



Control Number: 49379



Item Number: 1

Addendum StartPage: 0





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

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

## Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
- Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
  - Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
  - Provide all mapping information as detailed in Part G: Mapping & Affidavits.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
- SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
- DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. *Application is not accepted for filing.*
  - SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. *Application is accepted for filing.*
- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
- HEARING ON THE MERITS:** An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).
- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.
- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

### FAQ:

#### Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

#### Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

### Terms

**Transferor:** Seller

**Transferee:** Purchaser

**CCN:** Certificate of Convenience and Necessity

**STM:** Sale, Transfer, or Merger

**IOU:** Investor Owned Utility



## Application Summary

**Transferor:** Nerro Supply Investors, LLC

(selling entity)

**CCN No.s:** 10336

☒ Sale
 ☐ Transfer
 ☐ Merger
 ☐ Consolidation
 ☐ Lease/Rental

**Transferee:** Undine Texas, LLC

(acquiring entity)

**CCN No.s:** 13260

☐ Water
 ☐ Sewer
 ☐ All CCN
 ☒ Portion CCN
 ☐ Facilities transfer

**County(ies):** Harris, Montgomery

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### Please mark the items included in this filing

<input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
<input checked="" type="checkbox"/> Tariff including Rate Schedule	Part B: Question 4
<input checked="" type="checkbox"/> List of Customer Deposits	Part B: Question 5
<input checked="" type="checkbox"/> Partnership Agreement	Part C: Question 7
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input checked="" type="checkbox"/> Certificate of Account Status	Part C: Question 7
<input type="checkbox"/> Financial Audit	Part C: Question 10
<input type="checkbox"/> Application Attachment A & B	Part C: Question 10
<input type="checkbox"/> Disclosure of Affiliated Interests	Part C: Question 10
<input type="checkbox"/> Capital Improvement Plan	Part C: Question 10
<input type="checkbox"/> List of Assets to be Transferred	Part D: 11.B
<input type="checkbox"/> Developer Contribution Contracts or Agreements	Part D: 11.D
<input type="checkbox"/> Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
<input checked="" type="checkbox"/> TCEQ Compliance Correspondence	Part F: Question 22
<input type="checkbox"/> TCEQ Engineering Approvals	Part F: Question 24
<input type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part F: Question 26
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> General Location (small scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> Digital Mapping Data	Part G: Question 29
<input checked="" type="checkbox"/> Signed & Notarized Oath	Page 13-14



## Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

Undine Texas, LLC will purchase all utility assets listed in Attachment 'A' as defined in the Letter of Intent to Nerro Supply Investors, LLC.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

- ☐ Obtaining a NEW CCN for Purchaser  
☐ Transfer all CCN into Purchaser's CCN (Merger)  
☒ Transfer Portion of CCN into Purchaser's CCN  
☐ Transfer all CCN to Purchaser and retain Seller CCN  
☐ Uncertificated area added to Purchaser's CCN

For **Transferor** (Seller) CCN:

- ☐ Cancellation of Seller's CCN  
☒ Transfer of a Portion of Seller's CCN to Purchaser  
☐ Only Transfer of Facilities, No CCN or Customers  
☐ Only Transfer of Customers, No CCN or Facilities  
☐ Only Transfer CCN Area, No Customers or Facilities

## Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Nerro Supply Investors, LLC

(individual, corporation, or other legal entity)

☐ Individual

☐ Corporation

☐ WSC

☒ Other: LLC

- B. Mailing Address: PO Box 691008, Houston TX 77269

Phone: (281) 355-1312

Email: chuck@gulfutility.net

- 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, accountant, or other title.

Name: Gregory P. Pappas

Title: President

Mailing Address: PO Box 691008, Houston TX 77269

Phone: (281) 355-1312

Email: pappas@blackswanrep.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

- A. Effective date for most recent rates: September 25, 2015

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

☐ No ☒ Yes

Application or Docket Number: 44967

**If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.**



5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are no customers that will be transferred

☐ # of customers without deposits held by the transferor \_\_\_\_\_

☒ # of customers with deposits held by the transferor\* \_\_\_\_\_

\*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

### Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: Undine Texas, LLC

(individual, corporation, or other legal entity)

☐ Individual

☐ Corporation

☐ WSC

☒ Other: LLC

B. Mailing Address: 17681 Telge Road, Cypress, Texas 77429

Phone: (713) 574-5953

Email: info@undinellc.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Carey A. Thomas

Title: Senior Vice President

Address: 17681 Telge Road, Cypress, Texas 77429

Phone: (713) 574-5953

Email: cthomas@undinellc.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No

☒ Yes

☐ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No

☒ Yes

☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (attach Partnership agreement)

☐ Corporation

Charter number (as recorded with the Texas Secretary of State): \_\_\_\_\_

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]

Charter number (as recorded with the Texas Secretary of State): \_\_\_\_\_

☐ Articles of Incorporation and By-Laws established (attach)

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)



- ☐ County
- ☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- ☒ Other (please explain): LLC, LLC Agreement attached

8. If the transferee operates under any d/b/a, provide the name below:

Name: \_\_\_\_\_

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Confidential - Please see Attachment 'C'

Position: \_\_\_\_\_ Ownership % (if applicable): 0.00%

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_ Ownership % (if applicable): 0.00%

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_ Ownership % (if applicable): 0.00%

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_ Ownership % (if applicable): 0.00%

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

**Historical Financial Information** may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.



**Projected Financial Information** may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

**Part D: Proposed Transaction Details**

11. A. Proposed Purchase Price: \$ \_\_\_\_\_

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: \$ \_\_\_\_\_

Accumulated Depreciation: \$ \_\_\_\_\_

Net Book Value: \$ \_\_\_\_\_

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☐ No ☐ Yes

Total Customer CIAC: \$ \_\_\_\_\_  
Accumulated Amortization: \$ \_\_\_\_\_

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☐ No ☐ Yes

Total developer CIAC: \$ \_\_\_\_\_  
Accumulated Amortization: \$ \_\_\_\_\_

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes



B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

Undline brings a significantly higher level of sophistication compared to most previous owners including a strict adherence to NARUC accounting and customer and regulatory communications.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service: S  
Accumulated Depreciation of Plant: S  
Cash: S  
Notes Payable: S  
Mortgage Payable: S  
(Proposed) Acquisition Adjustment\*: S  
Other (NARUC account name & No.): \_\_\_\_\_  
Other (NARUC account name & No.): \_\_\_\_\_

\*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

There will be no changes to billing rates.

- B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

Other than any changes in pass through rates, there will be no rate changes to the current tariff in the next twelve months.



**Part E: CCN Obtain or Amend Criteria Considerations**

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

Undine Texas, LLC intends to raise the standards of quality for: 1) customer service, 2) customer and regulatory communications, 3) all regulatory compliance issues.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

Please see Attachment 'E'

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)



No



Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

The quality of drinking water is extremely important to us. We believe in investment in procedure and treatment to ensure that the water supplied to our customers is safe to drink. This begins with the protection of our water sources and continues with the quality control in the water treatment process and the maintenance of the distribution system. Our commitment to maintaining regulatory standards in all of our systems means a safe, clean water supply and a healthy living environment.

20. How will the proposed transaction serve the public interest?

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

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

Please See Attachment 'E'



## Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction.  
 Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: Please See Attachment 'F' (7 digit ID)

Name of PWS: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - \_\_\_\_\_ (8 digit ID)

Name of Wastewater Facility: \_\_\_\_\_

Name of Permittee: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

Date of application to transfer permit submitted to TCEQ: \_\_\_\_\_

23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-inclined		2"		Residential
	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:				Total Sewer Connections:	

24. A. Are any improvements required to meet TCEQ or Commission standards?

☐ No ☐ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

☐ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☐ No ☐ Yes: \_\_\_\_\_ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: \_\_\_\_\_ Sewer: \_\_\_\_\_



26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

☐ No ☐ Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: \_\_\_\_\_

Water: \_\_\_\_\_

Sewer: \_\_\_\_\_

- B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

☐ No ☐ Yes

- C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:	_____	0.00%
Sewer:	_____	0.00%

- D. Will the purchase agreement or contract be transferred to the Transferee?

☐ No ☐ Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☐ No ☐ Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

### Part G: Mapping & Affidavits

**ALL applications require mapping information to be filed in conjunction with the STM application.**

***Read question 29 A and B to determine what information is required for your application.***

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
  - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
  - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.



- iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
- i. The map must be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made or natural landmarks must be labeled and marked on the map as well.
  - ii. If the application requests an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
  - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
  - iv. The outer boundary of the requested area should not be covered by any labels, roads, city limits or extraterritorial jurisdiction (ETJ) boundaries.
- B. For applications that are requesting to include area not currently within a CCN, or for applications that require a CCN amendment (any change in a CCN boundary), such as the transfer of only a portion of a certificated service area, provide the following mapping information with each of the seven (7) copies of the application:
- 1. A general location (small scale) map identifying the requested area with enough detail to locate the requested area in reference to the nearest county boundary, city, or town. Please refer to the mapping guidance in part A 1 (above).
  - 2. A detailed (large scale) map identifying the requested area with enough detail to accurately locate the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, or railroads. Please refer to the mapping guidance in part A 2 (above).
  - 3. One of the following identifying the requested area:
    - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part A 2 (above);
    - ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part A 2 (above); or
    - iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
      - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
      - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
      - c. The digital mapping data shall be filed on a data disk (CD or USB drive), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.



## Part H: Notice Information

The following information will be used to generate the proposed notice for the application.  
**DO NOT provide notice** of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: \_\_\_\_\_

Number of customer connections in the requested area: \_\_\_\_\_

Affected subdivision : Please See Attachment 'H'

The closest city or town: \_\_\_\_\_

Approximate mileage to closest city or town center: \_\_\_\_\_

Direction to closest city or town: \_\_\_\_\_

The requested area is generally bounded on the North by: \_\_\_\_\_

on the East by: \_\_\_\_\_

on the South by: \_\_\_\_\_

on the West by: \_\_\_\_\_

31. A copy of the proposed map will be available at: 17681 Telge Road, Cypress, Texas 77429

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

☒ All of the customers will be charged the same rates they were charged before the transaction.

☐ All of the customers will be charged different rates than they were charged before the transaction.

☐ higher monthly bill ☐ lower monthly bill

☐ Some customers will be charged different rates than they were charged before  
(i.e. inside city limit customers)

☐ higher monthly bill ☐ lower monthly bill



**Oath for Transferor (Transferring Entity)**

STATE OF Texas

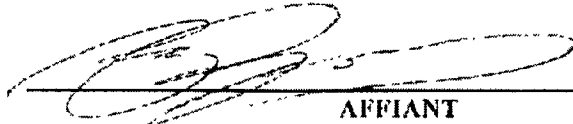
COUNTY OF Harris

I, GABRIEL P. PAPPAS being duly sworn, file this application for sale,  
merger, consolidation, acquisition, lease, or transfer,  
rental, as CHAIRMAN

(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest 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 Texas Water Code § 13.301(j) and copies of any outstanding enforcement 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 Texas Water Code § 13.301(k).

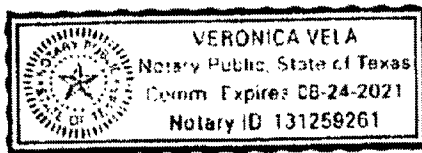


AFFIANT  
(Utility's Authorized Representative)

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 BEFORE ME, a Notary Public in and for the State of Texas  
this day the 22nd of March, 2019

SEAL



Veronica Vela

NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Veronica Vela

PRINT OR TYPE NAME OF NOTARY

My commission expires: 08/24/2021



**Oath for Transferee (Acquiring Entity)**

STATE OF Texas

COUNTY OF Harris

I, Carey A Thomas being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as Senior Vice President  
(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest 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.

