

•Name:	Charles W. Profilet, Jr.	Telephone (AC):	(281) 207-5800
Address:	12535 Reed Road, Sugar Land, TX 77478		
Position:	President, Director	Ownership % (if applicable):	0.00%

•Name:	Christopher Schilling	Telephone (AC):	(281) 207-5800
Address:	12535 Reed Road, Sugar Land, TX 77478		
Position:	Director	Ownership % (if applicable):	0.00%


•Name:	Kirk Michael	Telephone (AC):	(281) 207-5800
Address:	12535 Reed Road, Sugar Land, TX 77478		
Position:	Chief Financial Officer, Treasurer	Ownership % (if applicable):	0.00%

•Name:	William K. Dix	Telephone (AC):	(281) 207-5800
Address:	12535 Reed Road, Sugar Land, TX 77478		
Position:	Secretary, Director	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: **See Appendix B**

Texas Comptroller of Public Accounts

P. O. Box 13528, Capitol Station

Austin, Texas 78711

1-800-252-5555

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

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

Name:	George Freitag, P.E.	Title:	Regulatory Manager
Address:	1620 Grand Avenue Pkwy #140, Pflugerville, TX 78660	Telephone (AC):	(512) 219-2288
Fax #	(512) 252-8782	Email	gfreitag@swwc.com
Relationship to the applicant:	Employee		

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

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

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

Monarch Utilities I, L.P. is the second largest IOU in Texas and has the financial resources and operating structure to continue to provide quality service to the customers of Dal-High. Monarch currently has other water and wastewater systems and a regional operations office near this system. In addition to experienced, licensed operators, Monarch's management staff includes engineers, accountants, environmental safety and health staff, and experienced customer service agents.

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

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

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

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

Monarch has adequate capitalization and will use a variety of sources for funding including investors' equity, line of credit, and internally generated funds.

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

This application is to acquire the assets and customers of a small, single owner water system. Customers will be charged at the same rates currently charged under the approved Dal High tariff. Operation and maintenance will be improved as the system will be a part of Monarch's area wide operations. Monarch's management staff includes engineers, accountants, environmental safety and health staff, and experienced customer service agents. Customers will now be able to access accounts on line and have new options to pay bills electronically or by phone.

E. How will the transaction serve the public interest?


Dal-High is a small standalone system. Monarch is a full-scale utility that emphasizes providing public water service that meets or exceeds all regulatory requirements. Operation and maintenance of the facilities will be improved as daily operations will be assumed by the nearby regional operations office. Customer service will be provided by Monarch's central customer service center.

12. Please describe the nature of the proposed transaction:

This is an asset purchase. The assets will be combined with the assets of Monarch Utilities I, L.P. on the books. Customer service will be provided out of Monarch's central facilities.


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

A.	• Total Purchase Price:	\$ 55,200.00	
	• Total Original Cost (as recorded on books of seller or merging entity):		\$ 99,947.00
	• Accumulated Depreciation as of the proposed effective date of the transaction:		\$ 58,405.00
	• Contributions in Aid of Construction:		
	- Specific surcharges approved by TCEQ or PUC:	\$ 0.00	
	- Revenues from explicit customer agreements:	\$ 0.00	
	- Developer Contributions (please explain):		
	- Other Contributions (please explain):		
	Total Contributions in Aid of Construction	\$ 0.00	
	• Net Book Value:	\$ 44,862.00	

-  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]:

No change in the CCN area is requested. The service area boundaries will remain exactly as they are currently mapped. This application is to acquire the assets of a single, 46 customer system in Henderson County. All accounting data will be consolidated into Monarch's statewide operations. Daily operations will be assumed by the nearby regional operations office, and customer service will be provided by the central customer service center.

- 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" value="\$ 99,947.00"/>
Plant Acquisition Adjustment:	<input type="text"/>
Extraordinary Loss on Purchase:	<input type="text"/>
Accumulated Depreciation of Plant:	<input type="text" value="\$ 58,405.00"/>
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:

for Monarch Utilities I, L.P.

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

<input checked="" type="checkbox"/>	All the customers will be charged the same rates as they were charged before the transaction.
<input type="checkbox"/>	Some <input type="checkbox"/> All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

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

Monarch intends to file a minor tariff change request to put the newly acquired customers under the customer service charges and fees on its standard tariff. At some point in the future Monarch will file a consolidated rate application.

