



Control Number: 48060



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

2014.10.1.10.31

Docket Number: 48060

(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):

<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="N0064"/>
<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="11106"/>
<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="Dave Keith"/>	Title: <input type="text" value="Authorized Representative"/>
Address: <input type="text" value="115 N Loop 1604 E, Suite 2207 San Antonio, TX 78232"/>	Telephone: (AC) <input type="text" value="(210) 614-7051"/>

Fax: Email:

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

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

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

☒ No ☐ Yes- Application/Docket Number: Date

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

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
no customers			

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 type="checkbox"/>	Other (please explain):

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

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

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

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

•Name:	Michael O. Quinn	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 A**

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

SWWC and its affiliates are the second largest IOU in Texas and have the financial resources and operating structure to continue to provide quality service to the acquired area. The acquired area will be connected to an existing SWWC public water system. In addition to experienced, licensed operators, SWWC'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 are no current enforcement actions by TCEQ against SWWC. See Appendix B for a summary of pending actions against Monarch Utilities I, LP, an affiliate of SWWC.

- 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.

SWWC 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.

Service will be provided to a new development where no service previously existed. The acquired area will be served by an existing system owned and operated by the purchaser.

E. How will the transaction serve the public interest?

SWWC will provide public water service to a new development that meets or exceeds all regulatory requirements. Operation and maintenance of the facilities will be provided by the nearby regional operations office. Customer service will be provided by the central customer service center.

12. Please describe the nature of the proposed transaction:

This application is to acquire the certificated area of a proposed exempt utility that never materialized. The service area is completely surrounded by the certificated area of the applicant and service will be provided that existing system. The owners of that utility have requested service from SWWC and have agreed to this transfer. The Seller has no facilities or assets and therefore no facilities or assets will be transferred. It is anticipated there will be five lues once the development is completed.

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: \$ 0.00

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

• Accumulated Depreciation as of the proposed effective date of the transaction:

\$ 0.00

• Contributions in Aid of Construction:

- Specific surcharges approved by TCEQ or PUC:

- Revenues from explicit customer agreements:

- Developer Contributions (please explain):

The applicant for service will provide some facility upgrades and will also construct and transfer the internal distribution system to SWWC. Plans are in progress.

- Other Contributions (please explain):

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 area to be transferred is completely surrounded by the existing service area of SWWC (CCN No. 11106). The service area boundaries of CCN No. N00064 should be eliminated and incorporated in 11106. There are no existing customers in the area and the Seller has no facilities or assets - therefore no facilities or assets will be transferred.

- 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:	\$ 0.00
Plant Acquisition Adjustment:	
Extraordinary Loss on Purchase:	
Accumulated Depreciation of Plant:	\$ 0.00
Cash:	
Notes Payable:	
Mortgage Payable:	
Others (please list):	

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: GHF Date: 2/12/2018
for SWWC

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:

☐ 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:

☒ Other. Please explain:

Customers to be added in the acquired area will be charged rates and approved customer service fees under the SWWC Utilities, Inc. dba Water Services, Inc. tariff in effect at the time application for service is made.

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 C

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

SWWC and its affiliates are the second largest IOU in Texas and has been successfully operating for many years. The addition of the five to six proposed connections of the acquired area will not change the overall financial structure. In lieu of Historical Financial Worksheets below, prepared financial statements for SWWC Utilities, Inc. are submitted as Appendix D 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 D				
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 D				
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 D				
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 D				
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 D			
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 D				
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 D				
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:

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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	
<input type="text"/>	-Non Metered	<input type="text"/>	-2"meter
<input type="text"/>	-5/8" or 3/4" meter	<input type="text"/>	-3" meter
<input type="text"/>	-1" meter	<input type="text"/>	-4" meter
<input type="text"/>	-1 1/2" meter	<input type="text"/>	-Other
Total Water Connections:		<input type="text" value="0"/>	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#
Albert Amezcuita	SW B, BFP	WS0008829, BP0017945
Daniel Maldonado	W A, WW C, CSI	WO0033139, WW0053457, CI0004833
Dominic Cortez	GW C	WG0014467
Randall Jackson	W D, WW D	WO0026769, WW0049446

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

- One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 - A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 - A map showing only the proposed area by:
 - metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - following verifiable natural and man-made landmarks, or
 - a copy of recorded plat map with metes and bounds.
 - A written description of the proposed service area.