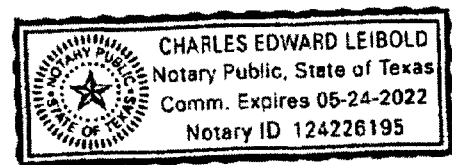
I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

Carey A. Thomas  
**AFFIANT**  
(Utility's Authorized Representative)

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

**SUBSCRIBED AND SWORN BEFORE ME**, a Notary Public in and for the State of Texas  
this day the 25 of MARCH, 2019

SEAL



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

CHARLES E. LEIBOLD  
**PRINT OR TYPE NAME OF NOTARY**

**My commission expires:** 5/24/2022



## Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)

*(Audited financial statements may be substituted for this schedule – see Item 17 of the instructions)*

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Other						
<b>A. Total Current Assets</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>B. Total Fixed Assets</b>						
<b>C. TOTAL Assets (A + B)</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>						
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>E. Total Long Term Liabilities</b>						
<b>F. TOTAL LIABILITIES (D + E)</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>G. TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>						
<b>WORKING CAPITAL (A - D)</b>						
<b>CURRENT RATIO (A / D)</b>						
<b>DEBT TO EQUITY RATIO (E / G)</b>						

**DO NOT INCLUDE ATTACHMENTS A OR B IN FILED APPLICATION IF LEFT BLANK**



## HISTORICAL NET INCOME INFORMATION

(ENTER DATE OF YEAR END )	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc)						
<b>Gross Income</b>						
<b>EXPENSES</b>						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
<b>NET INCOME</b>						



HISTORICAL EXPENSE INFORMATION (ENTER DATE OF YEAR END)	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits-Office/Management						
Office (services, rentals, supplies, electricity)						
Contract Labor						
Transportation						
Insurance						
Telephone						
Utilities						
Property Taxes						
Professional Services/Fees (recurring)						
Regulatory- other						
Other (describe)						
Interest						
Other						
<b>Total General Admin. Expenses (G&amp;A)</b>						
<b>% Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONS &amp; MAINTENANCE EXPENSES</b>						
Salaries & Benefits (Employee, Management)						
Materials & Supplies						
Utilities Expense-office						
Contract Labor						
Transportation Expense						
Depreciation Expense						
Other(describe)						
<b>Total Operational Expenses (O&amp;M)</b>						
<b>Total Expense (Total G&amp;A + O&amp;M)</b>						
<b>Historical % Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Depreciation Schedule (attach)						
Other assumptions/information (List all)						



# Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
<b>A. Total Current Assets</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>B. Total Fixed Assets</b>						
<b>C. TOTAL Assets (A + B)</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>						
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>E. Total Long Term Liabilities</b>						
<b>F. TOTAL LIABILITIES (D + E)</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>G. TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES-EQUITY (F + G) = C</b>						
<b>WORKING CAPITAL (A - D)</b>						
<b>CURRENT RATIO (A / D)</b>						
<b>DEBT TO EQUITY RATIO (F / G)</b>						



## PROJECTED NET INCOME INFORMATION

(ENTER DATE OF YEAR END)	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A 4 YEAR ( - - )	A-5 YEAR ( - - )
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc)						
<b>Gross Income</b>						
<b>EXPENSES</b>						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
<b>NET INCOME</b>						

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office						
Computer						
Auto						
Insurance						
Telephone						
Utilities						
Depreciation						
Property Taxes						
Professional Fees						
Interest						
Other						
<b>Total</b>						
<b>% Increase Per projected Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto						
Utilities						
Depreciation						
Repair & Maintenance						
Supplies						
Interest						
Other						
<b>Total</b>						



<b>PROJECTED SOURCES AND USES OF CASH STATEMENTS</b>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income						
Depreciation (If funded by revenues of system)						
Loan Proceeds						
Other						
<b>Total Sources</b>						
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
<b>Total Uses</b>						
<b>NET CASH FLOW</b>						
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt Service (CADS)						
A: Net Income (Loss)						
B: Depreciation, or Reserve Interest						
<b>C: Total CADS (A + B = C)</b>						
<b>D: DEBT SERVICE (DS)</b>						
Principle Plus Interest						
<b>E: DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by DS (E = C / D)						



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

<b>Attachment 'A'</b>	CCN Number, Subdivision Name(s), RN Number(s)
<b>Attachment 'B'</b> Part A: Question 1 Confidential	Letter of Intent
<b>Attachment 'C'</b> Part B: Question 4	Current Tariff
<b>Attachment 'D'</b> Part B: Question 5 Confidential	Customer Name, Address, and Deposit Information
<b>Attachment 'E'</b> Part C: Question 7 Confidential	Limited Liability Company Agreement Undine Texas Environmental, LLC and Organizational Chart
<b>Attachment 'F'</b> Part C: Question 7	Certificate of Account Status
<b>Attachment 'G'</b> Part C: Question 9 Confidential	List of the Officers of Undine Texas, LLC
<b>Attachment 'H'</b> Part D Confidential	Financial Information
<b>Attachment 'I'</b> Part E: Question 17	Evidence of Financial, Managerial and Technical, and Capabilities List of Currently Held Utilities
<b>Attachment 'J'</b> Part E: Question 21	Utilities Within 2 Miles



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**Attachment 'K'**

Part F: Question 22

Inspection Reports for Each System

**Attachment 'L'**

Part F: Question 28

Confidential

Operators Information

**Attachment 'M'**

Part G

CCN Maps to be Transferred with this Application

**Attachment 'N'**

Part H

CCN Descriptions



## **Attachment 'A'**

CCN Number, Subdivision Name, RN Number



**NW 1**

<b>Hazy Hollow East Estates</b>		<b>Active Connections</b>
CN	605149988	742
CCN	10336	
RN	101196657	
PWSID No	TX1700013	
Subdivision	Hazy Hollow	
County	Montgomery	

**NW 2**

<b>Spring Creek Valley Estates</b>		<b>Active Connections</b>
CN	605149988	189
CCN	10336	
RN	101450674	
PWSID No	TX1010213	
Subdivision	Spring Creek Valley	
County	Harris	

<b>Shady Brook Acres</b>		<b>Active Connections</b>
CN	605149988	57
CCN	10336	
RN	101247088	
PWSID No	TX1700031	
Subdivision	Shady Brook Acres	
County	Montgomery	



## **Attachment 'B'**

***Part A: Question 1***

***Confidential***

Letter of Intent



# CONFIDENTIAL

**DOCKET NO.:**

**STYLE:** Application of Nerro Supply Investors, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Harris and Montgomery Counties

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment B – Letter of Intent

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 26 TO 30

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

---

**DATE SUBMITTED TO COMMISSION:** March 26, 2019



## **Attachment 'C'**

### ***Part B: Question 4***

Current Tariff



# **WATER UTILITY TARIFF FOR**

Nerro Supply Investors, LLC.	718 Westscott Street
(Utility Name)	(Business Address)
Houston, Texas 77007	(281) 355-1312
(City, State, Zip Code)	(Area Code/Telephone)

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

10336

This tariff is effective in the following county (ies):

Harris and Montgomery

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

None

This tariff is effective in the following subdivision or systems:

Hazy Hollow East Estates, Shady Brook Acres, Spring Creek Valley Estates, and White Oak Valley Estates

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

## **TABLE OF CONTENTS**

SECTION 1.0-RATE SCHEDULE	2
SECTION 2.0- SERVICE RULES AND POLICIES	4
SECTION 3.0- EXTENSION POLICY	13
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APPENDIX A- SAMPLE SERVICE AGREEMENT	
APPENDIX B- APPLICATION FOR SERVICE	



**SECTION 1.0 -- RATE SCHEDULE**

**Section 1.01 - Rates**

**Spring Creek Valley Estates (Harris County)**

<b>Meter Size</b>	<b>Monthly Minimum Charge</b>	<b>Gallage Charge</b>
5/8" or 3/4"	\$ 37.16 (Includes 1,000 gallons)	\$ 3.56 per 1000 gallons over the minimum
* Plus NHCRWA Fee for <u>ALL</u> gallons used		

\* North Harris County Regional Water Authority Water Use Fee:

\$ 2.19 per 1,000 gallons of water usage

**Hazy Hollow East Estates, White Oak Valley Estates & Shady Brook Acres (Montgomery County)**

<b>Meter Size</b>	<b>Monthly Minimum Charge</b>	<b>Gallage Charge</b>
5/8" or 3/4"	\$ 36.71 (Includes 1,000 gallons)	\$ 3.55 per 1000 gallons over the minimum
* Plus LSGCD & SJRA Fees for <u>ALL</u> gallons used		

\* Lone Star Groundwater Conservation District Water Use Fee:

\$ 0.05 Per 1,000 gallons of water usage

\* San Jacinto River Authority Fee for Hazy Hollow East Estates and White Oak Valley Estates Only:

\$ 2.50 Per 1,000 gallons of water usage

**FORM OF PAYMENT:** The utility will accept the following forms of payment:

Cash X Check X Money Order X Credit Card     Other specify                     

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

**REGULATORY ASSESSMENT**

**1.0%**

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

**Section 1.02 - Miscellaneous Fee**

**TAP FEE**

\$ 0.00

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.



## SECTION 1.0 – RATE SCHEDULE (Continued)

### **TAP FEE (Large Meter)**

Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

### **METER RELOCATION FEE** Actual Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED

### **METER TEST FEE**

\$ 25.00

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

### **RECONNECTION FEE**

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- |  |                 |
|--|-----------------|
| a) Nonpayment of bill (Maximum \$25.00)            | \$ <u>25.00</u> |
| b) Customer's request that service be disconnected | \$ <u>40.00</u> |
| c) _____   | \$ _____        |

### **TRANSER FEE**

\$ 25.00

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

### **LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)**

10%

TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

### **RETURNED CHECK CHARGE**

\$ 25.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

### **CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)**

\$ 50.00

### **COMMERCIAL & NON-RESIDENTIAL DEPOSIT**

1/6TH OF ESTIMATED ANNUAL BILL



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

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

### **LINE EXTENSION AND CONSTRUCTION CHARGES:**

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

#### **Pass Through Provision:**

For Utilities subject to changes in costs imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

$$AG = G + B/(1-L), \text{ Where:}$$

AG = adjusted gallonage charge, rounded to nearest one cent

G = approved gallonage charge, per 1,000 gallons

B = changed in fee (per 1,000 gallons)

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%);

$$ABR = BR + (B \times N)/(1-L), \text{ Where:}$$

ABR = adjusted base rate, rounded to nearest one cent;

B = approved gallonage charge, per 1,000 gallons;

N = no. of 1,000 gallons included in base rate (do not use zero);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)



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CENTRAL RECORDS (512)-936-7180



**Donna L. Nelson**  
Chairman

**Kenneth W. Anderson, Jr.**  
Commissioner

**Brandy D. Marty**  
Commissioner

**Brian H. Lloyd**  
Executive Director



**Rick Perry**  
Governor

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## *Public Utility Commission of Texas*

**TO:** Betty Blaschke  
Northwest Water Systems, Inc.  
P.O. Box 550  
Tomball, TX 77377

Commission Staff – Water Utility Regulation  
Commission Staff – Legal Division

**RE:** *Tariff Control No. 43010 - Application of Northwest Water Systems, Inc. to Implement a Pass Through Adjustment to Approved Tariff (Purchased Water/Sewer Fees)*

### NOTICE OF APPROVAL

On September 8, 2014, Northwest Water Systems, Inc. filed an application to implement an increase in the water pass through provision to recover the water production fees imposed by the San Jacinto River Authority (SJRA) Groundwater Reduction Plan (GRP). Northwest Water Systems holds Certificate of Convenience and Necessity (CCN) No. 10336. The new pass through rate will be \$2.50 per 1,000 gallons. The pass through adjustment for the SJRA GRP was effective September 1, 2014, for affected customers in Hazy Hollow East Estate and White Oak Valley Estates subdivisions in Montgomery County, Texas.

On October 29, 2014, Public Utility Commission of Texas (Commission) Staff filed a recommendation for approval of the new pass through rate, \$2.50 per 1,000 gallons. Staff determined that the application was complete and that notice, as mailed to customers, satisfied the requirements of P.U.C. SUBST. R. 24.21(h)(4) and (5). In addition, Commission Staff recommended that the first bill issued by the Applicant with the pass through adjustment fee include a short statement that this rate change is being implemented in accordance with the utility's approved pass through provision water adjustment clause for fees related to the SJRA GRP.





Consistent with Staff's recommendation, the application is approved, effective September 1, 2014. The approved tariff pages are attached to this Notice.

After issuance of this Notice, the first bill issued by Northwest Water Systems with the pass through adjustment shall include a short statement that this rate change is being implemented in accordance with the utility's approved pass through provision water adjustment clause for fees related to the SJRA GRP. If Northwest Water Systems collects an amount as a result of the proposed rate increase that is higher than the purchased water costs incurred, then Northwest Water Systems must refund any amounts collected in excess of the purchased water costs incurred. Refunds shall be made for the same length of time as the proposed rates were collected.

SIGNED AT AUSTIN, TEXAS on the 7<sup>th</sup> day of November 2014.

PUBLIC UTILITY COMMISSION OF TEXAS

  
IRENE MONTELONGO  
DIRECTOR, DOCKET MANAGEMENT

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## **WATER UTILITY TARIFF**

### **Docket Number: 43010**

Northwest Water Systems, Inc.  
(Utility Name)

P.O. Box 550  
(Business Address)

Tomball, Texas 77377  
(City, State, Zip Code)

(281) 255-2505  
(Area Code/Telephone)

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

10336

This tariff is effective in the following counties:

Harris and Montgomery

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

None

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

See attached list.

#### **TABLE OF CONTENTS**

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE .....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES.....	3
SECTION 3.0 -- EXTENSION POLICY.....	4
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN .....	5
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

**Docket No. 43010**



# LIST OF SUBDIVISIONS

SUBDIVISION	PW/AD NUMBER	COUNTY
Hazy Hollow East Estates	1700013	Montgomery
Shady Brook Acres	1700031	Montgomery
Spring Creek Valley Estates	1010213	Harris
White Oak Valley Estates	1700036	Montgomery

**Docket No. 43010**



**Hazy Hollow East Estates, White Oak Valley  
Estates, Shady Brook Acres, Spring Creek Valley Estates**

**SECTION 1.0 -- RATE SCHEDULE**

**Section 1.01 - Rates**

**Spring Creek Valley Estates (Harris County)**

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$37.16</u> (Includes 1000 gallons)	<u>\$3.56</u> per 1,000 gallons over the minimum *Plus NHCRA Fee for <b>ALL</b> gallons used.