☐ Other. Please explain:

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

See Appendix D

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

Monarch is the second largest IOU in Texas and has been successfully operating for many years. The addition of the 46 connections of the SWUC system to the approximately 24,000 current active water customers will not significantly change the overall financial structure. In lieu of Historical Financial Worksheets below, prepared financial statements for Monarch Utilities I, L.P. are submitted as Appendix E under CONFIDENTIALITY to demonstrate the adequacy of the company's financial, managerial, and technical capability to acquire the system and provide quality service to the customers.

Part D – Historical Financial Information

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

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

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

Part E – Projected Information

PROJECTED BALANCE SHEETS

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

PROJECTED INCOME STATEMENT

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

PROJECTED EXPENSE DETAIL

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense		See Appendix E				
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

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

Part F – TCEQ Public Water or Sewer System Information

- ☞ Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

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

1	0	7	0	1	5	9
---	---	---	---	---	---	---

Date of last inspection: 11/16/2016

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q -

-Name of Permittee: n/a

-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:

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

Water			Sewer		
	-Non Metered		-2" meter	-Residential Connection	
46	-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:			46	Total Sewer Connections	

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

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

Name	Class	License#
Kirk Kebodeaux	A W, A WW, CSI, BFP	WO0001283 WW0015397, BP0014182
Jesse Donelson	C GW, B SW, C WW	WG0008785, WS0008821, WW0032205
Donald Herriage	A W, A WW, CSI	WO0017031, WW0027707, CI0002377
John Salmans, Jr.	C GW, C WW, CSI	WG0007135, WW0031962, CI0010016

24. Attach the following maps with each copy of the application: **See Appendix F**

- 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 Henderson

I, Pam MONROE, being duly sworn, file this application for sale, lease, rental or merger or consolidation as DAL-HIGH WATER 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 further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Texas Water Code.

Pam Monroe

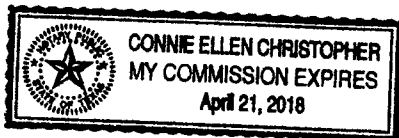
AFFIANT

(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 20 of December, 20 17.

SEAL



Connie Ellen Christopher

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Connie Ellen Christopher
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

April 21, 2018

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

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF Texas

COUNTY OF Fort Bend

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

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

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

Charles W. Profilet
AFFIANT

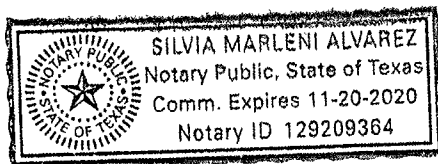
(Utility's Authorized Representative)

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 2nd of January, 20 18.

SEAL



Silvia Marleni Alvarez
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Silvia Marleni Alvarez
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

11/20/2020

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

Notice to Current Customers, Neighboring Systems and Cities

Dal-High Water, LLC 'S

(Seller's or Transferor's Name)

**NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND
NECESSITY (CCN) NO**

12830

TO

Monarch Utilities I, L.P.

(Purchaser's or Transferee's Name)

IN Henderson COUNTY, TEXAS

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

(Address)

City State Zip

Dal-High Water Company	P.O. Box 1531	Athens TX 75751
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. 12830 in Henderson [County Name]

County to:

Monarch Utilities I, L.P.	12353 Reed Road	Sugar Land TX 77478
Purchasers or Transferee's Name	Address	City/State/Zip Code

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

Dal-High Addition

The area subject to this transaction is located approximately 2 miles northwest [direction] of downtown Athens, [City or Town] Texas, and is **generally** bounded on the north by

Caney Creek; on the east by One-Mile Creek
;on the south by the City of Athens; and on the west by U.S. Highway 175

The total area being requested includes approximately 200 acres and serves 46 current customers.

This transaction will have the following effect on the current customer's rates and services:

User rates will not change. Operations and customer service will be improved with the system being acquired by a full scale utility.

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**

Charles W. Profilet, Jr., Director

Utility Representative

Monarch Utilities I, L.P.

