



Control Number: 49380



Item Number: 1

Addendum StartPage: 0



49380

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

RECEIVED

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 31.109

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

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
  - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
  - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
  - iii. 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.
  - i. **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:
  - i. **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.*
  - ii. **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, LLC

(selling entity)

CCN No.s: 12252

- 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): Brazos, Burleson, Chambers, Montgomery, Robertson, Walker

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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, 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, 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: Undire 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:

Undine 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:	\$	_____
Accumulated Depreciation of Plant:	\$	_____
Cash:	\$	_____
Notes Payable:	\$	_____
Mortgage Payable:	\$	_____
(Proposed) Acquisition Adjustment*:	\$	_____
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-metered		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 Te go 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, S. M. GARCIA being duly sworn, file this application for sale, merger, consolidation, acquisition, lease, or rental, as

transfer.

OWNER  
(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.

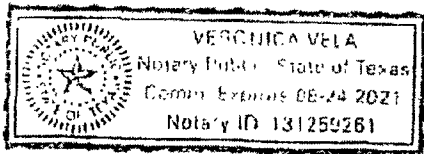
I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Texas Water Code § 13.301(j) and copies of any outstanding enforcement Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Texas Water Code § 13.301(k).

[Signature]  
AFFLIANT  
(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: 8/24/2021

Oath for Transferee (Acquiring Entity)

STATE OF TEXAS

COUNTY OF HARRIS

I, CAROL A. THOMAS being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as SPRINGVILLE REPRESENTATIVE (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.

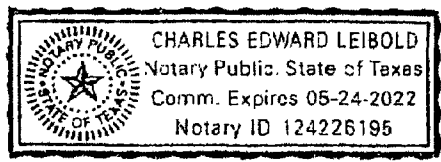
I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney 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.

Carol 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**

<b>(ENTER DATE OF YEAR END)</b>	<b>CURRENT(A)</b> ( - - )	<b>A-1 YEAR</b> ( - - )	<b>A-2 YEAR</b> ( - - )	<b>A-3 YEAR</b> ( - - )	<b>A-4 YEAR</b> ( - - )	<b>A-5 YEAR</b> ( - - )
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
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>						

PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income						
Depreciation (If funded 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



## Nerro Supply, LLC - Water Company Information

### Nerro 1

Allendale Water System	Active Connections
------------------------	--------------------

CN	603827353	50
CCN	12252	
RN	102684404	
PWSID No	TX1700187	
Subdivision	Allendale	
County	Montgomery	

Hillgreen Subdivision Water Co	Active Connections
--------------------------------	--------------------

CN	603827353	46
CCN	12252	
RN	101376531	
PWSID No	TX1700539	
Subdivision	Hillgreen	
County	Montgomery	

Loch Ness Cove Subdivision Water System	Active Connections
---	--------------------

CN	603827353	80
CCN	12252	
RN	101178192	
PWSID No	TX1700148	
Subdivision	Loch Ness Cove	
County	Montgomery	

River Club Water	Active Connections
------------------	--------------------

CN	603827353	75
CCN	12252	
RN	102680121	
PWSID No	TX1700185	
Subdivision	River Club	
County	Montgomery	

Woodhaven Estates	Active Connections
-------------------	--------------------

CN	603827353	56
CCN	12252	
RN	101452324	
PWSID No	TX1700481	
Subdivision	Woodhaven Estates	
County	Montgomery	

**Nerro Supply, LLC - Water  
Company Information**

**Nerro 3**

**Benchley Oaks Subdvision Active Connections**

CN	603827353	161
CCN	12252	
RN	102686292	
PWSID No	TX0210039	
Subdivision	Benchley Oaks	
County	Brazos	

**Lakewood Estates Active Connections**

CN	603827353	80
CCN	12252	
RN	102677069	
PWSID No	TX0210042	
Subdivision	Lakewood Estates	
County	Brazos	

**Smetana Forest Active Connections**

CN	603827353	50
CCN	12252	
RN	102684149	
PWSID No	TX0210010	
Subdivision	Smetana Forest	
County	Brazos	

**Oak Forest Lakeway Manor Active Connections**

CN	603827353	49
CCN	12252	
RN	102688140	
PWSID No	TX1980017	
Subdivision	Oak Forest Lakeway	
County	Robertson	

**Wildwood**

**Wildwood Shores Active Connections**

CN	603827353	173
CCN	12252	
RN	101197192	
PWSID No	TX2360078	
Subdivision	Wildwood Shores/Sam Houston Forest	
County	Walker	

## Nerro Supply, LLC - Water Company Information

### Nerro 2

Lost Lakes		Active Connections
CN	603827353	47
CCN	12252	
RN	101207751	
PWSID No	TX0360108	
Subdivision	Lost Lakes	
County	Chambers	

Bayridge Subdivision Water System		Active Connections
CN	603827353	75
CCN	12252	
RN	101241255	
PWSID No	TX0360028	
Subdivision	Bayridge	
County	Chambers	

Oaks at Houston Point		Active Connections
CN	603827353	41
CCN	12252	
RN	105232078	
PWSID No	TX0360126	
Subdivision	Oaks at Houston Point	
County	Chambers	

**Nerro Supply, LLC - Water  
Company Information**

**Nerro 4**

**Apache Hills Active Connections**

CN	603827353	67
CCN	12252	
RN	102686706	
PWSID No	TX0260019	
Subdivision	Apache Hills	
County	Burleson	

**Lakeview N Marshall Oaks Somerville Place Active Connections**

CN	603827353	78
CCN	12252	
RN	102682184	
PWSID No	TX0260010	
Subdivision	Lakeview N Marshall Oaks	
County	Burleson	