Part G – Oaths and Notices

OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF Texas

COUNTY OF Bexar

I, David A. Keith, being duly sworn, file this application for sale, lease, rental or merger or consolidation as Vice President DSC Ventures d/b/a KAP Water Supply (indicate relationship to 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.



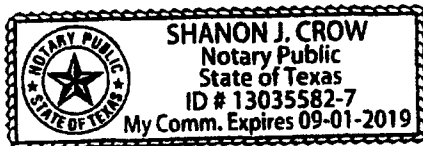
AFFIANT

(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 24th of January, 20 18.

SEAL



NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Shanon J. Crow
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

9/1/19

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

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

Charles W. Profilet, Jr.

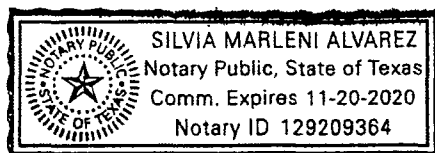
AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified
Power of Attorney must be enclosed.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this
day 11th 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

_____'S
(Seller's or Transferor's Name)

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

NECESSITY (CCN) NO N0064 **TO** SWWC Utilities, Inc. dba Water Services, Inc.
(Purchaser's or Transferee's Name)

IN Comal COUNTY, TEXAS

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

(Address)

City State Zip

Sellers or Transferors' Name

Address

City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer
water or sewer (please select) CCN No. N0064 in Comal [County Name]

County to:

SWWC Utilities, Inc. dba Water Services, Inc.

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):

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

Flightline Drive; on the east by Aviator Pass
; on the south by Windmill Mountain Road; and on the west by unnamed property

The total area being requested includes approximately 7 acres and serves _____ current customers.

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

no current customers

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

SWWC Utilities, Inc. dba Water Services, Inc.

Utility Name

APPENDIX A



Franchise Tax Account Status

As of : 12/20/2017 16:12:58

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

SWWC UTILITIES, INC.

Texas Taxpayer Number 12602872199

Mailing Address 12535 REED RD ATTN: TAX DEPT (FSC) SUGAR
LAND, TX 77478-2837

Right to Transact Business in Texas ACTIVE

State of Formation DE

Effective SOS Registration Date 06/19/2007

Texas SOS File Number 0800832416

Registered Agent Name CORPORATION SERVICE COMPANY DBA CSC -
LAWYERS INCO

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

APPENDIX B

}

ACTIVE COMPLIANCE ORDERS

Agreed Order	Regulated Entity	Water/Wastewater	Violation	Date AO Signed by TCEQ	Original TCEQ Compliance Date	Extension Request Compliance Date	SWWC Compliance Achieved	Comments
2016-2005-PWS-E	Carolynn Estates	Water	Line Capacity	7/18/2017	10/16/2017	2/28/2018	Line Capacity Exception denied, Currently out of Compliance	Line construction begins 02/12/2018
2016-0428-PWS-E	Ridgecrest	Water	HAA5s	10/5/2016	10/11/2018	12/31/2018	Currently out of compliance	GAC treatment units planned April 2018
2016-0451-PWS-E	Ridgecrest	Water	TTHMs	Awaiting signature	365 days from signature date	NA	Currently out of compliance	GAC treatment units planned April 2018

APPENDIX C

KAP water Supply CCN N0064 to SWWC Utilities, Inc. dba Water Services, Inc. CCN 11106