Utility Name

APPENDIX A

DEXTER MONROE

DAL-HIGH WATER COMPANY

Friday, December 8, 2017

Customer Listing

Customer Name Address	DEPOSIT HELD	Service Address Account Number Home Phone Work Phone	Route Number Billing Rate Average Usage Account Balance
[REDACTED] ATHENS, TX 75752	100 ⁰⁰	[REDACTED] 1	1 Residential 4750 \$68.55
[REDACTED] Athens, Texas 75752	100 ⁰⁰	[REDACTED] 2	2 Residential 4190 \$44.83
[REDACTED] ATHENS, TX 75752	0	[REDACTED] 3	3 Residential 2952 \$23.17
[REDACTED] Athens, Texas 75752	100 ⁰⁰	[REDACTED] #4	4 Residential 3151 \$20.73
[REDACTED] Athens, Tex. 75752	100 ⁰⁰	[REDACTED] 5	5 Residential 3034 \$37.02
[REDACTED] ATHENS, TX 75752	vacant	[REDACTED] 6	6 Residential 133318 \$452.11
[REDACTED] ATHENS, TX 75752	50 ⁰⁰	[REDACTED] 7	7 Residential 6045 \$22.03
[REDACTED] Athens, Texas	100 ⁰⁰	[REDACTED] 7.5	7.5 Residential 3171 \$16.20
[REDACTED] ATHENS, TX 75751	50 ⁰⁰	[REDACTED] 8	8 Residential 4469 \$23.69

DEXTER MONROE

Friday, December 8, 2017

Customer Listing

Customer Name Address	Service Address Account Number Home Phone Work Phone	Route Number Billing Rate Average Usage Account Balance
[REDACTED] ATHENS, TX 75752	[REDACTED] 9	9 Residential 11932 \$49.19
[REDACTED] Athens, Texas 75752	[REDACTED] # 10	10 Residential 2470 \$16.89
[REDACTED] Athens Tex. 75752	[REDACTED] # 11	11 Residential 2459 \$21.93
[REDACTED] ATHENS, TX 75752	[REDACTED] 12	12 Residential 3627 \$17.78
[REDACTED] Athens, Texas 75752	[REDACTED] #13	13 Residential 5713 \$17.05
[REDACTED] ATHENS, TX 75752	[REDACTED] 14	14 Residential 2434 \$15.40
[REDACTED] ATHENS, TX 75752	[REDACTED] 15	15 Residential 3780 \$0.00
[REDACTED] ATHENS, TX 75752	[REDACTED] 16	16 Residential 3028 \$16.20
[REDACTED] ATHENS, TX 75752	[REDACTED] 17	17 Residential 5106 \$17.45

DEXTER MONROE

Friday, December 8, 2017

Customer Listing

Customer Name Address	Service Address Account Number Home Phone Work Phone	Route Number Billing Rate Average Usage Account Balance
[REDACTED] ATHENS, TX 75752	[REDACTED] 18	18 Residential 5365 \$16.20
[REDACTED] ATHENS, TX 75752	[REDACTED] 19	19 Residential 5563 (\$6.51)
[REDACTED] ATHENS, TX 75752	[REDACTED] 20	20 Residential 7493 \$21.28
[REDACTED] Athens, Texas 75752	[REDACTED] 21	21 Residential 3764 (\$1.80)
[REDACTED] ATHENS, TX 75752	[REDACTED] 22	22 Residential 3879 \$16.58
[REDACTED] ATHENS, TX 75752	[REDACTED] 23	23 Residential 1036 \$16.20
[REDACTED] ATHENS, TX 75752	[REDACTED] 24	24 Residential 2947 \$216.96
[REDACTED] Athens, Texas 75752	[REDACTED] 25	25 Residential 16326 \$51.34
[REDACTED] ATHENS, TX 75752	[REDACTED] 26	26 Residential 7211 \$19.60

DEXTER MONROE

Friday, December 8, 2017

Customer Listing

Customer Name Address	Service Address Account Number Home Phone Work Phone	Route Number Billing Rate Average Usage Account Balance
[REDACTED] ATHENS, TX 75752	[REDACTED] 27	27 Residential 5049 \$17.76
[REDACTED] ATHENS, TX 75752	5924 CR 3925 28	28 Residential 8751 \$43.13
[REDACTED] Athens, Texas 75752	[REDACTED] 29	29 Residential 5290 \$292.13
[REDACTED] ATHENS, TX 75752	[REDACTED] 30	30 Residential 8495 \$9.79
[REDACTED] Athens, Tex. 75752	[REDACTED] 31	31 Residential 12536 \$29.40
[REDACTED] ATHENS, TX 75752	[REDACTED] 32	32 Residential 4141 \$16.20
[REDACTED] ATHENS, TX 75752	[REDACTED] 33	33 Residential 2898 \$17.43
[REDACTED] Athens, Texas 75752	[REDACTED] 34	34 Residential 2325 \$16.75
[REDACTED] ATHENS, TX 75752	[REDACTED] 35	35 Residential 3915 \$72.99

