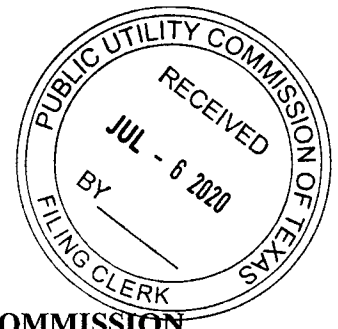


Control Number: 49380



Item Number: 46

Addendum StartPage: 0



DOCKET NO. 49380

**APPLICATION OF NERRO SUPPLY, §
LLC AND UNDINE TEXAS, LLC FOR §
SALE, TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN BRAZOS, BURLESON, §
CHAMBERS, MONTGOMERY, §
ROBERTSON, AND WALKER §
COUNTIES, AND TO AMEND UNDINE §
TEXAS, LLC'S, NERRO SUPPLY, LLC'S §
AND DEANVILLE WATER SUPPLY §
CORPORATION'S WATER §
CERTIFICATES OF CONVENIENCE §
AND NECESSITY §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

UNDINE TEXAS, LLC'S
NOTICE OF COMPLETED TRANSACTION

Undine Texas, LLC ("Undine") hereby files this Notice and states the following:

1. Order No. 8 (AIS Item 40), issued on February 6, 2020, approved the sale and transfer transaction in the referenced matter and required the applicants to submit, within 180 days of the Order and not later than 30 days after the consummation of the transaction, proof to the Commission that the transaction has been consummated and that the customer deposits have been addressed.
2. Attached hereto as Exhibit A is a fully-executed Bill of Sale evidencing the consummation of the transaction on June 30, 2020.
3. Attached hereto as Exhibit B is an Affidavit of Customer Deposits evidencing the transfer of the customer deposits from Nerro Supply, LLC and Nerro Supply Investors, LLC were transferred to Undine on June 30, 2020, noting that Attachment 1 to Exhibit B is being submitted under a claim of confidentiality under 16 Tex. Admin. Code § 22.71(d) to protect personal identifying information relating to customer names and addresses.

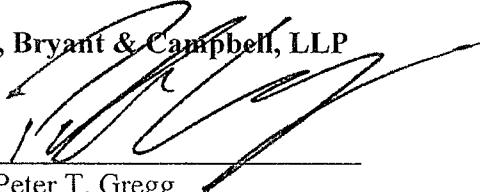
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4. Undine has therefore submitted all documents or information required by Order No. 8. Accordingly, consistent with Order No. 8, Undine hereby requests that Commission staff file a recommendation to approve the sufficiency of the documents.

Respectfully submitted,

DuBois, Bryant & Campbell, LLP

By: _____



Peter T. Gregg
State Bar No. 00784174
303 Colorado, Suite 2300
Austin, Texas 78701
pgregg@dbcllp.com
(512) 457-8000
(512) 457-8008 (fax)

Attorneys for Undine Texas, LLC

CERTIFICATE OF SERVICE

By my signature above, I do hereby certify that a true and correct copy of the foregoing document was served by email on the person indicated below on this the 6th day of July, 2020:

Rustin Tawater
Public Utility Commission of Texas
Legal Division
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326
Rustin.tawater@puc.texas.gov

EXHIBIT A
BILL OF SALE

BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT

Pursuant to the terms of that certain Asset Purchase Agreement (the "Purchase Agreement"), dated as of June 30, 2020 by and between Nerro Supply, LLC, a Texas limited liability company ("Nerro Supply"), Nerro Supply Investors, LLC, a Texas limited liability company ("Nerro Investors" and together with Nerro Supply, "Grantor"), Undine Texas, I.I.C, a Delaware limited liability company ("Undine Texas"), Undine Texas Environmental, LLC, a Texas limited liability company ("Undine Environmental" and together with Undine Texas, "Grantee"), Gregory S. Pappas ("Pappas") and Blackswan Water Resources, LLC ("Blackswan, and together with Pappas, collectively, the "Controlling Owner"), and for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration paid to Grantor by Grantee, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant, sell, transfer, deliver, assign and convey unto Grantee the Assets, excluding the Real Property (which is being conveyed pursuant to a separate Deed) and the Excluded Assets (the assets so conveyed herein being referred to as the "Nerro Assets"). All capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