Neighboring Entities to be Provided Notice

GUADALUPE BLANCO RIVER AUTHORITY CCN 12977
933 E COURT ST
SEGUIN TX 78155 - 5819

DILLON WATER RESOURCES CCN 12844
11844 BANDERA RD # 411
HELOTES TX 78023 - 4132

SJWTX, INC. CCN 10692
PO BOX 1742
CANYON LAKE TX 78133 - 5

ELM RIDGE WATER COMPANY CCN 12885
2040 ELM RIDGE DR
SPRING BRANCH TX 78070

LANGE RANCH SUBDIVISION UNIT 2 LOT 1 CCN 0063
c/o KENNETH V LAND
14350 NORTHBROOK DR STE 150
SAN ANTONIO TX 78232 - 5046

SHERMAN KRAUSE, COUNTY JUDGE
COMAL COUNTY
150 N. SEGUIN
NEW BRAUNFELS, TEXAS 78130

BILL KRAWIETZ, MAYOR
CITY OF BULVERDE
30360 COUGAR BEND
BULVERDE, TX 78163

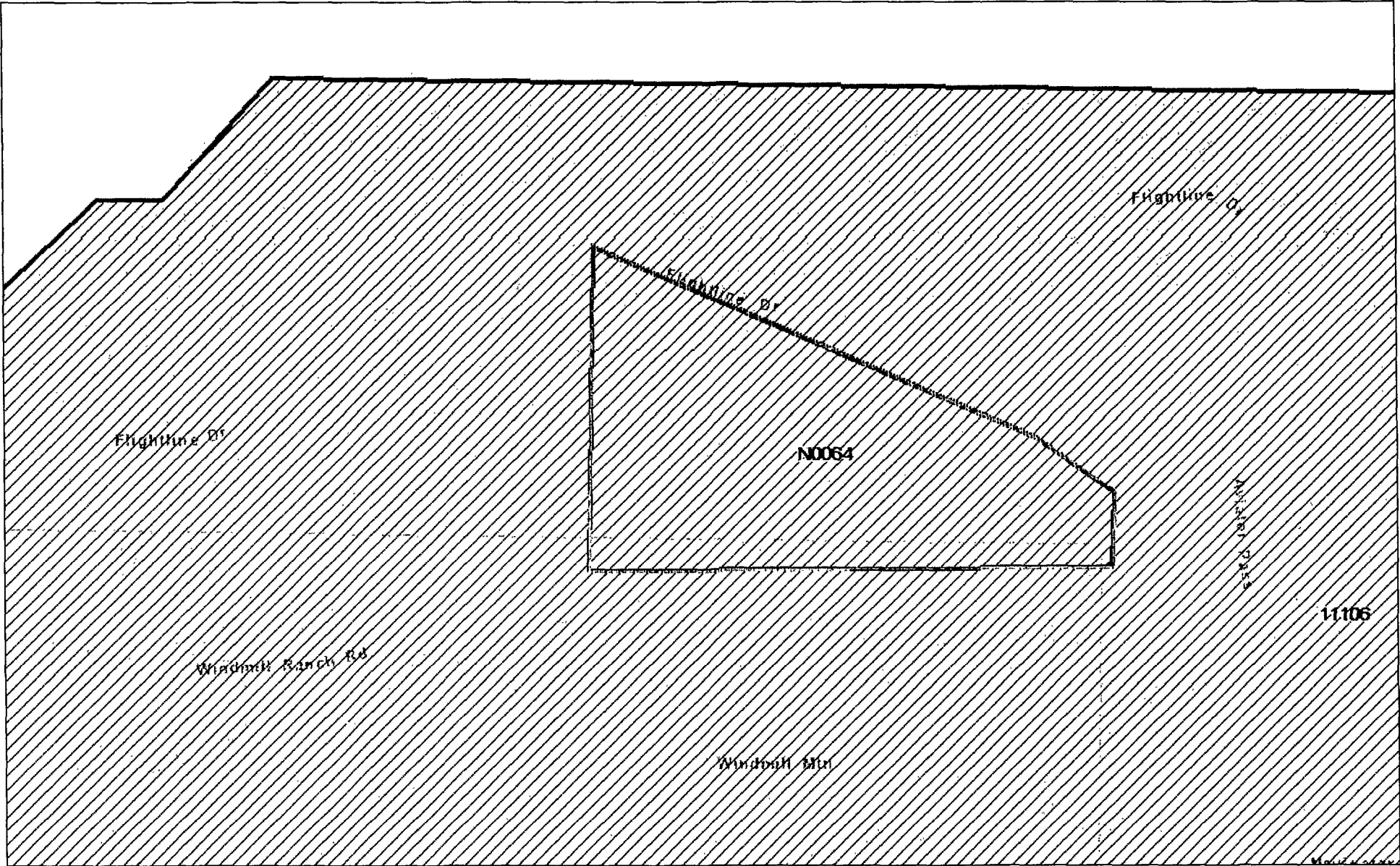
COMAL TRINITY GROUNDWATER CONSERVATION DISTRICT
PO BOX 450
BULVERDE, TX 78163

APPENDIX D


**Confidential Documents
to be submitted separately**

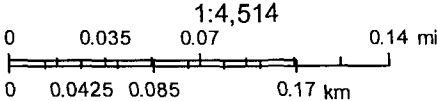
APPENDIX E