DEXTER MONROE

Friday, December 8, 2017

Customer Listing

Customer Name Address	Service Address Account Number Home Phone Work Phone	Route Number Billing Rate Average Usage Account Balance
[REDACTED] ATHENS, TX 75752	[REDACTED] 36	36 Residential 6509 \$115.47
50 ⁰⁰ [REDACTED] ATHENS, TX 75752	[REDACTED] 37	37 Residential 9075 \$64.11
0 [REDACTED] ATHENS, TX 75752	[REDACTED] 38	38 Residential 2760 \$16.20
0 [REDACTED] ATHENS, TX 75752	[REDACTED] 39	39 Residential 3345 \$16.20
0 [REDACTED] ATHENS, TX 75752	[REDACTED] 40	40 Residential 7776 \$49.49
0 [REDACTED] ATHENS, TX 75752	[REDACTED] 41	41 Residential 7849 \$64.33
0 [REDACTED] MABANK, TX 75147	[REDACTED] 42	42 Commercial 14560 \$16.20
100 ⁰⁰ [REDACTED] ATHENS, TX 75752	[REDACTED] 43	43 Residential 12610 \$35.06
50 ⁰⁰ [REDACTED] ATHENS, TX 75752	[REDACTED] 44	44 Residential 2714 (\$22.09)
0		

DEXTER MONROE

Friday, December 8, 2017

Customer Listing

Customer Name Address	Service Address Account Number Home Phone Work Phone	Route Number Billing Rate Average Usage Account Balance
<div>██████████ ATHENS, TX 75752</div> <div>50⁰⁰</div>	<div>██████████</div> <div>45</div>	<div>45</div> <div>Residential</div> <div>8549</div> <div>\$34.63</div>

APPENDIX B



Franchise Tax Account Status

As of : 12/08/2017 16:21:33

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

DAL-HIGH WATER, LLC

Texas Taxpayer Number 32060337212

Mailing Address 214 S WOFFORD ST ATHENS, TX 75751-2835

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 04/29/2016

Texas SOS File Number 0802447797

Registered Agent Name DEXTER MONROE

Registered Office Street Address 214 S. WOFFORD ATHENS, TX 75751



Franchise Tax Account Status

As of : 12/08/2017 16:24:38

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

MONARCH UTILITIES I L.P.

Texas Taxpayer Number 10303732514

Mailing Address 12535 REED RD C/O TAX DEPT (FSC) SUGAR
LAND, TX 77478-2837

④ Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 12/10/2001

Texas SOS File Number 0800034797

Registered Agent Name CORPORATION SERVICE COMPANY DBA CSC -
LAWYERS INCO

Registered Office Street Address 211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

APPENDIX C

ACTIVE COMPLIANCE ORDERS

Agreed Order	Regulated Entity	Water/Wastewater	Violation	Date AO Signed by TCEQ	Original TCEQ Compliance Date	Exension Request	SWWC Compliance Achieved	Comments
2016-2005-PWS-E	Carolynn Estates	Water	Line Capacity	7/18/2017	10/16/2017	1/31/2018	Line Capacity Exception submitted 10/06/17	Awaiting exception response from TCEQ
2016-0428-PWS-E	Ridgecrest	Water	HAA5s	10/5/2016	10/11/2018	NA	Currently out of compliance	GAC treatment units planned Q1 2018
2016-0451-PWS-E	Ridgecrest	Water	TTHMs	Awaiting signature	365 days from signature date	NA	Currently out of compliance	GAC treatment units planned Q1 2018

APPENDIX D

Dal-High LLC CCN 12830 to Monarch Utilities I, LP CCN 12936

Neighboring Entities to be Provided Notice

Bethel-Ash WSC CCN 10821
P.O. Box 1385
Athens, TX 78751-1385

Crescent Heights WSC CCN 10827
P.O. Box 375
Athens, TX 78751

Dogwood Estates Water CCN 10823
P.O. Box 1230
Athens, TX 78751-1230

Virginia Hill WSC CCN 10852
707 E. College St.
Athens, TX 78751-2618

The City of Athens
508 E. Tyler St.
Athens, TX 75751

Judge Richard Sanders
Henderson County
125 N. Prairieville Street
Room 100
Athens, Texas 75751