TO HAVE AND TO HOLD THE Nerro Assets, together with all rights and appurtenances thereto in anyway belonging, unto Grantee, its successors and assigns, forever, and Grantor does hereby bind itself and its successors to COVENANT, AGREE and FOREVER DEFEND good and valid title to the Nerro Assets unto Grantee, its successors and assigns, to and for its use against the lawful claims of any and all persons lawfully claiming or to claim the same or any part hereof, subject to and in accordance with the indemnification provisions as set forth in the Purchase Agreement at Sections 8.1 and 8.2. As to the division of the Nerro Assets between Undine Texas and Undine Environmental, Undine Texas shall receive the Nerro Assets primarily related to Water Utility Systems and Undine Environmental shall receive the Nerro Assets primarily related to Wastewater Utility Systems, as determined by Grantee. Without limiting the generality of the foregoing, Exhibit A sets forth certain contracts that are being assigned to Undine Texas and certain contracts that are being assigned to Undine Environmental.

THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 3.1 OF THE PURCHASE AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE AND EXCEPT FOR SUCH REPRESENTATIONS AND WARRANTIES, THIS BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT (THE "BILL OF SALE") IS MADE WITHOUT ANY WARRANTY OR REPRESENTATION, WRITTEN OR ORAL, EXPRESS OR IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE, RELATING TO THE ASSETS. EXCEPT FOR THE REFERENCED REPRESENTATIONS AND WARRANTIES PROVIDED OR CONTEMPLATED IN THE PURCHASE AGREEMENT, GRANTEE CONFIRMS THAT IT IS NOT RELYING UPON AND HAS NOT RELIED UPON ANY OTHER REPRESENTATION OR WARRANTY THAT MAY HAVE BEEN MADE BY GRANTOR OR ANY OTHER PERSON.

Grantor hereby constitutes and appoints Grantee, its successors and assigns, the true and lawful attorney of Grantor for and in the name or otherwise on behalf of Grantor, with full power of substitution, to do and execute all acts, deeds, matters and things whatsoever necessary for the

assignment, transfer and/or conveyance of any interest in the Nerro Assets to Grantee, its successors and assigns. The power of attorney contained herein, being coupled with an interest, shall not be revoked by the dissolution of Grantor or be otherwise revocable.

If any term or provision hereof shall be held to be invalid or unenforceable for any reason, such term or provision hereof shall be ineffective to the extent of such invalidity or unenforceability without invalidating or otherwise affecting the remaining terms and provisions hereof, which shall remain in full force and effect, nor shall the invalidity or a portion of any provision of this Bill of Sale affect the balance of such provision.

Grantee, upon execution below, accepts this Bill of Sale, and to the extent provided for in the Purchase Agreement, hereby assumes the Assumed Liabilities. Grantee hereby agrees to assume and accept, and covenants to indemnify, defend and hold harmless Grantor in the manner and to the extent and as provided for in the Purchase Agreement.

This Bill of Sale shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

This Bill of Sale shall be governed by and interpreted in accordance with the laws of the State of Texas.


Nothing herein shall be deemed to alter, amend, or supersede the Purchase Agreement, the terms of which shall in all respects be controlling, including the representations and warranties made by the Seller in the Purchase Agreement, which shall survive in accordance with the terms thereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has executed this Bill of Sale and Assignment and Assumption Agreement to be effective as of the 30th day of June, 2020 (the "Effective Date").

GRANTOR:

NERRO SUPPLY, LLC

By: 
Name: Gregory P. Pappas
Title: Chairman of the Board of Managers

NERRO SUPPLY INVESTORS, LLC

By: _____
Name: Charles G. Peterson
Title: President

GRANTEE:

UNDINE TEXAS, LLC

By: _____
Name: Carey A. Thomas
Title: Senior Vice President

UNDINE TEXAS ENVIRONMENTAL, LLC

By: _____
Name: Carey A. Thomas
Title: Senior Vice President

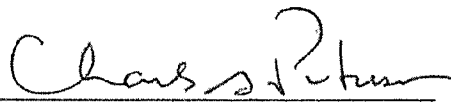
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GRANTOR:

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By: _____
Name: Gregory P. Pappas
Title: Chairman of the Board of Managers

NERRO SUPPLY INVESTORS, LLC

By: 
Name: Charles G. Peterson
Title: President

GRANTEE:

UNDINE TEXAS, LLC

By: _____
Name: Carey A. Thomas
Title: Senior Vice President

UNDINE TEXAS ENVIRONMENTAL, LLC

By: _____
Name: Carey A. Thomas
Title: Senior Vice President

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By: _____
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Title: Chairman of the Board of Managers

NERRO SUPPLY INVESTORS, LLC

By: _____
Name: Charles G. Peterson
Title: President

GRANTEE:

UNDINE TEXAS, LLC

By: Carey A. Thomas
Name: Carey A. Thomas
Title: Senior Vice President

UNDINE TEXAS ENVIRONMENTAL, LLC

By: Carey A. Thomas
Name: Carey A. Thomas
Title: Senior Vice President

Exhibit A

Undine Texas:

Bulk Rate/Standby Charge Water Supply Agreement by and between Wildwood Shores Property Owners Association, Inc., Wildwood POA Standby Charge, LLC and Nerro Supply, LLC, dated February 15, 2020.

Contract for Groundwater Reduction Planning, Alternative Water Supply, and Related Goods and Services, by and between Northwest Water Systems, Inc. and San Jacinto River Authority, dated June 1, 2010, and as assigned by that certain Assignment of Groundwater Reduction Planning, Alternative Water Supply, and Related Goods and Services, by and between Northwest Water Systems, Inc., as assignor, and Nerro Supply Investors, LLC, as assignee, dated November 1, 2015.

Undine Environmental:

Industrial District Agreement by and between Nerro Supply, LLC and the City of Houston, Texas, dated December 18, 2012.

Unimproved Property Commercial Lease by and between Nerro Supply, LLC and Greens Bayou Holdings, Ltd. dated December 23, 2013.

EXHIBIT B

AFFIDAVIT OF CUSTOMER DEPOSIT TRANSFER

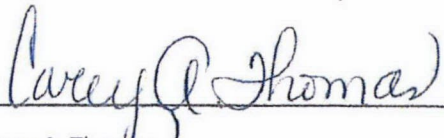
PUBLIC UTILITY COMMISSION OF TEXAS

DOCKET NO. 49379, 49380, 49382

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

AFFIDAVIT OF CUSTOMER DEPOSIT TRANSFER

I, Carey A. Thomas, Senior Vice President and Secretary of Undine, LLC hereby certify that Undine, LLC or one of its affiliates ("Undine") hereby certify that the customer deposits held by Nerro Supply, LLC and Nerro Supply Investors, LLC were transferred to Undine on June 30, 2020. For a detailed summary, please see Attachment 1 of this Affidavit.

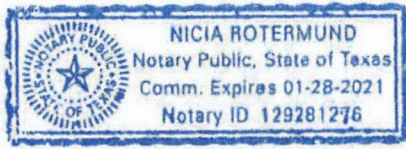


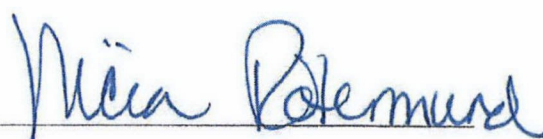
Carey A. Thomas

Senior Vice President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

SWORN to and SUBSCRIBED before me, the undersigned authority, on the 2nd day of July, 2020 by Carey A. Thomas.





Notary Public, State of Texas

ATTACHMENT 1
DETAILED SUMMARY
OF CUSTOMER DEPOSIT TRANSFER
CONFIDENTIAL

CONFIDENTIAL

DOCKET NO.: 49380

STYLE: Application of Nerro Supply Investors, LLC and Undine Texas, LLC for Sale, Transfer or Merger of Facilities and Certificate Rights in Brazos, Burlason, Chambers, Montgomery, Robertson, and Walker Counties, and to Amend Undine Texas, LLC's, Nerro Supply, LLC's and Deanville Water Supply Corporation's Water Certificates of Convenience and Necessity

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Detailed Summary of Customer Deposit Transfer

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 13 to 25

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: July 6, 2020