**Little Oak Forest Subdivision Active Connections**

CN	603827353	36
CCN	12252	
RN	102676202	
PWSID No	TX0260037	
Subdivision	Little Oak Forest	
County	Burleson	

**Somerville Place Active Connections**

CN	603827353	142
CCN	12252	
RN	102694106	
PWSID No	TX0260021	
Subdivision	Somerville Place	
County	Burleson	

**Whispering Woods Active Connections**

CN	603827353	15
CCN	12252	
RN	102693306	
PWSID No	TX0260032	
Subdivision	Whispering Woods	
County	Burleson	

# **Attachment 'B'**

*Part A: Question 1*

*Confidential*

Letter of Intent

# CONFIDENTIAL

**DOCKET NO.:**

**STYLE:** Application of Nerro Supply, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Brazos, Burleson, Chambers, Montgomery, Robertson and Walker Counties

**SUBMITTING PARTY:** Undine Texas, LLC

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

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 29 TO 33

**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

Donna L. Nelson  
Chairman

Kenneth W. Anderson, Jr.  
Commissioner

Brandy Marty Marquez  
Commissioner

Brian H. Lloyd  
Executive Director



Greg Abbott  
Governor

RECEIVED

2015 SEP 25 PM 2:27

PUBLIC UTILITY COMMISSION  
FILED CLERK

*Public Utility Commission of Texas*

TO: Bret W. Fenner, P.E.  
B & D Environmental, Inc.  
913 Hyde Park Dr.  
Round Rock, Texas 78665

Commission Staff – Rate Regulation – Tariff and Rate Analysis  
Commission Staff – Legal Division

RE: Tariff Control No. 44967 – *Application of Nerro Supply, LLC to Implement a Pass-Through Rate Change*

**NOTICE OF APPROVAL**

On July 24, 2015, Nerro Supply, LLC (Applicant or Nerro) filed an application to implement a pass through rate increase for the pumpage fee imposed on the utility by the San Jacinto River Authority (SJRA) for mandatory participation in SJRA's groundwater reduction plan. Nerro listed the Riverclub River Ridge Subdivision, Public Water System No. 1700185, as affected by the pass through adjustment. Nerro proposed an effective date of October 1, 2015.

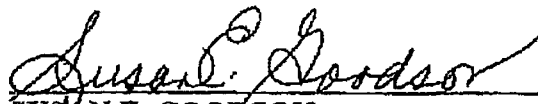
On September 21, 2015, Public Utility Commission of Texas (Commission) Staff recommended approval of the application and a pass-through rate increase of \$2.73 per 1,000 gallons. Commission Staff stated that the application and notice, as mailed to customers, satisfied the requirements of 16 Tex. Admin. Code § 24.21(h)(4) and (5).

Consistent with Staff's recommendation, the application is approved. After issuance of this Notice, the first bill issued by Nerro 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 for fees imposed by the SJRA. The approved tariff is attached to this Notice.



SIGNED AT AUSTIN, TEXAS on the 25<sup>th</sup> day of September 2015.

**PUBLIC UTILITY COMMISSION OF TEXAS**



**SUSAN E. GOODSON**  
**ADMINISTRATIVE LAW JUDGE**

q:\adm\docket management\water\tariffs - pass through adj\44xxx\44967-app.docx



**WATER UTILITY TARIFF**  
Docket Number: 44967

Nerro Supply, LLC  
(Utility Name)

5900 Westview Dr.  
(Business Address)

Houston, Texas 77055-5418  
(City, State, Zip Code)

(281)355-1312  
(Area Code/Telephone)

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

12252

This tariff is effective in the following counties:

Brazos, Burleson, Chambers, Liberty, Montgomery, Robertson and Walker

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

City of Beach City

\*Bayridge Water system and Oaks at Houston Point are within the city limits of the City of Beach City.

**"The rates set or approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility."**

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

See attached list.

**TABLE OF CONTENTS**

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

SECTION 1.0 -- RATE SCHEDULE..... 2  
SECTION 2.0 -- SERVICE RULES AND POLICIES..... 6  
SECTION 3.0 -- EXTENSION POLICY ..... 12  
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN..... 16

APPENDIX A -- SAMPLE SERVICE AGREEMENT  
APPENDIX B -- APPLICATION FOR SERVICE

PUBLIC UTILITY COMMISSION OF TEXAS  
APPROVED

SEP 25 '15 44967

CONTROL # \_\_\_\_\_

**ATTACHMENT B**  
**(Proposed Water Utility Tariff)**

Water Utility Tariff

Water Utility Tariff

Water Utility Tariff

**Nerro Supply, LLC**

<b>Public Water System/Subdivision</b>	<b>PWS ID #</b>	<b>County</b>
Allendale Water System	1700187	Montgomery
*Bayridge Water System	0360028	Chambers
Hillgreen Water Company	1700539	Montgomery
Loch Ness Cove Water System	1700148	Montgomery
Lost Lake	0360108	Chambers
*Oaks at Houston Point	0360126	Chambers
River Club Water Company	1700185	Montgomery
Riverwood Estates	1460146	Montgomery
Woodhaven Estates	1700481	Montgomery
Sam Houston Forest Subdivision	2360078	Walker
Wildwood Shores	2360078	Walker

The following system/subdivisions were transferred from Brazos Valley Septic & Water, Inc., CCN 13094 in Docket No. 43117:

<b>Subdivision</b>	<b>PWS ID Number</b>	<b>County</b>
Apache Hills	0260019	Burleson
Benchly Oaks	0210039	Brazos
Lakeview North	0260010	Burleson
Lakeway Manor	1980017	Robertson
Lakewood Estates	0210042	Brazos
Little Oak Forest	0260037	Burleson
Marshal Oaks	0260010	Burleson
Oak Forest	1980017	Robertson
Smetana Forest	0210010	Brazos
Somerville Place	0260010, 0260021	Burleson
Whispering Woods	0260032	Burleson

PUBLIC UTILITY COMMISSION OF TEXAS  
APPROVED

SEP 25 '15      4496.7

DOCKET #

Docket Number: 44967

CONTROL # \_\_\_\_\_

SECTION 1.0 – RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge	Gallage Charge
5/8" or 3/4"	\$40.78 (Includes 0 gallons)	\$2.50 per 1000 gallons thereafter
1"	\$101.95	
1 1/2"	\$203.90	*PLUS
2"	\$326.24	Pass through fees below
3"	\$1,019.50	

Pass Through Fees:

**\*In addition the gallonage charge will be increased for customers in the Riverclub/River Ridge subdivision for Pass Through fees related to the San Jacinto River Authority (SJRA), \$2.73 per 1000 gallons. The \$2.73 per 1,000 gallons rate is an adjusted amount based on the previously approved pass through rate (\$2.65 per 1,000 gallons) added to the change in rate charged by SJRA (\$2.32-\$2.25 per 1,000 gallons) to the utility, divided by 1 minus the utility's water loss (over 15%, formula allows for a maximum water loss of 15%). It is calculated as follows:  $(2.65 + (2.32-2.25)/(1-.15)) = \$2.73$  (Docket No. 44967)**

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 SEPTEMBER REQUIRE EXACT CHANGE FOR PAYMENTS AND SEPTEMBER 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 THE FEE TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ).

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$750.00

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

TAP FEE (Unique costs) ..... Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) ..... Actual Cost

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER RELOCATION FEE .....Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE SEPTEMBER 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 SEPTEMBER 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 SEPTEMBER 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) .....\$25.00
b) Customer's request that service be disconnected.....\$50.00

TRANSFER FEE .....\$50.00
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%
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE.....\$50.00
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 PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [P.U.C. SUBST. R. 24.21(k)(2)]

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

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:
Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

- AG = G + B/(1-L), where
AG = adjusted gallonage charge, rounded to the nearest one cent;
G = approved gallonage charge (per 1,000 gallons);
B = change in purchased water/district gallonage charge (per 1,000 gallons);
L = system average line loss for preceding 12 months not to exceed 15%

To implement or modify the Purchased Water/Underground Water District Fee, the utility must comply with all notice and other requirements of 16 TAC 24.21 (I).

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**SECTION 1.0 – RATE SCHEDULE**

**Section 1.01 - Rates**

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	\$12.00 (Includes 5,000 gallons)	\$0.75 5,001-15,000 gallons
		\$0.85 15,001-25,000 gallons
		\$1.00 25,001-35,000 gallons
		\$1.25 35,001 and up

**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 SEPTEMBER REQUIRE EXACT CHANGE FOR PAYMENTS AND SEPTEMBER 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 THE FEE TO THE TCEQ.

**Section 1.02 - Miscellaneous Fees**

**TAP FEE** ..... \$500.00

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

**TAP FEE (Unique costs)** ..... Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

**TAP FEE (Large meter)** ..... Actual Cost

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

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

THIS FEE SEPTEMBER 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 SEPTEMBER 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 SEPTEMBER NOT EXCEED \$25.

SECTION 1.0 -- RATE SCHEDULE (Continued)

**RECONNECTION FEE**

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

- a) Non-payment of bill (Maximum \$25.00) ..... \$25.00
- b) Customer's request that service be disconnected ..... \$10.00

**TRANSFER FEE** ..... \$10.00

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)** ..... \$5.00

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

**RETURNED CHECK CHARGE** ..... \$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 PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING.  
[P.U.C. SUBST. R. 24.21(k)(2)]

**LINE EXTENSION AND CONSTRUCTION CHARGES:**

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

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SECTION 1.0 – RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$20.00 (Includes 10,000 gallons)	\$3.00 per 1000 gallons, 1st 10,000 gallons \$5.00 per 1000 gallons thereafter

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

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

THE UTILITY SEPTEMBER REQUIRE EXACT CHANGE FOR PAYMENTS AND SEPTEMBER 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 THE FEE TO TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$600.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

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

METER RELOCATION FEE ..... Actual Relocation Cost, Not to Exceed Tap Fee  
THIS FEE SEPTEMBER 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 SEPTEMBER 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 SEPTEMBER NOT EXCEED \$25.

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

- a) Non-payment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected.....\$10.00

TRANSFER FEE .....\$10.00

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) .....\$5.00

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

RETURNED CHECK CHARGE.....\$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 PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING.  
[P.U.C. SUBST. R. 24.21(k)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

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Formerly under Brazos Valley Septic & Water, Inc.  
(Apache Hills, Benchly Oaks, Lakeview North,  
Lakeway Manor, Lakewood Estates, Little Oak Forest,  
Marshal Oaks, Oak Forest, Smetana Forest,  
Somerville Place, Whispering Woods)

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$32.58</u> (Includes 0 gallons)	<u>\$2.00</u> per 1000 gallons up to 12,000 gallons
1"	<u>\$81.45</u>	<u>\$3.00</u> per 1000 gallons, 12,001 gallons and up
1 1/2"	<u>\$162.90</u>	
2"	<u>\$260.64</u>	
3"	<u>\$488.70</u>	
4"	<u>\$814.50</u>	

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 THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$850.00

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.