\*North Harris County Regional Water Authority Water Use Fee:

\$2.19 per 1,000 gallons of water usage

**Hazy Hollow East Estates, White Oak Valley Estates, Shady Brook Acres  
(Montgomery County);**

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$36.71</u> (Includes 1000 gallons)	<u>\$3.55</u> per 1,000 gallons over the minimum *PLUS LSGCD & SJRA fees for <b>ALL</b> gallons used.

\*Lone Star Groundwater Conservation District Water Use Fee:

\$0.05 per 1,000 gallons of water usage.

\*San Jacinto River Authority Fee for Hazy Hollow East Estates and White Oak Valley Estates only.

\$2.50 per 1,000 gallons of water usage

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card \_\_\_\_\_, Other (specify) \_\_\_\_\_

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO  
ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN  
RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT ..... 1.0%

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

**Docket No. 43010**



Hazy Hollow East Estates, White Oak Valley

Estates, Shady Brook Acres, Spring Creek Valley Estates

## SECTION 1.0 - RATE SCHEDULE (Continued)

Section 1.02 - Miscellaneous FeesTAP FEE.....N/A

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.

METER RELOCATION FEE .....Actual Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE .....\$25.00

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

## RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

a) Non payment of bill (Maximum \$25.00) .....\$25.00b) Customer's request that service be disconnected .....N/ATRANSFER FEE .....N/A

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL).....10%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

**Docket No. 43010**



**Hazy Hollow East Estates, White Oak Valley  
Estates, Shady Brook Acres, Spring Creek Valley Estates**

**SECTION 1.0 - RATE SCHEDULE (Continued)**

RETURNED CHECK CHARGE..... \$25.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

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

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

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 24.21(K)(2)]

**LINE EXTENSION AND CONSTRUCTION CHARGES:**

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

**Pass Through Provision:**

For Utilities subject to changes in costs imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

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

AG = adjusted gallonage charge, rounded to nearest one cent

G = approved gallonage charge, per 1,000 gallons

B = changed in fee (per 1,000 gallons)

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%);

$ABR = BR + (B \times N)/(1-L)$ , Where:

ABR = adjusted base rate, rounded to nearest one cent;

B = approved gallonage charge, per 1,000 gallons;

N = no. of 1,000 gallons included in base rate (do not use zero);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)



## **Attachment 'D'**

### ***Part B: Question 5***

#### ***Confidential***

Customer Name, Address and Deposit Information



# **CONFIDENTIAL**

**DOCKET NO.:**

**STYLE:** Application of Nerro Supply Investors, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Harris and Montgomery Counties

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment D – Customer Name, Address and Deposit Information

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 45 TO 60

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

---

**DATE SUBMITTED TO COMMISSION:** March 26, 2019



## **Attachment 'E'**

***Part C: Question 7***

***Confidential***

Limited Liability Company Agreement Undine Texas, LLC and  
Organizational Chart



# **CONFIDENTIAL**

**DOCKET NO.:**

**STYLE:** Application of Nerro Supply Investors, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Harris and Montgomery Counties

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment E – Limited Liability Company Agreement Undine Texas, LLC and Organizational Chart

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 62 TO 69

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

---

**DATE SUBMITTED TO COMMISSION:** March 26, 2019



## **Attachment 'F'**

### ***Part C: Question 7***

#### **Certificates of Account Status**



The legal name of the seller party is Nerro Supply Investors, LLC. It does not conduct business under an assumed name.

The legal name of the buyer party is Undine Texas, LLC. It does not conduct business under an assumed name.

The seller party, Nerro Supply Investors, LLC, operates as a domestic limited liability company. The business was formed on January 26, 2015.

The buyer party, Undine Texas, LLC, operates as a Delaware, USA, foreign limited liability company. The business was formed on November 25, 2015.

Nerro Supply Investors, LLC is wholly owned by BlackSwan Water Resources, LLC. The Primary business of BlackSwan Water Resources, LLC is owning and operating water and wastewater utilities.

Undine, LLC is the Sole Member of seller Undine Texas, LLC which was registered on November 25, 2015. The Primary business of Undine, LLC is owning and operating water and wastewater utilities.



# Delaware

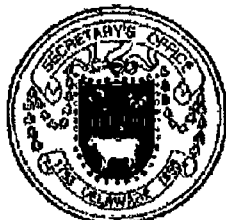
The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "UNDINE TEXAS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTEENTH DAY OF FEBRUARY, A.D. 2019.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "UNDINE TEXAS, LLC" WAS FORMED ON THE TWENTY-THIRD DAY OF OCTOBER, A.D. 2015.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



5860781 8300

SR# 20190989150

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Authentication: 202256273

Date: 02-13-19





## Office of the Secretary of State

### Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Application for Registration for Undine Texas, LLC (file number 802339329), a DELAWARE, USA, Foreign Limited Liability Company (LLC), was filed in this office on November 25, 2015.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on February 13, 2019.



A handwritten signature in black ink, appearing to read "David Whitley".

David Whitley  
Secretary of State





## Office of the Secretary of State

### CERTIFICATE OF FILING OF

Nerro Supply Investors, LLC  
File Number: 802143247

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Limited Liability Company (LLC) has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 01/26/2015

Effective: 01/26/2015



A handwritten signature in cursive script that reads "Coby Shorter III".

Coby Shorter, III  
Deputy Secretary of State



---

**Certificate of Formation**  
**of**  
**Nerro Supply Investors, LLC**  
**(A Limited Liability Company)**

---

**FILED**  
In the Office of the  
Secretary of State of Texas  
**JAN 26 2015**  
**Corporations Section**

**ARTICLE ONE**

The name of the filing entity being formed is Nerro Supply Investors, LLC (the "Company").

**ARTICLE TWO**

The filing entity being formed is a limited liability company.

**ARTICLE THREE**

The purpose for which the Company is formed is any lawful purpose for which a limited liability company may be formed under the Texas Business Organizations Code.

**ARTICLE FOUR**

The street address of the Company's initial Registered Office, and the name of its initial Registered Agent at that office, are as follows:

Charles Peterson  
11131 McCracken Circle, Suite A  
Cypress, Texas 77429



## **ARTICLE FIVE**

The Company will have one or more Managers. The name and address of the initial Manager is:

Charles Peterson  
11131 McCracken Circle, Suite A  
Cyprcss, Texas 77429

## **ARTICLE SIX**

Any action permitted by the Code to be taken at any meeting of managers or members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the minimum number of managers or members entitled to vote necessary to take the action at a meeting if they were present and voted. Prompt notice of the taking of any action by managers or members without a meeting by less than all the managers or members shall be given to those managers or members who did not consent in writing to the action.

## **ARTICLE SEVEN**

(a) To the fullest extent permitted by applicable law, no manager or member of the Company shall be personally liable to the Company or its members for monetary damages for an act or omission of such manager or members, except that this provision does not eliminate or limit the liability of a manager or member to the extent the manager or member is found liable for (i) a breach of such manager or member's duties to the Company or its members; (ii) an act or omission not in good faith that constitutes a breach of duty of such manager or member to the Company or an act or omission that involves intentional misconduct that constitutes a breach of duty of such manager or member to the Company or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which such manager or member received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such manager or member's office; or (iv) an act or omission for which the liability of a manager or member is expressly provided by an applicable statute.



(b) Notwithstanding the foregoing provisions of this Article, if the Code is amended after the date of the filing of this Certificate of Formation with the Secretary of State of Texas to authorize action further eliminating or limiting the personal liability of managers or members, then the liability of each manager or member of the Company shall be automatically eliminated or limited to the fullest extent permitted by the Code, as so amended.

(c) Any repeal or amendment of this Article, or the adoption of any other provision of this Certificate of Formation inconsistent with this Article, by the members of the Company shall be prospective only and shall not adversely affect any limitation on the liability of a manager or member of the Company existing at the time of such repeal, amendment or adoption of an inconsistent provision.

#### ARTICLE EIGHT

The undersigned Organizer hereby disclaims any past or future interests in or control of Nerro Supply Investors, LLC and resigns as the Organizer effective upon the formation of the Company.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-third day of January, 2015.



Sharon M. Leal, Organizer  
408 W. 17th Street, Suite 101  
Austin, Texas 78701-1207  
(512) 474-2002





## Office of the Secretary of State

January 27, 2015

Lawyer's Aid Service Inc  
PO Box 848  
Austin, TX 78767 USA

RE: Nerro Supply Investors, LLC  
File Number: 802143247

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created domestic limited liability company (llc).

Unless exempted, the entity formed is subject to state tax laws, including franchise tax laws. Shortly, the Comptroller of Public Accounts will be contacting the entity at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the entity. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <http://window.state.tx.us/taxinfo/franchise/index.html>.

The entity formed does not file annual reports with the Secretary of State. Documents will be filed with the Secretary of State if the entity needs to amend one of the provisions in its certificate of formation. It is important for the entity to continuously maintain a registered agent and office in Texas. Failure to maintain an agent or office or file a change to the information in Texas may result in the involuntary termination of the entity.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section  
Business & Public Filings Division  
(512) 463-5555

Enclosure







[illegible]

1. The first step in the process of identifying a problem is to recognize that a problem exists. This involves gathering information about the situation and identifying the specific issue that needs to be addressed.

1. The first step in the process of the investigation is the identification of the problem. This is done by the investigator who is responsible for the study. The investigator must first identify the problem that is being investigated. This is done by the investigator who is responsible for the study. The investigator must first identify the problem that is being investigated.





33290

Keep this part for your records.

CP 575 G (Rev. 1-2013)

Return this part with any correspondence  
so we may identify your account. Please  
correct any errors in your name or address.

CP 575 G

0244682274

Your Telephone Number Best Time to Call  
( )

DATE OF THIS NOTICE: 05-27-2015  
EMPLOYER IDENTIFICATION NUMBER: 32-0466140  
FORM: SS-4 NOBOD

INTERNAL REVENUE SERVICE  
CINCINNATI OH 45999-0023



NERRO SUPPLY INVESTORS LLC  
% BLACKSWAN WATER RESOURCE SOLE MBR  
11131 MCCrackEN CIR STE A  
CYPRESS TX 77429



## **Attachment 'G'**

*Part C: Question 9*

*Confidential*

List of the Officers of Undine Texas, LLC



# **CONFIDENTIAL**

**DOCKET NO.:**

**STYLE:** Application of Nerro Supply Investors, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Harris and Montgomery Counties

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment G – List of the Officers of Undine Texas, LLC

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 83 TO 83

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** March 26, 2019



# **Attachment 'H'**

## ***Part D***

### ***Confidential***

#### **Financial Information**



# CONFIDENTIAL

**DOCKET NO.:**

**STYLE:** Application of Nerro Supply Investors, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Harris and Montgomery Counties

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment H – Financial Information

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 85 TO 93

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** March 26, 2019



## **Attachment 'I'**

### ***Part E: Question 17***

Evidence of Financial, Managerial and Technical Capabilities

List of Currently Held Utilities



## Who We Are – Proven Expertise

---

<u>Name and Title</u>	<u>W&amp;WW Industry Exp.</u>	<u>Summary</u>
<b>Ed Wallace</b> President	▪ 29 years of total experience	<ul style="list-style-type: none"> <li>▪ Founded AquaSource in 1996</li> <li>▪ Founded Ni America in 2007</li> <li>▪ Eight year career with Coopers and Lybrand</li> <li>▪ Director at Credit Suisse First Boston</li> </ul>
<b>Carey Thomas</b> Sr. Vice President	▪ 19 years of total experience	<ul style="list-style-type: none"> <li>▪ One of 16 Original Investors at AquaSource</li> <li>▪ One of 10 Original Investors at Ni America</li> <li>▪ Former Sr. VP of Administration and HR for AquaSource and Ni America</li> <li>▪ Overall responsibility for Transition and Administration</li> </ul>
<b>Andy Thomas</b> Sr. Vice President	▪ 24 years of total experience	<ul style="list-style-type: none"> <li>▪ One of 16 Original Investors at AquaSource</li> <li>▪ One of 10 Original Investors at Ni America</li> <li>▪ Former Sr. VP of Capital Projects and Due Diligence for AquaSource and Ni America</li> </ul>
<b>Charlie Leibold</b> Chief Accounting Officer	▪ 19 years of total experience	<ul style="list-style-type: none"> <li>▪ Director of Due Diligence at AquaSource</li> <li>▪ 10 year career at Deloitte and Touche</li> </ul>
<b>Mike Ashfield</b> Sr. Vice President Acquisitions	▪ 13 years of total experience	<ul style="list-style-type: none"> <li>▪ VP Transactions at Ni America</li> <li>▪ Former Sr. VP of Transactions at AquaSource</li> <li>▪ Nine year career with Coopers and Lybrand</li> <li>▪ Coordinated due diligence protocol and administered definitive document negotiations at AquaSource and Ni America</li> </ul>
<b>Rick Melcher</b> Manager of Public Relations	▪ 16 years of total experience	<ul style="list-style-type: none"> <li>▪ Former Public Relations Manager and Spokesperson for AquaSource and Ni America</li> </ul>
<b>Jeff Goebel</b> Manager Business Development	▪ 17 years of total experience	<ul style="list-style-type: none"> <li>▪ Project Coordinator for AquaSource</li> <li>▪ Business Development for Quadvest for 10 years</li> </ul>