KAP Water Supply CCN N0064



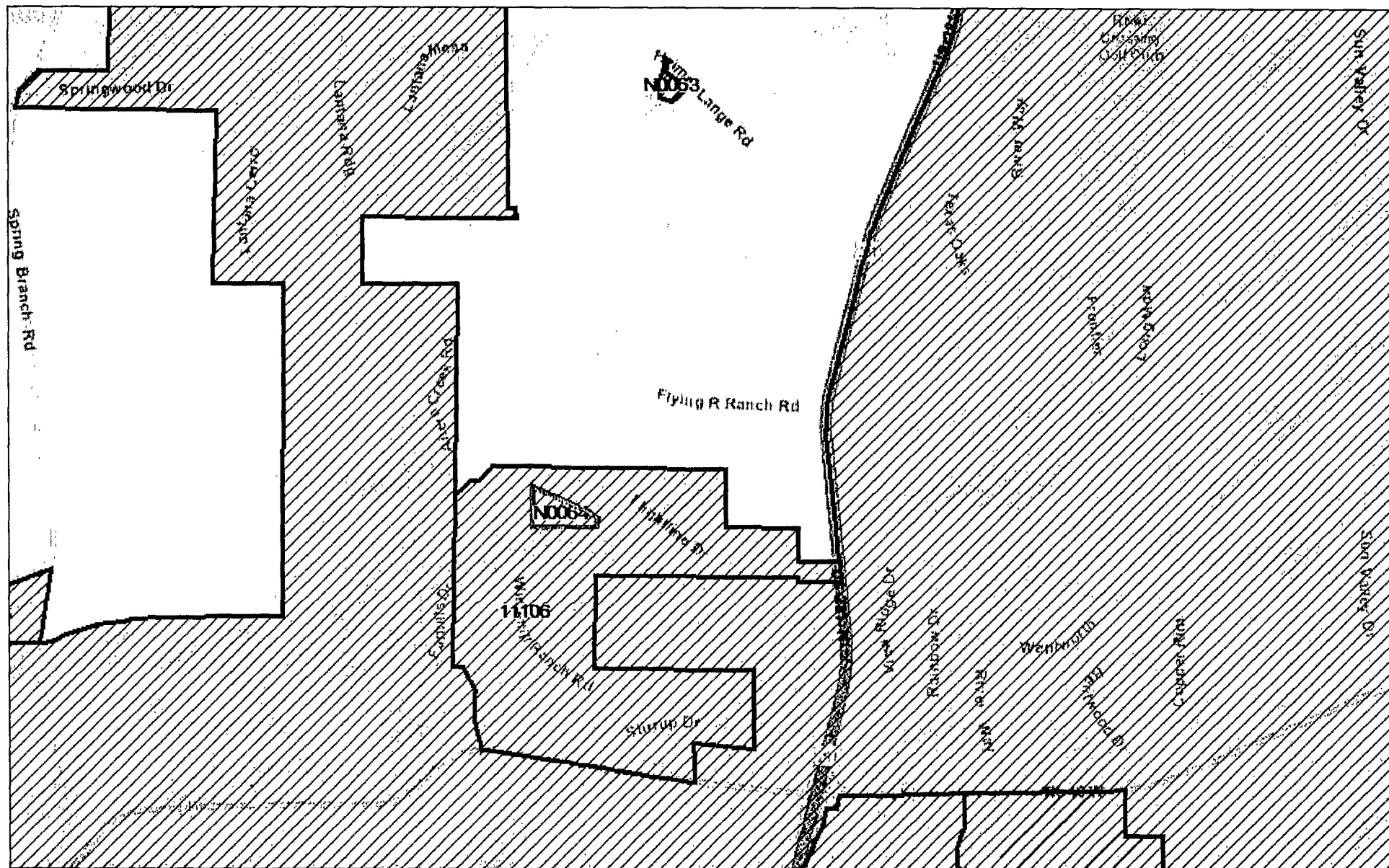
November 10, 2017

 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),

KAP Water Supply CCN N0064

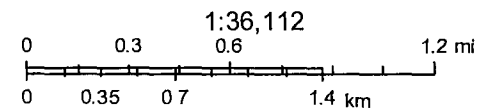


December 15, 2017



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),

000032

APPENDIX F

KAP Water Supply

DATE: September 25, 2017

SWWC Utilities, Inc., DBA
Water Services, Inc.
12535 Reed Road
Sugar Land, Texas 77478-2837

RE: Decertification of KAP WATER SUPPLY (CCN N0064) water service area located in Kestrel Air Park Subdivision, Comal County, Texas

To Whom It May Concern:

The above referenced CCN, being a 14.961 acre service area, more fully described in the exhibit attached hereto and made part hereof, is the water service area of KAP Water Company (KAP) CCN Number N0064.

The purpose of this letter is to acknowledge KAP's desire to decertify the area highlighted on the attached map from its CCN N0064 so that Water Services, Inc. may incorporate those areas into its Windmill/Kestrel Air Park water service area.

We note that KAP does not now, nor has it ever, supplied drinking water service to customers within the area highlighted on the attached maps. KAP shall decertify the area for no compensation under Texas Water Code §13.254 and improvements to serve the area shall be at the sole cost of developer under Texas Water Code §13.2502.

If you agree with our intent to decertify the identified area pursuant to the terms of this letter, please so indicate by signing in the area indicated below and returning it to my attention.

We appreciate your consideration in this matter.

Sincerely,



Dave Keith

DJL Ventures, Inc. and KAP Water Supply
AUTHORIZING SIGNATURE

WATER SERVICES, Inc.