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) ..... \$25.00

b) Customer's request that service be disconnected ..... \$45.00

Nerro Supply, LLC  
 Formerly under Brazos Valley Septic & Water, Inc.  
 (Apache Hills, Benchly Oaks, Lakeview North,  
 Lakeway Manor, Lakewood Estates, Little Oak Forest,  
 Marshal Oaks, Oak Forest, Smetana Forest,  
 Somerville Place, Whispering Woods)

SECTION 1.0 -- RATE SCHEDULE (Continued)

SEASONAL RECONNECT FEE:.....Monthly minimum times number of months off the system, maximum 6 months.

TRANSFER FEE .....\$45.00  
 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) .....\$5.00  
 PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING. SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

RETURNED CHECK CHARGE .....\$30.00  
 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 PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING .  
 [P.U.C. SUBST. R. 24.21(1)(2)].

LINE EXTENSION AND CONSTRUCTION CHARGES:  
 Refer to Section 3.0 Extension Policy for terms, conditions, and charges when new construction is necessary to provide service.

PURCHASED WATER/ UNDERGROUND WATER DISTRICT FEE PASS THROUGH CLAUSE:  
 Changes in fees imposed by any wholesale water supplier and/or any ground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the formula:

- AG =  $G + B/(1-L)$ , where:
- AG = adjusted gallonage charge; rounded to nearest one cent
- G = approved per 1,000 gallon gallonage charge
- B = change in district fee (per 1,000 gallons)
- L = system average line loss for preceding 12 months, not to exceed 0.15

To implement or modify the Purchased Water/ Underground Water District Fee, the utility must comply with all notice and other requirements of 16 TAC 24.21 (h).

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SECTION 1.0 -- RATE SCHEDULE (Continued)

**TEMPORARY WATER RATE:**

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its gallonage charge according to the formula:

$$TGC = cgc + \frac{pr(r)(cgc)(r)}{(1.0 - r)}$$

Where:

- TGC = temporary gallonage charge
- cgc = current gallonage charge
- r = water use reduction expressed as a decimal fraction (the pumping restrictions)
- pr = percentage of revenues to be recovered expressed as a decimal fraction (i.e. 100% = 1.0), for this tariff, pr shall equal 0.5.

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 16 TAC 24.21(l).

SECTION 2.0 – SERVICE RULES AND POLICIES

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

Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - Refusal of Service

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

Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) Customer Deposits

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

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

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

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

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction.

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**SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)**

If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 30 TAC 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

**(C) Easement Requirement**

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

**Section 2.04 - Utility Response to Applications for Service**

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

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

**Section 2.05 - Customer Responsibility**

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

**Section 2.06 - Customer Service Inspections**

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the TCEQ Rules and Regulations for Public Water Systems, Section 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in Section 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property.

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APPROVED

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**SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)**

The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

**Section 2.09 - Meter Requirements, Readings, and Testing**

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

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

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

**Section 2.10 - Billing****(A) Regular Billing**

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

**(B) Late Fees**

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

**(C) Information on Bill**

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

Section 2.11- Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Section 2.12 - Service Disconnection

(A) With Notice

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

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

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

(B) Without Notice

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

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 36 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

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**SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)**

**Section 2.14 - Service Interruptions**

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

**Section 2.15 - Quality of Service**

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

**Section 2.16 - Customer Complaints and Disputes**

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

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

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

**Section 2.17 - Customer Liability**

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

SECTION 3.0 -- EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: NO CONTRIBUTION IN AID OF CONSTRUCTION MAY BE REQUIRED OF ANY CUSTOMER EXCEPT AS PROVIDED FOR IN THIS APPROVED EXTENSION POLICY.

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

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

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

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

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the PUC if:

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

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**SECTION 3.0 -- EXTENSION POLICY (Continued)**

If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

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

**Section 3.03 - Contributions in Aid of Construction**

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

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of PUC SUBST. R. 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by PUC SUBST. R. 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.0 -- EXTENSION POLICY (Continued)

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utility's approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant.

Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

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**SECTION 3.0 -- EXTENSION POLICY (Continued)**

**Section 3.06 - Qualified Service Applicant**

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The Utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

**Section 3.07 - Developer Requirements**

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

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

**Docket Number: 44967**

**PUBLIC UTILITY COMMISSION OF TEXAS  
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APPENDIX A -- SAMPLE SERVICE AGREEMENT  
From 30 TAC Chapter 290.47(b), Appendix B  
SERVICE AGREEMENT

- I. **PURPOSE.** The NAME OF WATER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF WATER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.
- II. **RESTRICTIONS.** The following unacceptable practices are prohibited by State regulations.
- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
  - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
  - C. No connection which allows water to be returned to the public drinking water supply is permitted.
  - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
  - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the NAME OF WATER SYSTEM (the Water System) and NAME OF CUSTOMER (the Customer).
- A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.
  - B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.

- C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic re-inspection.
- D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
- E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S  
SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

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APPENDIX B -- APPLICATION FOR SERVICE

(Utility Must Attach Blank Copy)

STATE OF CALIFORNIA  
DEPARTMENT OF  
INDUSTRIAL RELATIONS  
DIVISION OF  
EMPLOYMENT  
RELATIONS

## **Attachment 'D'**

*Part B: Question 5*

*Confidential*

Customer Name, Address and Deposit Information

# CONFIDENTIAL

**DOCKET NO.:**

**STYLE:** Application of Nerro Supply, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Brazos, Burleson, Chambers, Montgomery, Robertson and Walker 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:** 64 TO 84

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**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, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Brazos, Burleson, Chambers, Montgomery, Robertson and Walker 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:** 86 TO 93

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**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, 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, LLC, operates as a domestic limited liability company. The business was formed on February 7, 2011.