## List of Utilites Currently Owned or Operated by Undine Texas, LLC

Utility Name	Connection Count
723/River Ranch	72
Angle Acres	22
Bayou Colony	26
Beechwood	103
Bernard Oaks	71
Blue Sage Gardens	48
Brandi Estates	39
Brazos Oaks	0
Briar Meadows	35
Colony Cove	53
Colony Trails	71
Coronado Country	39
Country Acres	91
Country Meadows	45
Crystal Lake	30
Demi John Island	89
Demi John Place	89
Larkspur	7
Lee Ridge	25
Mark V	98
Mooreland	56
Quail Valley	11
Riverside Estates	58
Rosharon Road	74
Ryan Long 1	15
Ryan Long 2	17
San Bernard	53
Sandy Meadow	65
Snug Harbor	39
Spanish Bit	27
Tejas Lakes	72
Village Lakes	0
Wilco	65
Wolf Glen	34
Beaumont Place	549
Castlewood	346
Cypress Bend	242
Reservoir Acres	220

Utility Name	Connection Count
Forest Manor	98
Heathergate	109
Sweetgum Forest	27
Greengate Acres	99
Highland Mobie Home Sub	25
Highland Ridge	196
Huffman Heights	119
Joy Village	52
Lakewood Colony	57
Meadowlake Estates	219
Peach Creek Oaks	70
Pioneer Trails	133
Porter Terrace	109
Spring Forest	258
Springmont	175
Tall Cedars	57
Urban Acres	177
Oak Shores	220
Oak Shores on Lake Austin	
Briarpatch	
Woods of Greenshores	
Greenshores on Lake Austin	
Smokey Ridge Annes	
Southwood	506
Spring Crossing	1
Magnolia Bend	51

**Total Connection Count: 5,754**



## **Attachment 'J'**

### ***Part E: Question 21***

#### **Utilities Within 2 Miles**



Nerro Supply Investors, LLC CCN 10336 STM	Utility Name- 2 mile Notice	CCN#	Street	City	State	Zip
<b>Razy Hollow East Estates</b>						
	City of Magnolia	11612	PO Box 396	Magnolia	TX	77353
	City of Stagecoach		18930 Boot Hill Rd	Stagecoach	TX	77355
	Aqua Texas, Inc.	13203, 11157	1106 Clayton Ln Ste 400W	Austin	TX	78723
	Champs Water Company	10972	132117A Chrisman Rd	Houston	TX	77039
	H-M-W SUD	10342	PO Box 837	Pinehurst	TX	77362
	Quadvest LP	11612	PO Box 409	Tomball	TX	77377
	Pinehurst Decker Prairie WSC	11768	PO Box 681005	Houston	TX	77268
	Johnston Water Utility LLC	12788	14708 Olin Rd	Tomball	TX	77377
	T&W Water Service	12892	PO Box 2927	Conroe	TX	77305
	South Central Water Company	13061	PO Box 570177	Houston	TX	77257
	Montgomery County MUD 130		1980 Post Oak Blvd Ste 1380	Houston	TX	77056
	Montgomery County MUD 131		1300 Post Oak Blvd Ste 1400	Houston	TX	77056
	Montgomery County WCID 4		1300 Post Oak Blvd Ste 1400	Houston	TX	77056
	Grand Oaks MUD		3200 Southwest Fwy Ste 2600	Houston	TX	77027
	San Jacinto River Authority		PO Box 329	Conroe	TX	77305
	Lone Star GCD		655 Conroe Park North Dr	Conroe	TX	77303
	Montgomery County Judge Mark J. Keough		501 N Thompson	Conroe	TX	77301
<b>Shady Brook Acres</b>						
	City of Magnolia	11612	PO Box 396	Magnolia	TX	77353
	City of Stagecoach		18930 Boot Hill Rd	Stagecoach	TX	77355
	Aqua Texas, Inc.	13203, 11157	1106 Clayton Ln Ste 400W	Austin	TX	78723
	H-M-W SUD	10342	PO Box 837	Pinehurst	TX	77362
	Quadvest LP	11612	PO Box 409	Tomball	TX	77377
	Woolfham Lakes WSC	12529	PO Box 1102	Magnolia	TX	77353
	Johnston Water Utility LLC	12788	14708 Olin Rd	Tomball	TX	77377
	Grand Oaks MUD		3200 Southwest Fwy Ste 2600	Houston	TX	77027
	Clovercreek MUD		9 Greenway Plz Ste 2600	Houston	TX	77048
	San Jacinto River Authority		PO Box 329	Conroe	TX	77305
	Lone Star GCD		655 Conroe Park North Dr	Conroe	TX	77303
	Montgomery County Judge Mark J. Keough		501 N Thompson	Conroe	TX	77301
<b>Spring Creek Valley</b>						
	City of Tomball	13257	401 Market St	Tomball	TX	77375
	City of Houston		PO Box 1562	Houston	TX	77251
	Aqua Texas, Inc.	13203, 11157	1106 Clayton Ln Ste 400W	Austin	TX	78723
	H-M-W SUD	10342	PO Box 837	Pinehurst	TX	77362
	Quadvest LP	11612	PO Box 409	Tomball	TX	77377
	Pinehurst Decker Prairie WSC	11768	PO Box 681005	Houston	TX	77268
	Johnston Water Utility LLC	12788	14708 Olin Rd	Tomball	TX	77377
	Harris County MUD 416		2727 Allen Pkwy Ste 1100	Houston	TX	77019
	Harris County ID 17		1380 Post Oak Blvd Ste 1380	Houston	TX	77056
	San Jacinto River Authority		PO Box 329	Conroe	TX	77305
	North Harris County Regional Water Authority		2929 Allen Pkwy Ste 3450	Houston	TX	77019
	Coastal Water Authority		1801 Main St Ste 800	Houston	TX	77002
	Gulf Coast Water Authority		3630 Hwy 1765	Texas City	TX	77591
	Harris County FCD		9900 Northwest Fwy	Houston	TX	77042
	Port of Houston Authority		111 East Loop N	Houston	TX	77029
	Lone Star GCD		655 Conroe Park North Dr	Conroe	TX	77303
	Harris Galveston Subsidence District		1660 W Bay Area Blvd	Friendswood	TX	77546
	Harris County Judge Lina Hidalgo		1001 Preston Suite 911	Houston	TX	77002



## **Attachment 'K'**

### ***Part F: Question 22***

Inspection Reports for Each System



**Part F: TCEQ Public Water System or Sewer (Wastewater) Information**

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction.  
Attach a separate sheet with this information if you need more space for additional systems being transferred.

**22. A. For Public Water System (PWS):**TCEQ PWS Identification Number: TX1700013 (7 digit ID)Name of PWS: Hazy Hollow East EstatesDate of last TCEQ compliance inspection: 02/18/2016 (attach TCEQ letter)Subdivisions served: Hazy Hollow**B. For Sewer service:**TCEQ Water Quality (WQ) Discharge Permit Number: WQ (8 digit ID)

Name of Wastewater Facility: \_\_\_\_\_

Name of Permittee: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

Date of application to transfer permit submitted to TCEQ: \_\_\_\_\_**23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:**

Water				Sewer	
	Non-metered		2"		Residential
742	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			742	Total Sewer Connections:	

**24. A. Are any improvements required to meet TCEQ or Commission standards?**☒ No ☐ Yes**B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):**

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

**C. Is there a moratorium on new connections?**☒ No ☐ Yes:**25. Does the system being transferred operate within the corporate boundaries of a municipality?**☐ No ☐ Yes: \_\_\_\_\_ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: \_\_\_\_\_ Sewer: \_\_\_\_\_



26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

☐ No ☐ Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: \_\_\_\_\_

Water: \_\_\_\_\_

Sewer: \_\_\_\_\_

- B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

☐ No ☐ Yes

- C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

- D. Will the purchase agreement or contract be transferred to the Transferee?

☐ No ☐ Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☐ No ☐ Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer

### Part G: Mapping & Affidavits

**ALL applications require mapping information to be filed in conjunction with the STM application.**

***Read question 29 A and B to determine what information is required for your application.***

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
  - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
  - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.



Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

February 18, 2016

Gregory Pappas, Manager  
Nerro Supply LLC  
P.O. Box 691008  
Houston, Texas 77629-1008

Re: Comprehensive Compliance Investigation at:  
Hazy Hollow East Estates, 37103 Fawn Lane, Magnolia, Montgomery County, Texas  
Regulated Entity No.: 101196657  
TCEQ ID No.: 1700013  
Investigation No.: 1294989

Dear Mr. Pappas:

On November 9, 2015, Ms. Kathryn Roeder, of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Roeder, in the Houston Region Office at (713) 767-3650.

Sincerely,

A handwritten signature in black ink, appearing to read "Julia Thorp".

Julia Thorp, Team Leader  
Public Water Supply  
Houston Region Office

JT/KR/mar

cc: Montgomery County Environmental Health Services



# TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested

Regulated Entity/Site Name	HAZY HOLLOW EAST ESTATES			TCEQ Add. ID No. RN No. (optional)	1700013
Investigation Type	CCI	Contact Made In-House (Y/N)		Purpose of Investigation	ROUTINE
Regulated Entity Contact	JERRY RANDOLPH			Telephone No.	
Title	OPERATOR			Fax No.	
				Date Contacted	10/27/2015
				Date Faxed	

**NOTICE:** The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request: Identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation Issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type <sup>1</sup>	Rule Citation (if known)	Description of Issue
1	RR		UPDATED <del>SC</del> CS1 showing lead (2%)
2	PV/AV	290.42(e)(4)(A)	NO SCBA seen
3	PV/AV	290.42(e)(6)	Ammonia bottles inside chlorinator room <del>at</del> wells

<sup>1</sup>Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<b>Document Acknowledgment.</b> Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.			
KATHRYN ROEDER Investigator Name (Signed & Printed)	11/09/2015 Date	JERRY RANDOLPH Regulated Entity Representative Name (Signed & Printed)	11-8-15 Date

If you have questions about any information on this form, please contact your local TCEQ Regional Office.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.



**Part F: TCEQ Public Water System or Sewer (Wastewater) Information**

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction.  
Attach a separate sheet with this information if you need more space for additional systems being transferred.

**22. A. For Public Water System (PWS):**TCEQ PWS Identification Number: TX1700031 (7 digit ID)Name of PWS: Shady Brook AcresDate of last TCEQ compliance inspection: 5/01/2017 (attach TCEQ letter)Subdivisions served: Shady Brook Acres**B. For Sewer service:**TCEQ Water Quality (WQ) Discharge Permit Number: WQ (8 digit ID)

Name of Wastewater Facility: \_\_\_\_\_

Name of Permittee: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

Date of application to transfer permit submitted to TCEQ: \_\_\_\_\_**23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:**

Water			Sewer		
	Non-metered	2"		Residential	
57	5/8" or 3/4"	3"		Commercial	
	1"	4"		Industrial	
	1 1/2"	Other		Other	
Total Water Connections:			57	Total Sewer Connections:	

**24. A. Are any improvements required to meet TCEQ or Commission standards?**☒ No ☐ Yes**B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):**

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

**C. Is there a moratorium on new connections?**☒ No ☐ Yes:**25. Does the system being transferred operate within the corporate boundaries of a municipality?**☐ No ☐ Yes: \_\_\_\_\_ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: \_\_\_\_\_ Sewer: \_\_\_\_\_



26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

☐ No ☐ Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: \_\_\_\_\_

Water: \_\_\_\_\_

Sewer: \_\_\_\_\_

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

☐ No ☐ Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

☐ No ☐ Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☐ No ☐ Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer

### Part G: Mapping & Affidavits

**ALL applications require mapping information to be filed in conjunction with the STM application.**

***Read question 29 A and B to determine what information is required for your application.***

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
  - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
  - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.



Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



PWS\_1700031\_CO\_20170501\_Exception

## **Texas Commission on Environmental Quality**

*Protecting Texas by Reducing and Preventing Pollution*

May 1, 2017

Mr. Timothy Manley, P.E.  
Manley Engineering and Associates, Inc.  
9100 Southwest Freeway, Suite 251  
Houston, Texas 77074

Re: Shady Brook Acres - PWS ID No. 1700031  
Request for an Exception to the Sanitary Control Easement Rule  
Request for an Exception to the Well Setback Requirement to Livestock in  
Pastures  
Request for an Exception to the Pressure Cementing Method Requirement  
Well No. 1 (TCEQ Well ID G1700031A)  
Montgomery County, Texas  
RN 101247088 | CN 605149988

Dear Mr. Manley,

On February 7, 2017, the Texas Commission on Environmental Quality (TCEQ) received your letter dated February 2, 2017, requesting an exception to the requirement that all public water supply wells have properly recorded sanitary control easements as specified in Title 30 of the Texas Administrative Code (30 TAC) §290.41(c)(1)(F). On March 22, 2017, we received your request for an exception to the requirement that all public supply wells be at least 50-feet from pastures with livestock as specified in 30 TAC §290.41(c)(1)(D). Lastly, on March 27, 2017 we received your request for an exception to the requirement that all public water supply wells be constructed with a proper pressure cementing method as specified in 30 TAC §290.41(c)(3)(C). These requests are for the Shady Brook Acres Public Water System (PWS) Well No. 1 (TCEQ Well ID G1700031A). The submittal indicated that the well is currently constructed and in use as a public water supply well. Each exception request is addressed separately below.