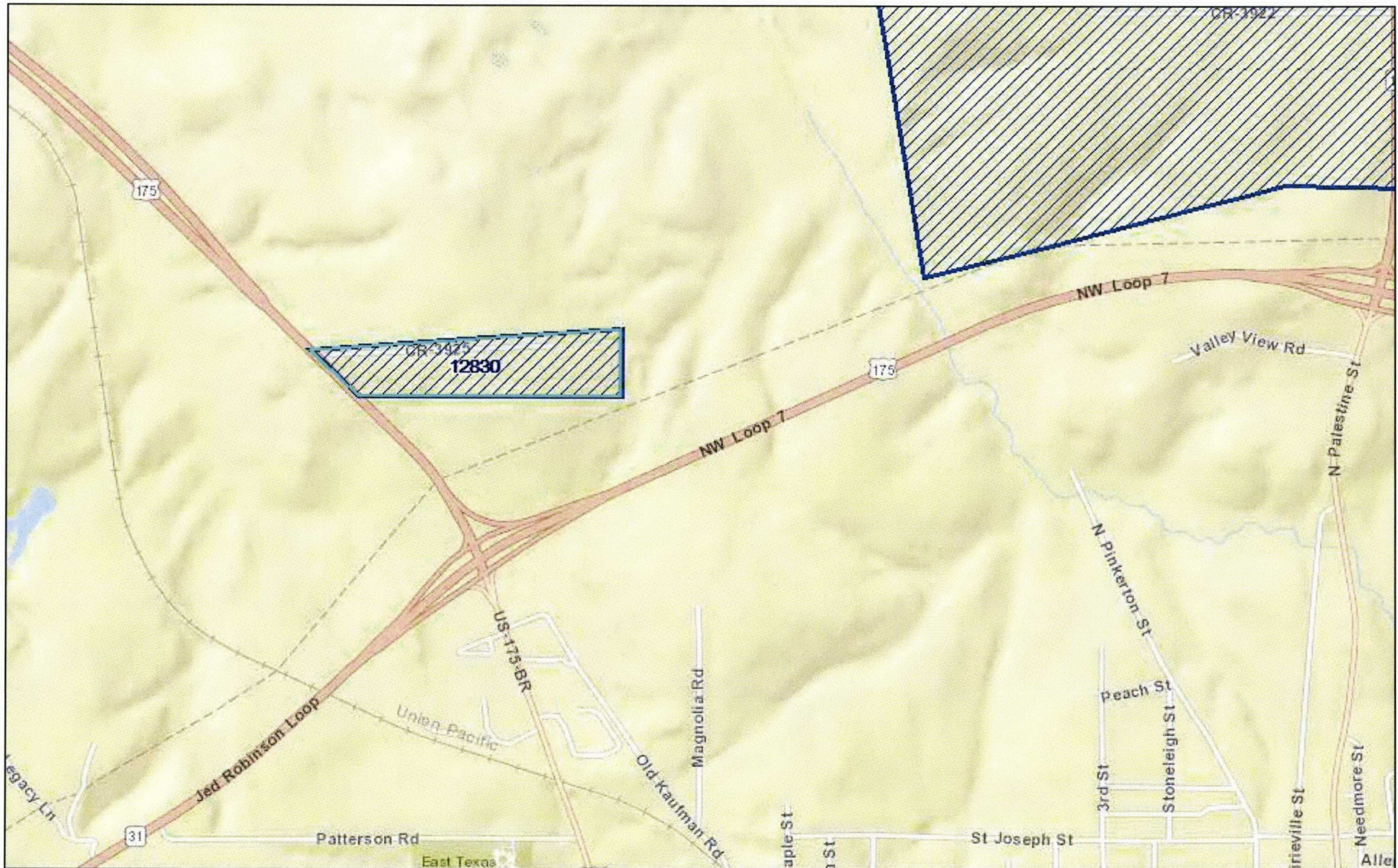
Neches & Trinity Valleys GCD
P.O. Box 1387
Jacksonville, TX 75766