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, 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

Page 1

The First State

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 in a small font.

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



## Franchise Tax Account Status

As of : 03/07/2019 11:33:31

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

NERRO SUPPLY, LLC	
Texas Taxpayer Number	32043563207
Mailing Address	PO BOX 691008 HOUSTON, TX 77269-1008
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	02/07/2011
Texas SOS File Number	0801380548
Registered Agent Name	CHARLES PETERSON
Registered Office Street Address	11131 MCCRACKEN CIR STE A CYPRESS, TX 77429

FEB 07 2011

Corporations Section

**CERTIFICATE OF FORMATION**

**OF**

**NERRO SUPPLY, LLC**

This Certificate of Formation of Nerro Supply, LLC (the "Company"), dated as of February 7, 2011, is filed pursuant to Section 3.001 of the Texas Business Organizations Code (the "Code") to form a limited liability company under the Code.

1. **Name.** The name of the Company is Nerro Supply, LLC.
2. **Type of Filing Entity.** The Company is a limited liability company.
3. **Purpose.** The purpose for which the Company is formed is the transaction of any or all lawful purposes for which a limited liability company may be organized under the Code.
4. **Duration.** The period of duration of the Company is perpetual, unless the Company dissolves earlier in accordance with the provisions of its limited liability company agreement.
5. **Registered Office and Registered Agent.** The street address of the initial registered office of the Company is 5900 Westview Drive, Houston, Texas 77055 and the name of the initial registered agent of the Company at such address is Gregory P. Pappas.
6. **Management.** The Company will be managed by a Board of Managers. The names and addresses of the initial Managers of the Company are as follows:

Gregory P. Pappas	5900 Westview Drive Houston, Texas 77055
Shawn O'Brien	5900 Westview Drive Houston, Texas 77055

7. **Actions Without a Meeting.** 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 on the action 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.

8. **Liability of Managers and Members.**

(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 member, 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 (a) a breach of such manager or member's duties to the Company or its members; (b) 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; (c) 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's or member's office; or (d) 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 Section 8, 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 manager 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 Section 8, or the adoption of any other provision of this Certificate of Formation inconsistent with this Section 8, 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.

9. Organizer. The name and address of the organizer is Mark Hughes, 2211 Norfolk, Suite 1110, Houston, Texas 77098.

10. Execution. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

IN WITNESS WHEREOF, this Certificate of Formation has been executed by the undersigned, as sole organizer of the Company, on February 7, 2011.



---

Mark Hughes

## **Attachment 'G'**

*Part C: Question 9*

*Confidential*

List of the Officers of Undine Texas, LLC



# **CONFIDENTIAL**

**DOCKET NO.:**

**STYLE:** Application of Nerro Supply, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Brazos, Burleson, Chambers, Montgomery, Robertson and Walker 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:** 103 TO 103

**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, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Brazos, Burleson, Chambers, Montgomery, Robertson and Walker Counties

**SUBMITTING PARTY:** Undine Texas, LLC

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

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 105 TO 113

**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>
Ed Wallace President	<ul style="list-style-type: none"> <li>▪ 29 years of total experience</li> </ul>	<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>
Carey Thomas Sr. Vice President	<ul style="list-style-type: none"> <li>▪ 19 years of total experience</li> </ul>	<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>
Andy Thomas Sr. Vice President	<ul style="list-style-type: none"> <li>▪ 24 years of total experience</li> </ul>	<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>
Charlie Leibold Chief Accounting Officer	<ul style="list-style-type: none"> <li>▪ 19 years of total experience</li> </ul>	<ul style="list-style-type: none"> <li>▪ Director of Due Diligence at AquaSource</li> <li>▪ 10 year career at Deloitte and Touche</li> </ul>
Mike Ashfield Sr. Vice President Acquisitions	<ul style="list-style-type: none"> <li>▪ 13 years of total experience</li> </ul>	<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>
Rick Melcher Manager of Public Relations	<ul style="list-style-type: none"> <li>▪ 16 years of total experience</li> </ul>	<ul style="list-style-type: none"> <li>▪ Former Public Relations Manager and Spokesperson for AquaSource and Ni America</li> </ul>
Jeff Goebel Manager Business Development	<ul style="list-style-type: none"> <li>▪ 17 years of total experience</li> </ul>	<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**

**Notice List (2 miles):**

City of Conroe (CCN 10339)  
PO Box 3066  
Conroe, TX 77305

City of Beach City  
12723 FM 2354  
Beach City, TX 77523

City of Houston  
PO Box 1562  
Houston, TX 77251

City of Bryan (CCN 10187)  
PO Box 1000  
Bryan, TX 77805

City of Somerville (CCN 10198)  
PO Box 159  
Somerville, TX 77879

City of Baytown  
2401 Market St  
Baytown, TX 77520

City of Mont Belvieu  
PO Box 1048  
Mont Belvieu, TX 77580

City of Old River Winfrees  
4818 FM 565 N  
Old River Winfrees, TX 77523

City of Cove  
(unknown)  
Cove, TX 77523

Town of Cut and Shoot (CCN 11615)  
PO Box 7364  
Cut and Shoot, TX 77306

Aqua Texas, Inc. (CCN 11157, 13203)  
1106 Clayton Ln Ste 400W  
Austin, TX 78723

Burleson County MUD 1 (CCN 13144)