### **Sanitary Control Easement - 30 TAC §290.41(c)(1)(F)**

The TCEQ has determined that the inability to secure sanitary control easements indicates that this groundwater source may be susceptible to fecal contamination and may result in a risk to public health. Based on this concern, and in order to allow monitoring of the well to determine if the well has been impacted by lack of sanitary control, and from well setback requirements, we are temporarily granting your request for an exception to the sanitary control easement requirement under the conditions listed below. This temporary exception applies to the Nichols Sawmill Road right-of-way, and to the following properties located within a 150-foot radius of Well No. 1 (TCEQ Well ID G1700031A):

- COPELAND, LONNIE D & DEBBIE K/ S868001 - Shady Brook Acres, BLOCK 3, Lot 1, 2, LABEL # PFS0847317;
- JOSEPH, RICHARD P/ SHADY BROOK ACRES, BLOCK 3, LOT 17 and SHADY BROOK ACRES BLOCK 3 RESERVE A;
- JC & JS INVESTMENT LLC/ A0612 - Ward Cyrus T, TRACT 17, ACRES 10.715;



Mr. Timothy Manley, P.E.  
Page 2 of 5  
May 1, 2017

- SNYDER, PATRICK V & EVELINA/ A0612 WARD CYRUS T, TRACT 17-A, ACRES 7.950; and POWELL, JESSE C CO TR & SANDRA OWEN CO/ A0612 WARD CYRUS T, TRACT 18, ACRES 15.000.

In accordance with 30 TAC §290.46(b) and §290.109(d)(4)(E), the PWS is required to fulfill the conditions of approval outlined below.

**Condition 1:**

- The PWS must collect one raw water sample per month from Well No. 1 (G1700031A). The PWS must submit the sample for bacteriological analysis at a TCEQ-accredited laboratory with a current National Environmental Laboratory Accreditation Program (NELAP) certification.

The sampling procedure should be the same as the one used when collecting routine distribution samples. Please ensure that the sample is delivered to the laboratory clearly labeled with the proper TCEQ Well ID (G1700031A) and marked "RAW."

For a list of TCEQ-accredited laboratories see our website at:

[www.tceq.texas.gov/assets/public/compliance/compliance\\_support/ga/txnrelap\\_lab\\_list.pdf](http://www.tceq.texas.gov/assets/public/compliance/compliance_support/ga/txnrelap_lab_list.pdf)

These samples are in addition to the normally required monthly distribution bacteriological samples and must be collected at a point prior to the disinfectant injection point. The sample results should be submitted in the same manner as the results of the monthly distribution bacteriological samples.

Once twelve (12) consecutive monthly bacteriological sample results have been received and reviewed, the TCEQ will evaluate the results and reissue, if appropriate, an exception without an expiration date. Based on the results of the raw water bacteriological samples the TCEQ may continue or modify the current monthly monitoring requirement, require a more stringent disinfection protocol, or require treatment.

If any of the samples come back positive, please follow the instructions in Enclosure 1: *Instructions for Positive Bacteriological Samples*.

Please update your system's monitoring plan to reflect the monitoring requirements outlined in this letter and mail to the TCEQ Monitoring Plan Coordinator at the following address:

Monitoring Plan Coordinator (MC 155)  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711

Additional information is available in TCEQ's Regulatory Guidance No. 384 (RG-384), *How to Develop a Monitoring Plan for a Public Water System*, or on our website at:

[www.tceq.texas.gov/permitting/water\\_supply/pdw/monitoring\\_plans/monitoring\\_plans.html](http://www.tceq.texas.gov/permitting/water_supply/pdw/monitoring_plans/monitoring_plans.html)

All public water system monitoring plans are required to be kept up-to-date and on file at the system at all times and must be presented to TCEQ staff upon request.

**Condition 2:**

- This temporary exception will expire in 36 months from the date of this letter (May 1, 2020).



**Well Setback Requirement to Livestock in Pastures - 30 TAC §290.41(c)(1)(D)**

The submittal indicates that a pasture with livestock is located approximately 10-feet from Well No. 1. The TCEQ has determined that the inability to maintain a minimum well setback distance of 50-feet between a pasture with livestock and public water supply wells indicates that this groundwater source may be susceptible to fecal contamination and may result in a risk to public health. Based on this concern, and in order to allow monitoring of the well to determine if the well has been impacted by presence of potential contamination hazards, we are temporarily granting your request for an exception to the well setback requirement between PWS wells and pastures with livestock under the conditions listed below. This temporary exception applies to Well No. 1 (TCEQ Well ID G1700031A). In accordance with 30 TAC §290.46(b) and §290.109(d)(4)(E), the PWS is required to fulfill the conditions of approval outlined below.

**Condition 1:**

- The PWS must comply with all requirements and conditions discussed above in this letter for its exception request to the Sanitary Control Easement- 30 TAC §290.41(c)(1)(F).

**Condition 2:**

- This temporary exception will expire in 36 months from the date of this letter (May 1, 2020).

**Pressure Cementing Requirement - 30 TAC §290.41(c)(3)(C)**

The submittal indicated that no information is available regarding the pressure cementing of the wells. The TCEQ believes that a lack of a proper annular space seal may result in ground water source contamination as a result of storm water inflow or infiltration, or from undesirable groundwater plumes being conveyed to the groundwater source through the well's annular space. The TCEQ has determined that the inability to determine an adequate well cementing method for Well No. 1 (TCEQ Well ID G1700031A) indicates this groundwater source may be susceptible to fecal contamination and result in a risk to public health. Based on this concern, and in order to allow monitoring of the well to determine if the well has been impacted by inadequate well cementing, we are temporarily granting your request for an exception to the pressure cementing method requirement under the conditions listed below. This temporary exception applies to Well No. 1 (TCEQ Well ID G1700031A). In accordance with 30 TAC §290.46(b) and §290.109(d)(4)(E), the PWS is required to fulfill the conditions of approval outlined below.

**Condition 1:**

- The PWS must comply with all requirements and conditions discussed above in this letter for its exception request to the Sanitary Control Easement- 30 TAC §290.41(c)(1)(F).

**Condition 2:**

- This temporary exception will expire in 36 months from the date of this letter (May 1, 2020).

We note you provided in your submittal and additional information:

- A map showing the location of the well;



- A statement regarding the presence or absence of sanitary hazards located within the radii of Well No. 1 as specified by 30 TAC Chapter 290 except for the noted livestock in pastures;
- An official copy of the deed for all property owned by Nerro Supply, LLC. within 150-feet of the well;
- A statement from Mr. Jacob Bowen of Gulf Utility Service and Nerro Supply, LLC, received April 17, 2017, clarifying the ownership of property and the county appraisal district website not reflecting accurate ownership in the area of the well; and
- A well schedule from Texas Water Development Board Well Information Report for Well#6050614, without information on the lithology, pressure cementing, water well casing information, chemical analysis, 36-hour pump test conductance, and submersed pump information for Well No. 1.

We note that no well log for Well No. 1 (TCEQ Well ID G1700031A) was provided. The PWS may want to request an exception to the Well log/ completion requirements in 30 TAC §290.41(c)(3)(A) and to the record keeping of well completion data in 30 TAC §290.46(n)(3) (*Enclosure 2: Staff Guidance Well Completion Data Exception*).

A copy of this letter and all related monitoring data must be maintained with the water system's records for as long as these exceptions are in effect. These records must be made available to TCEQ staff upon request. If contamination of a well occurs which is not remediated through treatment, a new properly constructed well may be required at another location and abandonment, proper plugging, and sealing of the abandoned well will be required.

All exceptions are subject to periodic review and may be revoked or amended if warranted as specified in 30 TAC §290.39(l)(2) or evidence is found that granting of an exception results in a degradation of water quality or water supply. Noncompliance with any condition stated in this exception letter may result in enforcement action as specified in 30 TAC §290.39(l)(5). These exceptions are not intended to waive compliance with any other TCEQ requirement in 30 TAC Chapter 290. This exception cannot be used as a defense in any enforcement action resulting from noncompliance with any other requirement of 30 TAC Chapter 290.



Mr. Timothy Manley, P.E.  
Page 5 of 5  
May 1, 2017

If you have questions concerning this letter, or if we can be of additional assistance, please contact Mr. Chirag Patel by email at [chirag.patel@tceq.texas.gov](mailto:chirag.patel@tceq.texas.gov), by telephone at (512) 239-0522, or by correspondence at the following address:

Technical Review and Oversight Team (MC 159)  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

Sincerely,



Tamira Konkin-Garcia, Team Leader  
Technical Review and Oversight Team  
Plan and Technical Review Section  
Water Supply Division  
Texas Commission on Environmental Quality

TKG/ccp

*Enclosure 1: Instructions for Positive Bacteriological Samples*  
*Enclosure 2: Staff Guidance Well Completion Data Exception*

Cc: Mr. Charles Peterson, Manager, P.O. Box 691008, Houston, Texas 77269-1008



### **Instructions for Positive Bacteriological Samples**

If multiple raw water samples are found to be positive for total coliform and negative for *E. coli* and other fecal indicators, additional treatment may be required and the conditions established in the exception letter may be revised. TCEQ personnel recommend reviewing the sample collection protocol to ensure proper sample collection methods are in place. Personnel also recommend well disinfection according to American Water Works Association (AWWA) well disinfection standards.

If a raw water sample is found to be positive for total coliform and positive for *E. coli* or other fecal indicators, Groundwater Rule requirements include:

- A. Issuance of a Public Notice to water system customers in accordance with 30 TAC §290.122(a) within 24 hours of being notified of the positive result.
- B. Notification to all consecutive systems served by the well within 24 hours of being notified of the positive result.
- C. Notification to TCEQ Drinking Water Quality Team personnel at 512-239-4691 or [GWRdata@tceq.texas.gov](mailto:GWRdata@tceq.texas.gov) within 24 hours of being notified of the positive result.
- D. Implementation of one or more of the Corrective Actions described in 30 TAC §290.116 as indicated by TCEQ Drinking Water Quality Team personnel.

Additionally, the exception may be revoked or the conditions established in the exception letter may be revised.

Information on the Groundwater Rule can be found by calling 512-239-4691 and asking to speak to a member of the Drinking Water Quality Team or at the following website:

[http://www.tceq.texas.gov/drinkingwater/microbial/gwr\\_main.html](http://www.tceq.texas.gov/drinkingwater/microbial/gwr_main.html)



**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

**PTR SECTION STAFF GUIDANCE**

**Well Completion Data Exception**

**Rules Affected:** Title 30 Texas Administrative Code (30 TAC) §290.41(c)(3)(A) and §290.46(n)(3)

***Background:***

A Public Water System (PWS) is required by 30 Texas Administrative Code (30 TAC) §290.41(c)(3)(A) to submit well completion data for review and approval by the Texas Commission for Environmental Quality (TCEQ) prior to using a well for public consumption. Additionally, 30 TAC §290.46(n)(3) requires the PWS to maintain copies of the well completion data for the life of the well. A well completion data exception may be required if a PWS does not have a record of receiving approval by the TCEQ (or predecessor agency) of the well completion data for a new well, for an existing well being converted for use as a PWS well, or if the PWS cannot provide the well completion data when requested.

Well completion data is defined as follows:

- Driller's log (geological log and material setting report);
- Cementing certificate;
- 36-hour pump test;
- Microbiological testing results;
- Chemical testing;
- Legible copies of the recorded deeds for all real property owned by the PWS within 150-feet of the well,
- Legible copies of recorded sanitary control easements or other documents demonstrating compliance with the sanitary control easement for all property located within 150-feet of the well not owned by the PWS;
- An original or legible copy of a United States Geological Survey 7.5 minute topographic quadrangle map showing the accurate location of the well; and,
- A map showing the location of the well in relation to the surrounding property boundaries.

When a PWS cannot provide documentation of receiving approval of a PWS well, as a first step, the PWS should verify that it has all records pertaining to the well. The PWS should request copies of all correspondence pertaining to the water system from TCEQ's Central Records. Please note that Central Records will not search the files for specific items; they will simply copy the files that are available. Also TCEQ staff cannot research the files for the PWS. For more information on obtaining copies from TCEQ Central Records, please visit the [TCEQ Record Services website](#)<sup>1</sup>.

Other sources that may have documentation or records pertaining to the well include the local health department, local water well drillers, groundwater conservation district, and the Public Utility Commission of Texas.



### **Guidance:**

If the needed well completion data is not found, a Well Completion Data Submittal Exception may be required. Note that if the information which comprises well completion data is not available, other types of exception requests may also be necessary. Discussed below are the items that comprise well completion data, and the materials which must to be submitted by a PWS in order for the TCEQ to consider granting an exception to the well completion data submittal requirement or to the recordkeeping requirement. Please note that all documents are required to be submitted to the TCEQ when requesting an exception request pertaining to well completion data.