Signature

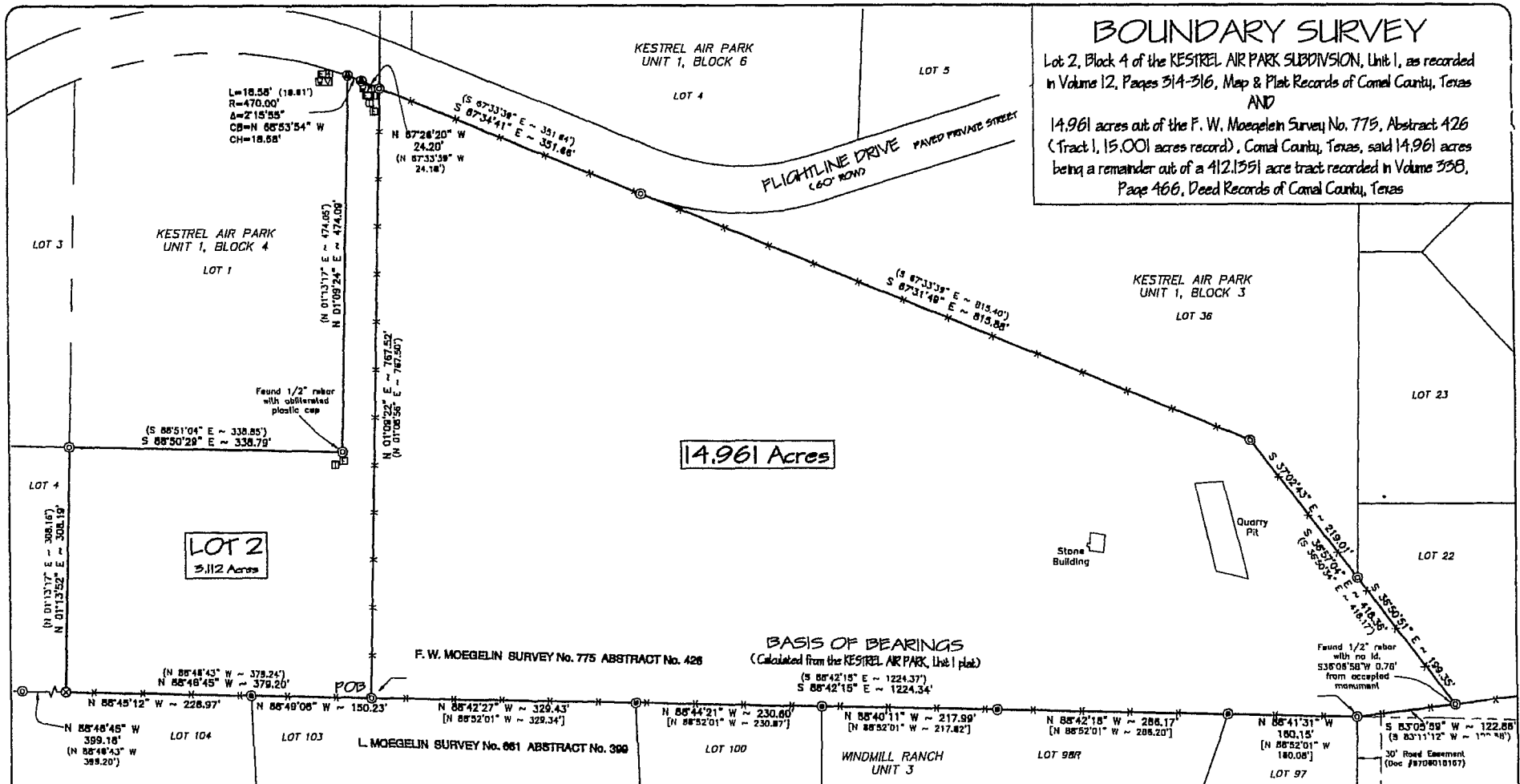
Printed Name

Title

Date

BOUNDARY SURVEY

Lot 2, Block 4 of the KESTREL AIR PARK SUBDIVISION, Unit 1, as recorded in Volume 12, Pages 314-316, Map & Plat Records of Comal County, Texas AND 14.961 acres out of the F. W. Moegelin Survey No. 775, Abstract 426 (Tract 1, 15.001 acres record), Comal County, Texas, said 14.961 acres being a remainder out of a 412.1351 acre tract recorded in Volume 338, Page 466, Deed Records of Comal County, Texas

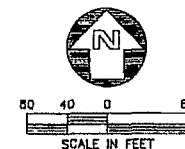


SURVEY NOTES

- OWNER / SITUS: James R. Laininger / Flightline Drive
- DATE OF SURVEY: October 1, 2008.
- BASIS OF BEARINGS: As shown hereon this survey plat.
- REFERENCES:
Vol. 12, Pgs. 314-316, MPR, Kestrel Air Park Subdivision Plat
Vol. 13, Pgs. 33-36, MPR, Windmill Ranch Subdivision Plat
Vol. 338, Pg. 466, DR, Deed for 412.1351 acre tract
Doc. #9708018167, OPR, Deed for Tract 3 - 193 acre tract
- THE FEMA FIRM PANEL #485463-0035-C, dated September 29, 1998, shows the scaled location of the subject property is located in ZONE "C", which IS NOT a special flood hazard area (SFHA).

LEGEND

- Set MAG nail with plastic washer "LANDMARK SURVEYING"
- Found 1/2" rebar with plastic cap "ACS INC"
- Found 1/2" rebar with plastic cap "DMC 3403"
- Found 1/2" rebar with no identification (unless noted otherwise)
- Record Dimensions per Vol. 12, Pgs. 314-316, MPR
- Record Dimensions per Vol. 13, Pgs. 33-36, MPR
- MPR Map & Plat Records
- OPR Official Public Records
- DR Deed Records
- BSL Building Setback Line
- PUE Public Utilities Easement
- OPP Power Pole
- OMP Meter Pole
- Wire Fence
- Water Meter
- Water Valve
- Electric Meter
- Electric Box
- Electric Transformer
- Telephone Pedestal



CERTIFICATION

I hereby certify that this plot conforms to the minimum standards set forth by the Texas Board of Professional Land Surveying and is based upon an actual survey made on the ground under my supervision.

October 13, 2008
DATE

Robert S. Rugloeki
TEXAS WPLS #9002
JOB #10809241

LANDMARK SURVEYING
320 TWIN CANYON DRIVE
BOERNE, TEXAS 78006
E-MAIL: landmarksurveying@qtc.com
PHONE: (830) 822-0994



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