200 Shadow Oak Lane  
Somerville, TX 77879

Clara Hill Civic Assn (CCN 11738)  
PO Box 358  
Lyons, TX 77863

Crystal Springs Water Co., Inc. (CCN 11373)  
PO Box 603  
Porter, TX 77365

Deanville WSC (CCN 10177)  
PO Box 153  
Deanville, TX 77852

Lake Forest Falls Inc. (CCN 11443)  
PO Box 1232  
Conroe, TX 77305

Cypresswood Estates (CCN 12498)  
36515 Cochran Road  
Waller, TX 77484

Krebs Utilities, Inc. (CCN 11984)  
11015 Sheldon Rd Ste 102  
Houston, TX 77044

HDU Services LLC (CCN 11699, 12254)  
13193 County Rd 424  
Somerville, TX 77879

Olsen Estates POA (CCN 13160)  
PO Box 1553  
Mont Belvieu, TX 77580

MSEC Enterprise Inc. (CCN 12887)  
PO Box 970  
Navasota, TX 77868

Quadvest LP (CCN 11612)  
PO Box 409  
Tomball, TX 77377

Stone Hedge Utility Co. Inc. (CCN 12624)  
PO Box 426  
Spring, TX 77383

T&W Water Service (CCN 12892)

PO Box 2927  
Conroe, TX 77305

Woodland Oaks Utility Co., Inc. (CCN 12947)  
PO Box 592  
Conroe, TX 77305

Woodland Hills Water LLC (CCN 12388)  
1775 N Loop 336 E Ste 14  
Conroe, TX 77301

Woodlands West Water System (N0055)  
PO Box 317  
Lyons, TX 77863

Lyons WSC (CCN 10189)  
PO Box 407  
Lyons, TX 77863

C&R Water Supply Inc. (CCN 13098)  
PO Box 187  
Willis, TX 77378

Cape Malibu WSC (CCN 11775)  
15828 Malibu E  
Willis, TX 77318

Consumers Water Inc. (CCN 10347)  
PO Box 1383  
Spring, TX 77383

Conroe Bay Water Sewer Supply (CCN 12604)  
PO Box 465  
Willis, TX 77378

Forest Cove MUD (CCN 11808 – deleted/dissolved)

The Lakeville POA (CCN 12518)  
1525 Lakeville Dr Ste 100  
Kingwood, TX 77339

Walnut Cove WSC (CCN 12605)  
PO Box 893  
Willis, TX 77378

Wickson Creek SUD (CCN 11544)

PO Box 4756  
Bryan, TX 77805

Paradise Cove Water System (CCN 12872)  
PO Box 219  
Conroe, TX 77305

Porter SUD (CCN 11473)  
22162 Water Well Rd  
Porter, TX 77365

Porter MUD  
PO Box 1030  
Porter, TX 77365

Gulf Coast Waste Disposal Authority  
910 Bay Area Blvd  
Houston, TX 77058

Wellborn SUD (CCN 11340)  
PO Box 250  
Wellborn, TX 77881

Baytown Area Water Authority  
7425 Thompson Rd  
Baytown, TX 77521

Corinthian Point MUD 2  
1980 Post Oak Blvd Ste 1380  
Houston, TX 77056

East Montgomery County ID  
21575 US Hwy 59 North  
New Caney, TX 77357

Kings Manor MUD  
6363 Woodway Dr Ste 725  
Houston, TX 77057

Montgomery County FWSD 7  
15816 Malibu E  
Willis, TX 77318

Montgomery County MUD 121  
202 Century Square Blvd  
Sugar Land, TX 77478

Montgomery County MUD 114

16555 Southwest Fwy Ste 200  
Sugar Land, TX 77479

Montgomery County MUD 102  
(Inactive per TCEQ WUD database – no address)

Montgomery County MUD 103  
(Inactive per TCEQ WUD database – no address)

Montgomery County MUD 106  
9 Greenway Plaza Ste 1100  
Houston, TX 77046

Montgomery County MUD 104  
(Inactive per TCEQ WUD database – no address)

Montgomery County MUD 111  
9 Greenway Plaza Ste 1100  
Houston, TX 77046

Montgomery County MUD 117  
(Inactive per TCEQ WUD database – no address)

Montgomery County MUD 83  
1300 Post Oak Blvd Ste 1400  
Houston, TX 77056

Montgomery County MUD 84  
1300 Post Oak Blvd Ste 1400  
Houston, TX 77056

Montgomery County MUD 96  
1300 Post Oak Blvd Ste 1400  
Houston, TX 77056

Montgomery County MUD 98  
1300 Post Oak Blvd Ste 1400  
Houston, TX 77056

Montgomery County MUD 92  
3200 Southwest Fwy Ste 2600  
Houston, TX 77027

Montgomery County MUD 42  
1980 Post Oak Blvd Ste 1380  
Houston, TX 77056

Montgomery County WCID 3

(Inactive per TCEQ WUD database – no address)

Woodridge MUD  
3200 Southwest Fwy Ste 2600  
Houston, TX 77027

Chambers County ID 1  
2727 Allen Pkwy Ste 1100  
Houston, TX 77019

San Jacinto River Authority  
PO Box 329  
Conroe, TX 77305

Trinity River Authority of Texas  
PO Box 60  
Arlington, TX 76004

Chambers Liberty Counties Navigation District  
PO Box 518  
Anahuac, TX 77514

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 77092

Port of Houston Authority  
111 East Loop N  
Houston, TX 77029

Brazos River Authority  
PO Box 7555  
Waco, TX 76714

Bluebonnet GCD  
303 E. Washington Ave Ste D  
Navasota, TX 77868

Brazos Valley GCD

PO Box 528  
Hearne, TX 77859

Lone Star GCD  
655 Conroe Park North Dr  
Conroe, TX 77303

Post Oak Savannah GCD  
PO Box 92  
Milano, TX 76556

Harris Galveston Subsidence District  
1660 W Bay Area Blvd  
Friendswood, TX 77546