- **Driller's Log** – This documentation consists of the geological log and material setting report that is typically provided by the driller. The geological log in its simplest form describes at what depth various types of soil materials are encountered. A material setting report typically describes the quantities, dimensions, and types of materials used in the construction of the well. It may also include pump information, such as pump manufacturer and pump capacity (gallons per minute) at a specified total dynamic head. The geological log and material setting report may both be provided on a *State of Texas Well Report* (well report) form completed by the well driller.

If the geological information for the well is not available, the PWS must provide acceptable replacement geological information. The replacement geological information that will be considered by the TCEQ includes the following:

- **Substitute driller's logs or well reports from existing nearby wells** – The submitted substitute driller's logs or well reports must either document a sufficient clay layer to be protective of the source, and must be for wells that are at least as deep as the PWS well. In the event that the depth of the PWS well is not known, or if the available substitute driller's logs are for wells that are not as deep as the PWS well, the TCEQ, at its discretion, may accept the substitute driller's logs provided the driller's logs verify the presence of a sufficient protective layer exists above the first water bearing unit. The submitted substitute driller's logs or well reports must be from wells no further than ¼-mile from the PWS well. The driller's log or well reports must be accurately plotted on a United States Geological Survey (USGS) Map 7.5 Minute map as discussed later in this document.

If there are no water wells documented within 1/4-mile of the PWS well, but there are water wells with documented locations within 1-mile of the PWS well, please contact the Technical Review and Oversight Team at 512-239-4691 to discuss if the driller's logs or well reports from these wells may acceptable substitutes for the PWS driller's log.

The following webpage is a resource for locating PWS wells which might be candidates for substitute drillers logs or well reports:

[TCEQ Source Water Assessment Viewer<sup>i</sup>](#)

Searchable resources for well logs are as follows:

[Texas Water Development Board Groundwater Data Viewer<sup>ii</sup>](#)

[TCEQ Water Well Report viewer<sup>iv</sup>](#)



- o **A soil boring to collect the data** – If acceptable substitute geological logs or well reports are not available, the PWS must install a soil boring to obtain the geological information and generate a replacement geological log. The depth of the soil boring must be at least equal in length to at least the depth of the PWS well, and be located at a distance of no further than 50-feet from the well. If the depth of the PWS well is unknown, then the soil boring must be installed at least to the depth of the groundwater strata typically used for a water source in the area, as documented by driller's logs or well reports from other wells in the area. A licensed water well driller must install the soil boring, and it must be installed and plugged with cement in compliance with the regulations of the Texas Department of Licensing and Regulation. A copy of the geological log or well report for the soil boring and plugging report, signed and dated by water well driller, must be provided to the TCEQ as a part of the documentation for the well completion data exception.

When the original material setting report is not available, the PWS may supply certain documentation as a replacement material setting report. In order for the TCEQ to consider a replacement material setting report as a part of a well completion data exception, the following needs to be submitted by the PWS:

- o **Well Material Characterization** – If there is no documentation of the materials used in the well, the PWS should request an exception to the well casing material requirement in 30 TAC §290.41(c)(3)(B) prior to the TCEQ granting a well completion data exception. The PWS must provide documentation of the well casing material as can be determined by the portion of the casing above the sealing slab. The documentation must provide include casing diameter and material. Clear photos of the casing must also be provided. The PWS must also provide copies of invoices for any repairs or equipment replacement, or any reports such as previously performed downhole videos that can provide information regarding the construction of the well or pumping equipment.
- **Cementing Certificate** – A cementing certificate is typically provided to the PWS by the well driller at the time that the well is drilled. It documents the cementing method and materials used to seal the annular radius of the well. In order for the cementing certificate to be considered acceptable by the TCEQ, the document must include the cement mix (gallons of water per sack), amount and type of any additives added to the cement mix, the total amount of cement used (sacks), the depth of the well cemented, and the pressure cementation method. This information may also be found on the well report. If this information is unavailable, or if the available information indicates that the annular radius seal does not comply with the Chapter 290 rules, the PWS will need to request an exception to the pressure cementation method requirement in 30 TAC §290.41(c)(3)(C) prior to the TCEQ granting a well completion data exception. The PWS may request an exception by providing the information found on the **pressure cementing exception checklist**.

Granting of a pressure cementing method exception by the TCEQ will satisfy the cementing certificate requirement required for the well completion data.

- **36-Hour Pump Test** – The 36-hour pump test is performed when the well is installed to develop the well and to determine its capacity. If this information is unavailable, the PWS should request an exception to the 36-hour pump test requirement in 30 TAC §290.41(c)(3)(G)



In addition to the well completion data exception. Since an existing well should be developed, the point of the exception is to address well capacity. Two options, dependent on the status of the well, are available to do this:

- o The well is currently rated by the TCEQ – If the well has been issued a TCEQ Source ID number and has an actual capacity rating in the TCEQ database, the PWS needs to document if the portion of the PWS served by the well has had water outages or boil water notices due to the well in the past 10 years. Documentation required to be provided by the PWS of these instances include the dates when the outages or boil water notices occurred and their causes. If the TCEQ determines that the outage or boil water notices occurrences are unacceptable, it may require the PWS to collect daily water production data for 18 months as a requirement for granting an exception. A search of the Texas Drinking Water Watch database may be helpful in determining if a well rating exists for a particular well. The Texas Drinking Water Watch webpage can be accessed at the following address:

Texas Drinking Water Watch<sup>vi</sup>

- o The well is currently not rated by the TCEQ – If the water system is not registered with the TCEQ, the well has not been issued a TCEQ Source ID number, or if the well does not have an actual capacity in the TCEQ database, the PWS must perform a 36-hour pump test to rate the well. This 36-hour pump test will be considered to be a substitute for the pump test that was required to be performed at the time the well was drilled and used to rate the well. In order to reduce water usage, shorter pumping periods may be accepted under the following conditions:
  1. The pumping rate remains constant for at least four hours, and the pumping period has been a minimum of 24 hours; or,
  2. The pumping rate remains constant for at least four hours, and a straight-line trend is observed on a plot of water level versus a logarithm of time during pumping and recovery.

Regardless of the method, the pump test procedure must comply with Section 5.1 of the most current edition of the American Water Works Association Standard A100, and a minimum of a four-hour resting period is required between prior pumping and the test itself.

- Microbiological Test Results – Documentation of three consecutive days of raw water bacteriological sampling with negative results performed at the time the well was installed is required as a condition for use of a PWS well. The laboratory that performed the bacteriological analysis must have been accredited by the TCEQ or a predecessor agency at the time of the sampling. If this information is unavailable, the PWS should request an exception to the microbial test requirement in 30 TAC §290.41(c)(3)(F)(i), in addition to the well completion data exception, and provide substitute analytical results consisting of three consecutive days of raw water sampling. The sampling must be performed within 90 days of the submittal of a request for an exception to the well completion data requirement. The samples must be analyzed at a TCEQ-accredited laboratory with a current National Environmental Laboratory Accreditation Program (NELAP) certification. For a list of TCEQ-



accredited laboratories see the Texas NELAP lab list<sup>vi</sup>. Note the chlorine residual of the sample at the time the sample was collected (e.g. field measurement) must be included with the sample results.

- **Chemical Analysis** - Documentation of a chemical analysis of the raw water performed at the time that the well was installed is required as a condition for use of a PWS well. The PWS must provide the results of a recent sampling event performed within 90 days of the submittal of a request for an exception for well completion data. The chemical sample results must be provided for the constituents currently required by regulation, and be analyzed at a TCEQ-accredited laboratory with a current NELAP certification, utilizing EPA approved methods. The required constituents are listed in Item 7 on the Well Completion Data checklist<sup>vii</sup>. Note the pH of the sample must be taken at the time the sample was collected (e.g. field measurement). Results of laboratory pH measurement are not acceptable.
- **Recorded Deeds** - The PWS is required to supply documentation in the form of a legible, official copy of the recorded deed(s) and recorded easements, as appropriate, indicating its ownership of all real property within 150-feet of the well, or right to access the PWS well to insure that operation and maintenance activities can be performed. There is no substitute for this requirement. Unrecorded or unofficial copies of deeds or easement agreements are not acceptable.
- **Recorded Sanitary Control Easements** - The PWS is required to supply documentation in the form of a legible, official copy of the recorded sanitary control easement (SCE) for all property within 150-feet of the well that it does not own. If a PWS does not have recorded SCEs for all property that it does not own within 150-feet of a PWS well, the PWS should acquire the needed SCE(s) prior to submitting the request for a well completion data exception. If the PWS cannot acquire a needed SCE, it may request an exception to SCE requirement by providing the information found on the sanitary control easement exception checklist<sup>ix</sup>. Unrecorded or unofficial copies of a SCE are not acceptable.

The SCE exception will need to be submitted concurrently with the well completion data exception request. Note that a PWS with ordinance powers may substitute an enacted ordinance for otherwise needed SCEs.

- **United States Geological Survey (USGS) 7.5 Minute Topographic Quadrangle Map** - The well location shown on a current version of the appropriate USGS map or exact scale replica is an acceptable substitution if a USGS map contemporary with the installation of the well is not available. Photocopies of the USGS map are not acceptable due to distortion inherent in the photocopy process.
- **Well Location Map** - A map indicating the boundaries of the well property and surrounding properties as they exist currently is an acceptable substitution if a map contemporary with the installation of the well is not available.



**If you have questions regarding this guidance document or need to discuss some specific issue in complying with its requirements as they apply to your PWS, you may call 512-239-4691 and ask to speak to a member of the Technical Review and Oversight Team.**

***Finalized and Approved by:***

***Joel Klumpp, Plan and Technical Review Section Manager, 08/04/2016***

**If no formal expiration date has been established for this staff guidance, it will remain in effect until superseded or canceled.**



**Revision History:**

Date	Action	Action by
2/10/2016	Drafted	Michael McDevitt
2/10/2016	Revised Format	M. Garrett Heathman
2/24/2016	Approved	Joel Klumpp
7/20/2016	Revised	Michael McDevitt
8/4/2016	Approved	Joel Klumpp

<sup>i</sup> <http://www.tceq.texas.gov/agency/data/records-services/fileroom.html>

<sup>ii</sup> <https://www.tceq.texas.gov/gis/gwview>

<sup>iii</sup> <http://www2.twdb.texas.gov/apps/waterdatainteractive/groundwaterdataviewer>

<sup>iv</sup> <http://www.tceq.texas.gov/gis/waterwellview.html>

<sup>v</sup> [http://www.tceq.texas.gov/assets/public/permitting/watersupply/pdw/Pressure Confining Method Checklist.pdf](http://www.tceq.texas.gov/assets/public/permitting/watersupply/pdw/Pressure_Confining_Method_Checklist.pdf)

<sup>vi</sup> <http://dww2.tceq.texas.gov/DWW/>

<sup>vii</sup> [http://www.tceq.texas.gov/assets/public/compliance/compliance\\_support/qa/bxnelap\\_lab\\_list.pdf](http://www.tceq.texas.gov/assets/public/compliance/compliance_support/qa/bxnelap_lab_list.pdf)

<sup>viii</sup> <https://www.tceq.texas.gov/assets/public/permitting/watersupply/ud/forms/10234.pdf>

<sup>ix</sup> [http://www.tceq.texas.gov/assets/public/permitting/watersupply/pdw/Sanitary Control Basement Exception Checklist.pdf](http://www.tceq.texas.gov/assets/public/permitting/watersupply/pdw/Sanitary_Control_Basement_Exception_Checklist.pdf)



## Compliance

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**From:** Destiny Winning <Destiny.Winning@Tceq.Texas.Gov>  
**Sent:** Wednesday, November 30, 2016 4:21 PM  
**To:** Compliance  
**Subject:** RE: Shady Brook Acres- 1700031

Good afternoon Mr. Kindred,

Thank you for the pressure tank inspection. That will resolve the violation.

Has the interior pressure tank inspection for Wildwood Shores, PWS#2360078, been completed?

Thank you,

**Destiny Winning**

Texas Commission on Environmental Quality  
Environmental Investigator  
5425 Polk Street, Suite H  
Houston, Texas 77023  
Direct: 713-767-3729  
Office: 713-767-3650

**From:** Compliance [mailto:compliance@gulfutility.net]  
**Sent:** Wednesday, November 30, 2016 1:46 PM  
**To:** Destiny Winning <Destiny.Winning@Tceq.Texas.Gov>  
**Subject:** Shady Brook Acres- 1700031

Destiny,

Please see attached letter in regards to the compliance investigation item requested for Shady Brook Ares 1700031. The internal HPT inspection was performed and is attached to the letter.