APPENDIX E

**Confidential Documents
to be submitted separately**

APPENDIX F

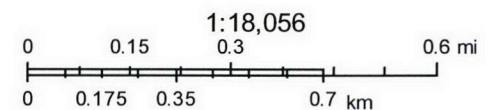
Dal-High Water, LLC CCN No. 12830



December 8, 2017

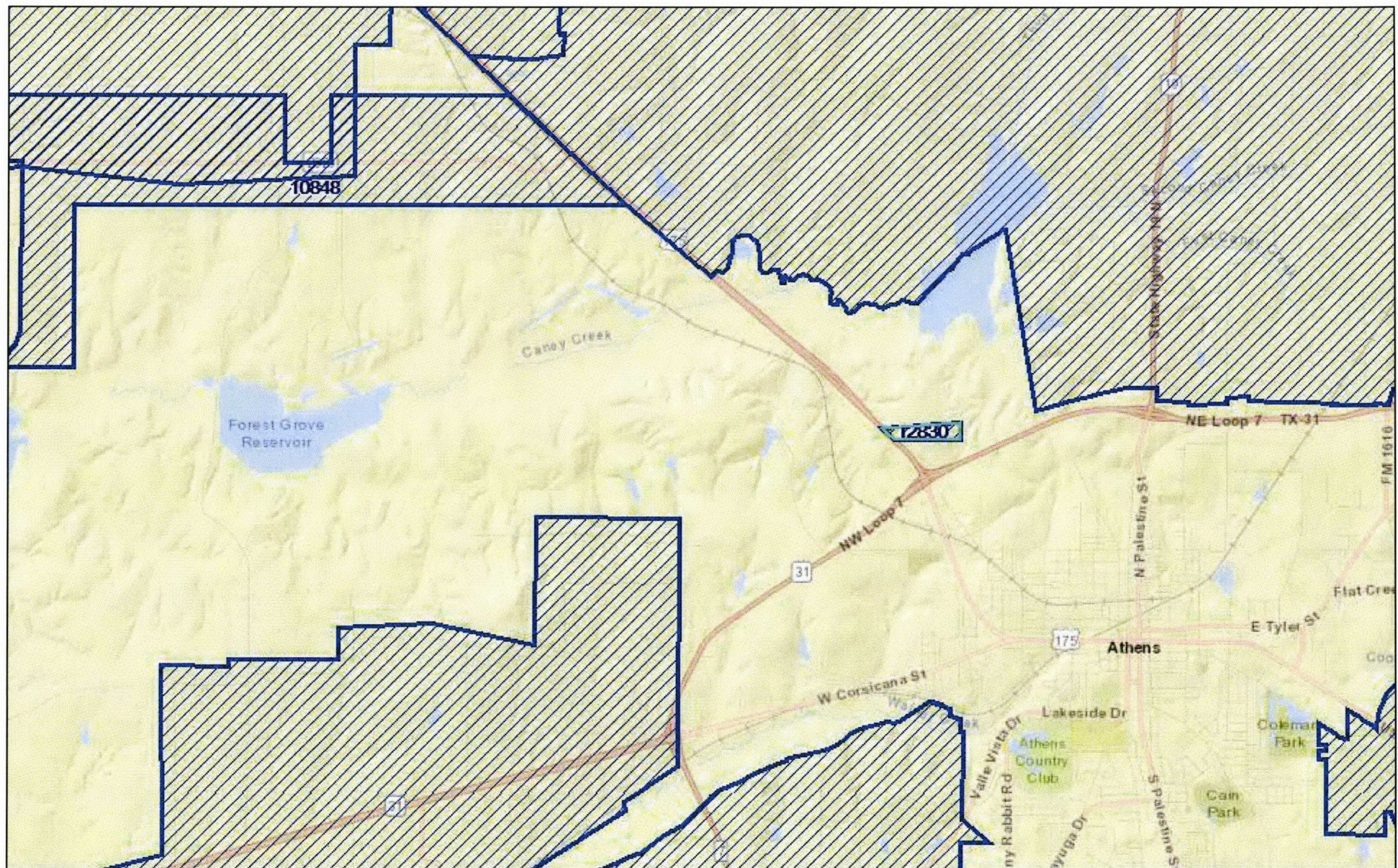
 Water CCN Service Areas

TxDOT Counties



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand),



Dal-High Water, LLC CCN No. 12830

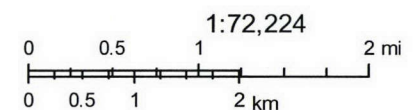


Location Map

Appendix F - 2

December 8, 2017

 Water CCN Service Areas
 TxDOT Counties



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand),