Brazos County Judge Duane Peters  
200 S Texas Ave  
Bryan, TX 77803

Burleson County Judge Mike Sutherland  
100 W Buck #306  
Caldwell, TX 77836

Chambers County Judge Jimmy Sylvia  
PO Box 939  
Anahuac, TX 77514

Montgomery County Judge Mark J. Keough  
501 North Thompson  
Conroe, TX 77301

Robertson County Judge Charles L. Ellison  
PO Box 427  
Franklin, TX 77856

Walker County Judge Danny Pierce  
1100 University Ave  
Huntsville, TX 77340

## **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: TX1700187 (7 digit ID)

Name of PWS: Allendale Water System

Date of last TCEQ compliance inspection: 4/21/2016 (attach TCEQ letter)

Subdivisions served: Allendale

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
50	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			50	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 TCBQ 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*

April 21, 2016

Gregory Pappas, Manager  
Nerro Supply, LLC.  
PO Box 691008  
Houston, Texas 77269-1008

Re: Comprehensive Compliance Investigation at:  
Allendale Water System, 101 Allendale, Porter, Montgomery County, Texas  
Regulated Entity No.: 102684404  
TCEQ ID No.: 1700187  
Investigation No.: 1314961

Dear Mr. Pappas:

On March 15, 2016, Mr. Vernon Crandle, 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 Mr. Crandle, in the Houston Region Office at (713) 767-3727.

Sincerely,

A handwritten signature in cursive script, appearing to read "Julia Thorp".

Julia Thorp, Team Leader  
Public Water Supply  
Houston Region Office

JT/VC/mar

cc: Montgomery County Environmental Health Services

**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: TX0260019 (7 digit ID)

Name of PWS: Apache Hills

Date of last TCEQ compliance inspection: 02/16/2017 (attach TCEQ letter)

Subdivisions served: Apache Hills

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
67	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			67	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.



August 21, 2017

Michael Tucker  
Enforcement Coordinator  
Enforcement Division (MC149A)  
Texas Commission on Environmental Quality  
P O. Box 13087  
Austin, TX 78711-3087

RE: Request To Amend Compliance Schedule  
Nerro Supply (Apache Hills Water Supply PWS ID No. 0260019)

Dear Mr. Tucker,

This correspondence is in regards to the Notice of Violation dated April 18, 2017, for the Comprehensive Compliance Investigation at Apache Hills Water Supply in Burleson County, Texas. During the investigation performed on February 16, 2017, by representatives of the Texas Commission of Environmental Quality (TCEQ), certain deficiencies and violations were found at the above stated location.

We were required to provide a corrective plan of action along with documentation which would have place us in the path to compliance by May 30, 2017.

Every effort is made to provide timely responses to this type of situations. Due to unforeseeable circumstances, the Compliance Officer originally working on this case is no longer employed by Gulf Utility Service. We are currently seeking new personnel, but it has been challenging finding knowledgeable staff or a subject matter expert to assist us in defining what steps we can take.

We are diligently working to remediate and address the situation. We are be working with Technical Review and Oversight Division for further information regarding Alternative Capacity Requirements and have contacted Preventive Services for a quote on the GST (Track No 637078).

We are very much focused and involved in the effort to bring our operations to compliance. We respectfully request an extension of time 60 days to provide a response relative to the identified violations.

For your review, please find enclosed documentation showing that we are proactively addressing investigation. Track No 637070 and 637076 should be fully addressed with the enclosed documentation. In order to prevent any future reoccurrence, we are reaching out to all available resources.

Sincerely,

Don Self  
VP of Operations  
Gulf Utility Service

Enclosures

Cc:



August 21, 2017

Apache Hills  
PWS ID TX0210039  
Comprehensive Compliance Investigation No. 1364485

Mr. Tuller,

Attached are the responses and documentation requested in regards to the following alleged violations.

1. Track No. 637070 – Submit a copy of the well calibration records taken within the last three years.
  - A copy of the well meter calibration record performed on March 6, 2017 is attached.
2. Track No. 637076 – Submit a copy of the bacteriological samples for the months of March, April, and May 2017 showing samples are being rotated.
  - After reviewing the requested chain of custody forms for the requested months, it was noted that the lab, R&C Joy, was still only rotating two of the five sample sites. Attached is a copy of the chain of custody form from Envirodyne Laboratories, who will be sampling this system effective July 2017. On the chain of custody is their sampling schedule for this system.
3. Track No. 637077- Well capacity deficiency. Well providing 35 gpm and 40.2 is required.
4. Track No. 637078- Total storage capacity provided is 12,000 gallons and 13,400 is required.

If you have any questions or concerns regarding any of these matters, feel free to contact us.

Sincerely,

Jamie Kindred  
Compliance Associate  
Gulf Utility Service, Inc.