# POTABLE WATER STORAGE TANK Inspection Form

Section 290.46(f)(3)(D)(ii) of the Texas Commission on Environmental Quality's *Rules and Regulations for Public Water Systems* requires documentation of annual ground, elevated, and pressure storage tank maintenance inspections. [See also 290.46(m)(1) and 290.46(m)(2)]

	Location: <u>Shady Brook</u>
Description: <u>HPT</u>	
Date & Material of Exterior Coating System:	<u>1997</u>
Date & Material of Interior Coating System:	<u>1997</u>

## Exterior of Tank

O.K.	Problem	NA	Description
X			Foundation: settling, cracks, deterioration
X			Protective Coating: rust, pitting, corrosion, leaks
X			Water Level Indicator: operable, cable access opening protected
		X	Overflow Pipe: flap valve cover accessible, operable, sealed
X			Access Ladder: loose bolts or rungs
X			Roof: low spots for ponding water, holes along seams, rust
X			Air Vents: proper design, screened, sealed edges and seams
		X	Cathodic Protection Anode Plates: secured and sealed
		X	Roof Hatch: proper design, locked, hinge bolts secured, gasket
X			Pressure Tank Operational Status: pressure release device, pressure gauge, air-water volume device

## Interior of Tank

O.K.	Problem	NA	Description
X			Water Quality: insects, floating debris, sediment on the bottom
X			Protective Coatings: rust, corrosion, scaling
Date:		Last Inspection of Pressure Tank Interior	

## Comments

Name of Inspector: <u>Jason Bell</u>
Date of Inspection: <u>NOV 8<sup>th</sup>, 2016</u>



**Part F: TCEQ Public Water System or Sewer (Wastewater) Information**

Complete Part F for **EACH** Public Water or Sewer system to be transferred subject to approval of the transaction.  
 Attach a separate sheet with this information if you need more space for additional systems being transferred.

## 22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: TX1010213 (7 digit ID)Name of PWS: Spring Creek Valley EstatesDate of last TCEQ compliance inspection: 02/16/2016 (attach TCEQ letter)Subdivisions served: Spring Creek Valley

## B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ (8 digit ID)

Name of Wastewater Facility: \_\_\_\_\_

Name of Permittee: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

Date of application to transfer permit submitted to TCEQ: \_\_\_\_\_23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
189	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			189	Total Sewer Connections:	

## 24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

## B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

## C. Is there a moratorium on new connections?

☒ No ☐ Yes:

## 25. Does the system being transferred operate within the corporate boundaries of a municipality?

☐ No ☐ Yes:

(name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: \_\_\_\_\_ Sewer: \_\_\_\_\_



26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

☐ No ☐ Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: \_\_\_\_\_

Water: \_\_\_\_\_

Sewer: \_\_\_\_\_

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

☐ No ☐ Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

☐ No ☐ Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☐ No ☐ Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer

### Part G: Mapping & Affidavits

**All applications require mapping information to be filed in conjunction with the STM application.**

***Read question 29 A and B to determine what information is required for your application.***

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
  - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
  - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.



Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niemann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

February 16, 2016

Mr. Chuck Peterson, President  
Gulf Utility Service, Inc.  
PO Box 691008  
Houston, Texas 77269-1008

Re: Comprehensive Compliance Investigation at:  
Spring Creek Valley Estates, 29826 Kingbird Dr., Tomball, Harris County, Texas  
Regulated Entity No.: 101450674, TCEQ ID No.: 1010213, Investigation No.: 1305710

Dear Mr. Peterson:

On January 13, 2016, Ms. Christina Bernal of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation; however, please see the attached Additional Issues. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Christina Bernal in the Houston Region Office at (713) 767-3650.

Sincerely,

A handwritten signature in cursive script that reads "Latrichia Spikes".

Latrichia Spikes, Team Leader  
Public Water Supply  
Houston Region Office

LS/CB/ra

cc: Harris County Public Health and Environmental Services

Mr. Jerry Randolph, Supervisor, PO Box 550, Tomball, Texas, 77377-0550

Enclosure: Summary of Investigation Findings



## Summary of Investigation Findings

SPRING CREEK VALLEY ESTATES

Investigation #

1305710

Investigation Date: 01/13/2016

, HARRIS COUNTY,

Additional ID(s): 1010213

No Violations Associated to this Investigation

### ADDITIONAL ISSUES

#### Description

Item 1

#### Additional Comments

30 TAC, §291.93(3) Adequacy of Water Utility Service

Failure, by a retail public utility that possesses a certificate of public convenience and necessity that has reached 85% of its capacity as compared to the most restrictive criteria of the commission's minimum capacity requirements in Chapter 290 T.A.C., to submit to the executive director a planning report that clearly explains how the retail public utility will provide the expected service demands to the remaining areas within the boundaries of its certificated area. A report is not required if the source of supply available to the utility service provider is reduced to below the 85% level due to a court or agency conservation order unless that order is expected to extend for more than 18 months from the date it is entered in which case a report shall be required.

The executive director may waive or limit the reporting requirements if the retail public utility demonstrates that the projected growth of the area will not require the retail public utility to exceed 100% of its current capacity for the next five years.

After any commission field inspection, a retail public utility must analyze the system's capacity to determine if it has reached 85% of its capacity. If the retail public utility has reached 85% of its capacity, it must file this report no later than 90 days after the date of a commission letter detailing the results of the inspection. Capacity is considered to be the overall rated capacity in number of residential connection equivalents based on the most restrictive criteria for production, treatment, storage, or pumping.



## Item 2

## 30 TAC, §291.93(3) Adequacy of Water Utility Service (CONTINUED)

Specifically, it is noted on this investigation that your wells have reached 92% of their capacity. This was based on 215 connections.

0.6 gallons per minute per connection required =  
0.6 GPM/conn. x 215 conn. = 129 GPM

Wells 2, 4, and 5 were timed at 55 GPM, 45 GPM, and 40 GPM, respectively, on January 13, 2016, for a total of 140 GPM.

129 GPM/140 GPM = ~92%

Compliance Documentation: Submit a planning report or waiver request within 90 days to TCEQ, Water Supply Division, Public Drinking Water Section, Technical Review & Oversight, MC 159, P.O. Box 13087, Austin, TX 78711-3087; phone (512) 239-4891.

## Item 3

## Sample Siting Plan

Please be aware that the Environmental Protection Agency (EPA) adopted the Revised Total Coliform Rule (RTCR) on February 13, 2013. As per the revisions under RTCR, every public water system must develop and maintain sampling sites for their routine as well as their repeat sample locations. The plan shows where a system intends to complete their repeat requirements in the event of a distribution system positive. Completing this plan will help a system to comply with the monitoring requirements of the Drinking Water Standards Governing Drinking Water Quality and Reporting Requirements for Public Water Systems (30 TAC 290 Subchapter F). The plan is a system specific document which demonstrates that the monitoring performed by the system is representative of the water distributed to consumers and is consistent with regulatory requirements.

In addition, all public water systems must submit a copy of the sample siting plan for review and approval upon development and revisions. The sample siting plans are required to be submitted before April 1, 2016. Submit one (1) copy of the complete Sample Siting Plan to:

Texas Commission on Environmental Quality  
Attn: Drinking Water Quality Team (RTCR Program)  
Public Drinking Water Section, Mail Code 155  
PO Box 13087  
Austin, TX 78711-3087

Be sure to submit any changes to the sample siting plan to the TCEQ. Revisions may be necessary depending on sites previously listed no longer being available to sample.



# **Attachment 'L'**

***Part F: Question 28***

***Confidential***

Operators Information



# CONFIDENTIAL

**DOCKET NO.:**

**STYLE:** Application of Nerro Supply Investors, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Harris and Montgomery Counties

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment L – Operators Information

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 127 TO 128

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** March 26, 2019

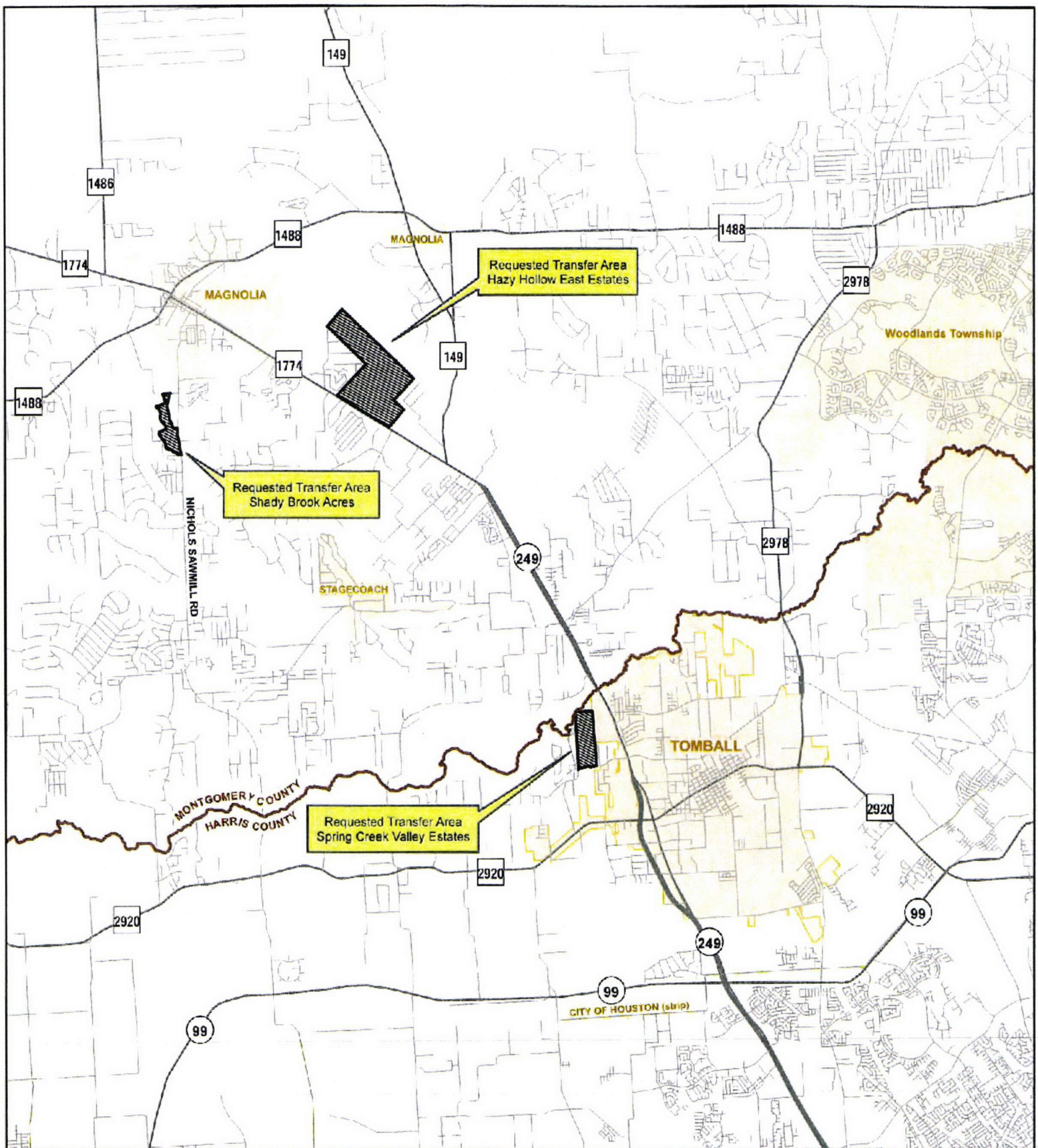


## **Attachment 'M'**

### ***Part G***

CCN Maps to be Transferred with this Application






### General Location

Undine Texas, LLC

Application to Transfer a Portion of Nerro Supply Investors, LLC, CCN No. 10336 to Undine Texas, LLC, CCN No. 13260  
in Harris and Montgomery Counties

### Requested Water Service Area to Transfer

 CCN 10336 - Nerro Supply Investors, LLC



0 1 2 Miles

130

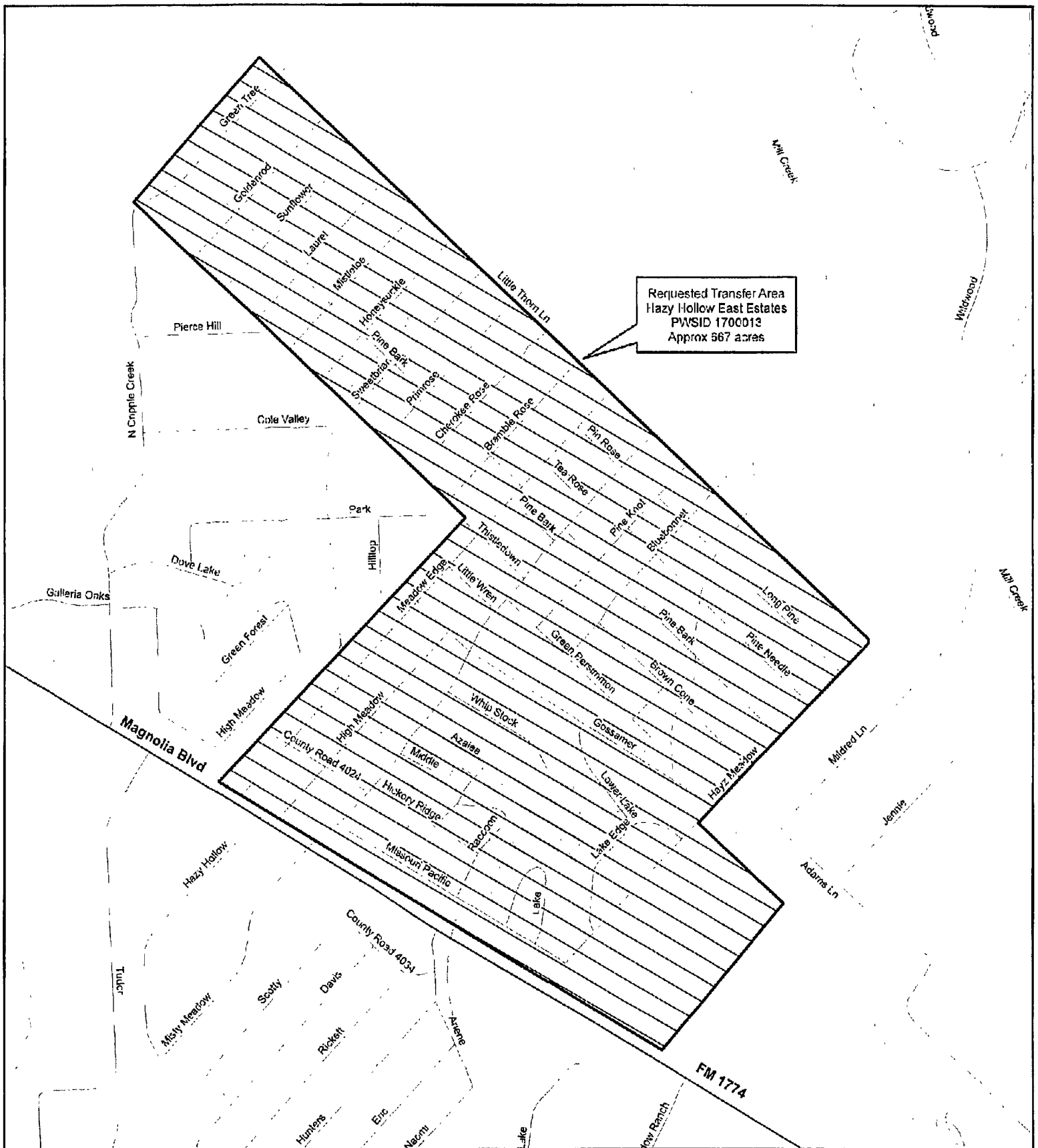
Map by: S. Burt, ASDGI

Date: March 5, 2019

Base: TxDOT Roadways 2015

Project: General Location\_10336






### Detail Map - Montgomery County

Undine Texas, LLC

Application to Transfer a Portion of Nerro Supply Investors, LLC, CCN No. 10336 to Undine Texas, LLC, CCN No. 13260  
in Harris and Montgomery Counties

#### Requested Water Service Area to Transfer

 CCN 10336 - Nerro Supply Investors LLC



0 625 1,250  
Feet

131

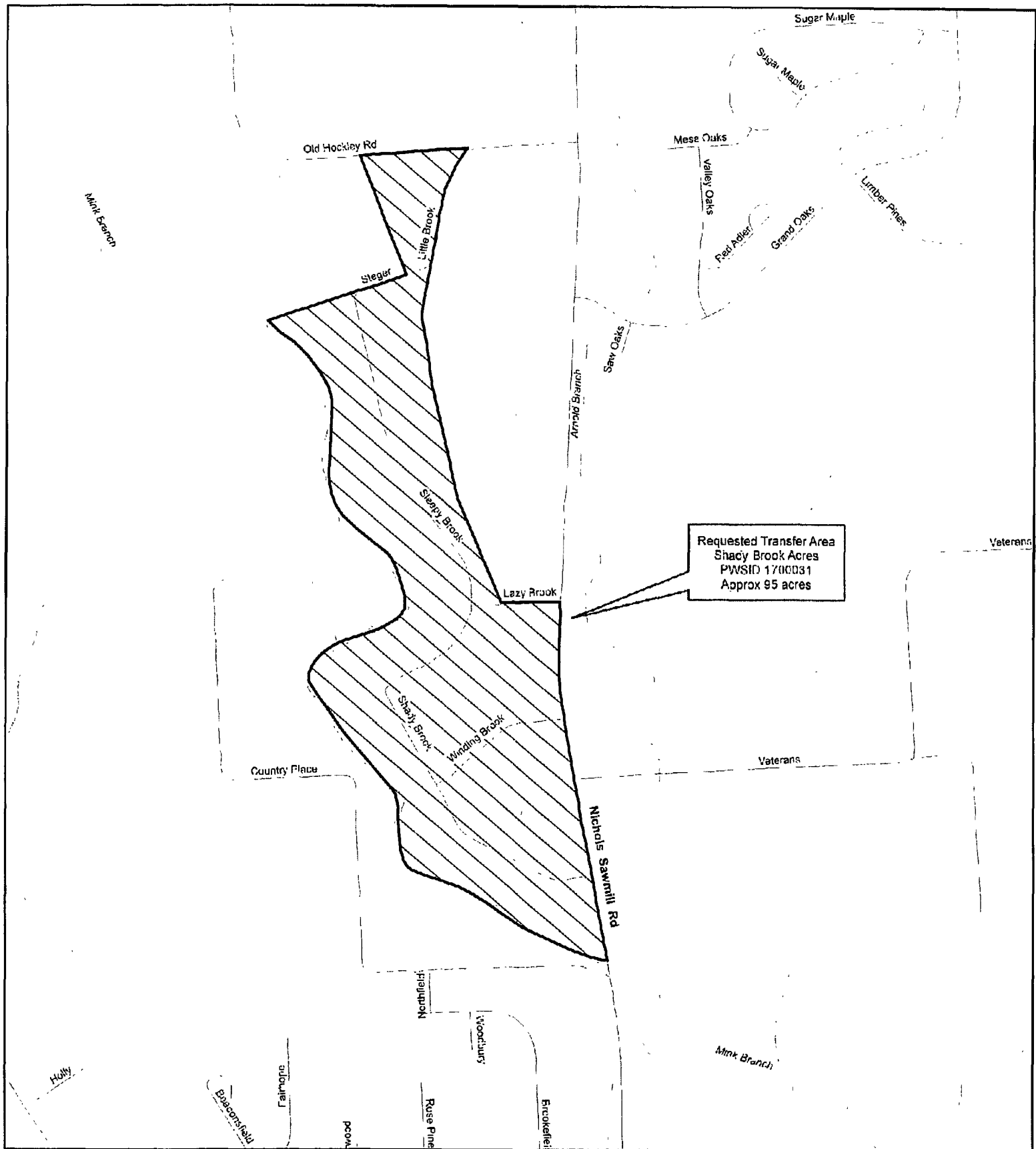
Map by: S. Durr, ASCEI

Date: March 7, 2019

Base: TxDOT Roadways 2015

Project: Hazy Hollow East\_10335





### Detail Map - Montgomery County

Undine Texas, LLC

Application to Transfer a Portion of Nerro Supply Investors, LLC, CCN No. 10336 to Undine Texas, LLC, CCN No. 13260  
in Harris and Montgomery Counties



0 400 800  
Feet

#### Requested Water Service Area to Transfer

 CCN 10336 - Nerro Supply Investors, LLC

132

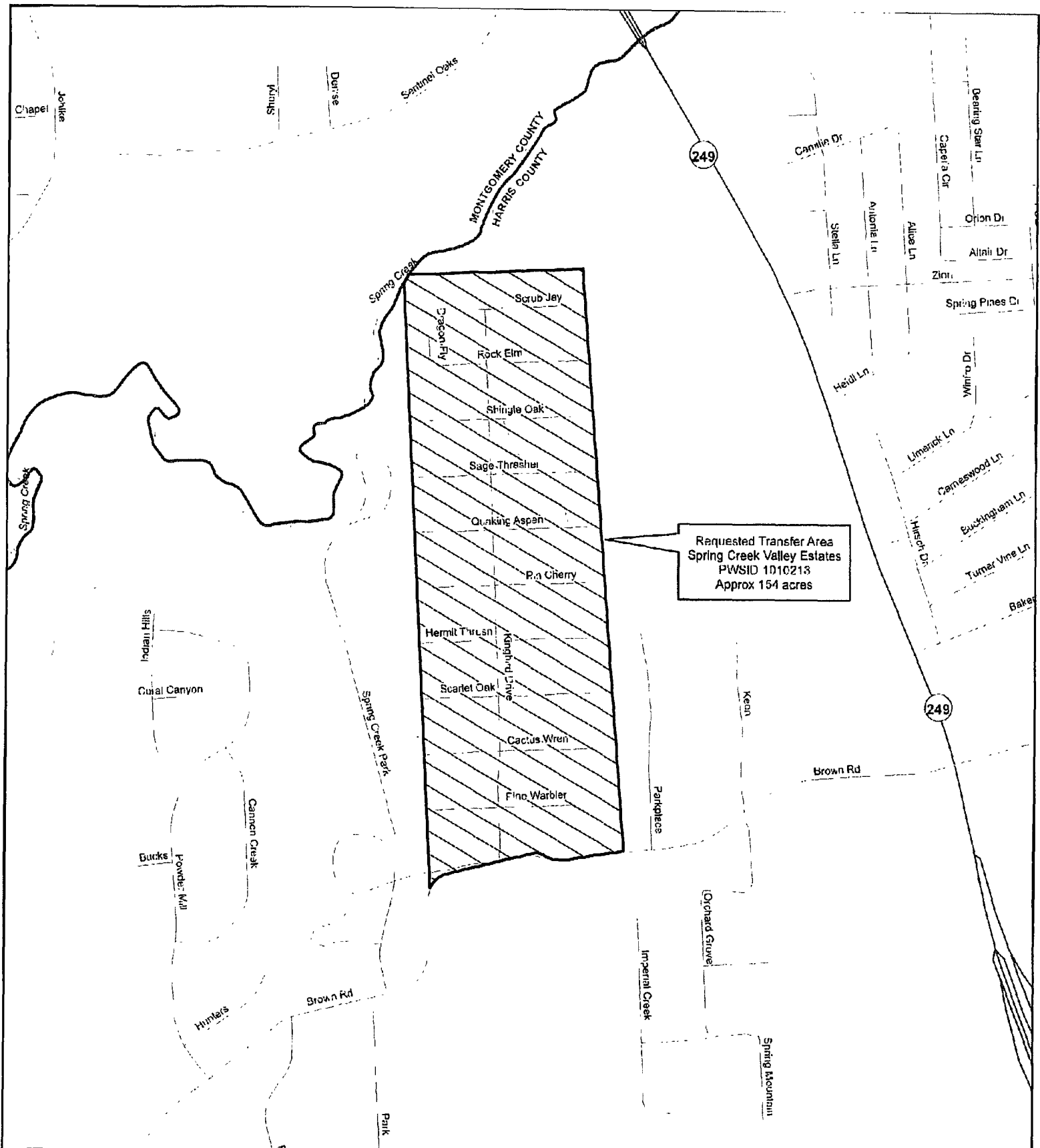
Map by: S. Burt, ASDGI

Date: March 7, 2019

Base: TxDOT Roadways 2015

Project: Shady Brook Acres\_10336





### Detail Map - Harris County

Undine Texas, LLC

Application to Transfer a Portion of Nerro Supply Investors, LLC, CCN No. 10336 to Undine Texas, LLC, CCN No. 13260 in Harris and Montgomery Counties

#### Requested Water Service Area to Transfer



CCN 10336 - Nerro Supply Investors, LLC

0 500 1,000 Feet





## **Attachment ‘N’**

### ***Part H***

#### **CCN Descriptions**



**Undine Texas, LLC Application to Transfer a Portion of Nerro Supply Investors, LLC, CCN No. 10336 in Montgomery County**

Transfer area total acreage: approximately 916 acres  
Subdivisions included: Hazy Hollow East Estates, Spring Creek Valley Estates and Shady Brook Acres  
Counties: Harris and Montgomery  
City Limits within: Tomball (with Spring Creek Valley Estates –appears to be no customers in city)  
ETJ within: City of Houston (with Spring Creek Valley Estates)  
City of Magnolia (with Shady Brook Acres)  
CCN overlaps: City of Magnolia (CCN 11466 – Facilities +200' – dual certification)  
Groundwater Conservation Districts within: Lone Star GCD  
Harris Galveston Subsidence District  
Districts overlaps: San Jacinto River Authority  
North Harris County Regional Water Authority  
Coastal Water Authority  
Gulf Coast Water Authority  
Harris County FCD  
Port of Houston Authority



**Notice Description (old format which PUC mapping prefers):**

**Hazy Hollow East Estates – PWSID 1700013 – Montgomery County**

The proposed utility service area is located approximately 2.5 miles east/southeast of downtown Magnolia, TX, and is generally bounded on the north by Little Thorn Lane and 260 feet north of Green Tree Road; on the east by Little Thorn Lane and Mildred Lane; on the south by Magnolia Boulevard; and on the west by North Cripple Creek Drive.

The total are being requested includes approximately 667 acres and 742 current customers.

**Shady Brooks Acres – PWSID 1700013 – Montgomery County**

The proposed utility service area is located approximately 1.5 miles south of downtown Magnolia, TX, and is generally bounded on the north by Old Hockley Road; on the east by Nichols Sawmill Road; on the south by Mink Branch; and on the west by Mink Branch.

The total are being requested includes approximately 95 acres and 57 current customers.

**Spring Creek Valley Estates – PWSID 1010213 – Harris County**

The proposed utility service area is located approximately 1.2 miles northwest of downtown Tomball, TX, and is generally bounded on the north by Spring Creek; on the east by Park Place Drive; on the south by Brown Road; and on the west by Spring Creek Park.

The total are being requested includes approximately 154 acres and 189 current customers.