1402 Vander Wilt Lane, Katy, Texas 77449  
(281) 391-8100 Fax (281) 391-8110  
www.accuratemeter.com

Customer: **GULF UTILITY** Service Order: **30876**  
 District: **APACHE HILLS** Cust No. **16224** Date: **03-06-2017**  
 Address: **101 CR 460** Key Map:  Priority: **1**  
 Location:  Tech: **SCOTT**

**Description:**

**TEST METER**

Meter:	Size:	Serial #:	Read:
<b>BADGER</b>	<b>1 1/2"</b>	<b>48316077</b>	<b>1595.7</b>
New Meter:	Size:	New Serial #:	New Read:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Work Completed:**

**TESTED METER AT: 97.3%**

Test Before:   
 Test After:



Time Start:   
 Time Stop:   
 Time Worked:

Pump?:   
 Tester?:   
 Torch?:

Complete?:  Incomplete?:   
 Complete Date:   
 Status:

**Notes:**

**832-998-2079**

<b>TCEQ Microbial Reporting Form</b>				TCEQ Form 10525 Rev. 11-2016		 <b>ENVIRODYNE LABORATORIES, INC.</b> 11011 BROOKLET DR, STE 230 HOUSTON, TX 77099 (281) 568-7880 NELAP Certificate # T104704265				 <b>ENVIRODYNE LABORATORIES, INC.</b> TCEQ Accreditation ID: TX-268											
Water System Identification & Sample Collection Information (Please type or use block print)																					
Public Water System ID:		TX		0260019																	
Public Water System Name:		Apache Hill																			
County:		Burleson																			
Report Results To:	Name:	Gulf Utility Services Inc.																			
	Address:	P.O. Box 691008																			
	City:	Houston																			
	State:	TX		Zip Code:	77269																
	Phone #:	281-355-1312		Email:	mich@guv@gulfutility.net																
Sample Name (Print):				License #:		Tested By:		Date / Time:													
Sample Signature: <i>Charles Ashby</i>				Owner: <input type="checkbox"/>		Operator: <input checked="" type="checkbox"/>		Other: <input type="checkbox"/>													
Report to Client By: <i>LTB</i>				Date / Time: 7-26-17 1300																	
<p><small>Failure on this form or tampering with water samples is a crime punishable under state and/or federal law. (Texas Penal Code Title 8 Chapter 37.10) By signing this form, the sampler acknowledges that the samples were collected as indicated, and that the information submitted is accurate.</small></p>																					
Sample Identification/Location				Collected		Sample Type: (-)				Sample ID & Date of Original Sample (All Repair, Replacement & Triggered Raw Samples)		Chlorine Residual		Rejection Code (if applicable) - Please Re-submit		Lab Results				Laboratory Sample ID Number	
Use Specific Address / Location <b>DO NOT USE SITE #</b>				Date		Time						Circle 'F' for Fail 'T' for Total (mg/L)		Test Method: <i>Collect-18</i>							
Raw Wells Use Source ID for Well Sampled Example: G1234567A				Month	Day	Year	Please circle AM or PM		Distribution	Tap	Raw Well	Special*	Construction*			Total Coliform		E. coli			
<input type="checkbox"/>	125 Pawnee Way Somerville (Jan, Jun, Nov)								X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	101 Navajo Dr Somerville (Feb, Jul, Dec)			7	25	17	15	17	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3.7		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	176-3338-01	
<input type="checkbox"/>	100 Crockett Crest Somerville (Mar, Aug)								X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	107 Anthony Dr Somerville (April, Sept)								X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	308 Seminole Bend St Somerville (May, Oct)								X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	G0260019A			7	25	17	15	28	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	0.02		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	176-3338-02	
<input type="checkbox"/>									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

\* Special and Construction samplers are NOT FOR COMPLIANCE      LTR Rejected (LR) - Document Position

134

Collect 1 sample + 1RW/month



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Entertainment Weekly (Magazine)  
7/10/15  
PO Box 1245  
Austin TX 78767



9590 9402 2622 7069 1148 73

2. Article Number (Transfer from service label)

7016 2070 0000 7741 7490

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

SFDIUPA

C. Date of Delivery

- D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

1-3-25-2011

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Mail Restricted Delivery (00)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

USPS TRACKING#



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

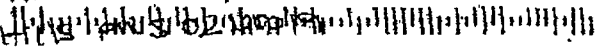
9590 9402 2822 7069 1148 73

United States  
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box\*

Gulf Utility Service  
PO Box 691008  
Houston, TX, 77269

*Request to Amend compliance schedule*

*Apache Hills* 

**Certified Mail service provides the following benefits:**

- A receipt (the portion of the Certified Mail label).
- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

**Important Reminders:**

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
  - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*, attach PS Form 3811 to your mailpiece;

- for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.
  - Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
  - Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
  - Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail form at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.
- IMPORTANT:** Save this receipt for your records.

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

<b>Regulated Entity/Site Name</b>	Apache Hills			<b>TCEQ Add. ID No.</b>	260019	
		<b>RN No. (optional)</b>				
<b>Investigation Type</b>	CCI	<b>Contact Made In-House (Y/N)</b>	Y	<b>Purpose of Investigation</b>	Routine Inspection	
<b>Regulated Entity Contact</b>	Jamie Kindred			<b>Telephone No.</b>	281-355-1312	<b>Date Contacted</b> 2/21/2017
				<b>FAX#/Email address</b>	jamie@gulfutility.net	<b>FAX/Email date</b> 2/21/2017

**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 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	Rule Citation (if known)	Description of Issue
1	AV	290.45(b)(1)(C)(i)	Failure to meet a well capacity of 0.6 gpm per connection.
2	AV	290.45(b)(1)(C)(ii)	Failure to meet a total storage capacity of 200 gallons per connection.
3	AI	291.93(3)	The water system's minimum required elevated pressure storage capacity has exceeded 85% of its existing capacity.

Note 1: 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 (RE) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, the document will be sent via FAX or email to RE; therefore, the RE signature is not required.			
Hudson Tuller	2/21/17		
<b>Investigator Name (Signed &amp; Printed)</b>	<b>Date</b>	<b>Regulated Entity Representative Name (Signed &amp; Printed)</b>	<b>Date</b>

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.

White Copy: Regulated Entity Representative  
TCEQ 20085 (4/08)

Yellow Copy: TCEQ

(Note: use additional pages as necessary) Page   1   of   1