



Control Number: 49382



Item Number: 1

Addendum StartPage: 0



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

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

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

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
  - 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 tariffs 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:** 20366

- Sale    
  Transfer    
  Merger    
  Consolidation    
  Lease/Rental

**Transferee:** Undine Texas Environmental, LLC

*(acquiring entity)*

**CCN No.s:** 21019, 20832, 20816, 21106, 20948

- Water    
  Sewer    
  All CCN    
  Portion CCN    
  Facilities transfer

**County(ies):** Chambers, Harris, 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 Environmental, 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:

For Transferor (Seller) CCN:

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

- Cancellation of Seller's CCN
[X] 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 [X] 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: November 12, 2013

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

[ ] No [X] Yes Application or Docket Number: 36994-S, 37490-S

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 110 customers that will be transferred
- # of customers without deposits held by the transferor \_\_\_\_\_
- # of customers with deposits held by the transferor\* \_\_\_\_\_

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

**Part C: Transferee Information**

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

6. A. Name: Undine Texas Environmental, 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@undnellc.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@undirellc.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 Environmental, 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 Undine. 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 Environmental, 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' (17 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:

- i. 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 Foot) 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 ga 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, Isabelle Rodriguez  
merger, consolidation, acquisition, lease, or  
rental, as

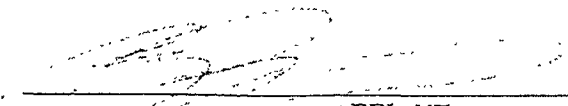
being duly sworn, file this application for sale,  
transfer,

1444444444

(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(i) and copies of any outstanding enforcement Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Texas Water Code § 13.301(k).



AFFIANT

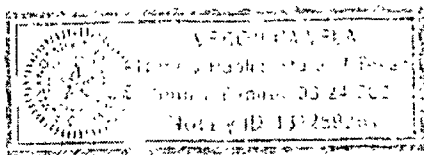
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas

this day the 22nd of March, 2019

SEAL



Veronica Yela

NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Veronica Yela

PRINT OR TYPE NAME OF NOTARY

My commission expires: 08/24/2021

Oath for Transferee (Acquiring Entity)

STATE OF Texas

COUNTY OF Harris

I, Carole A. Thomas being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as Representative (owner, member or 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.

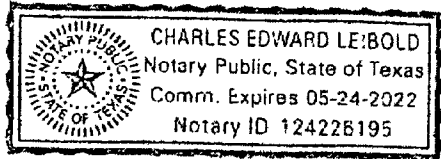
I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney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

[Signature]  
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



[Signature]  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

CHARLES E. LeBOLD  
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

	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
(ENTER DATE OF YEAR END)						
<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>						

<b>PROJECTED EXPENSE DETAIL</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>TOTALS</b>
<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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<b>Attachment 'K'</b> Part F: Question 22	Inspection Reports for Each System
<b>Attachment 'L'</b> Part F: Question 28 Confidential	Operators Information
<b>Attachment 'M'</b> Part G	CCN Maps to be Transferred with this Application
<b>Attachment 'N'</b> Part H	CCN Descriptions
<b>Attachment 'O'</b>	Wastewater Permits and Transfer Applications

## **Attachment 'A'**

CCN Number, Subdivision Name, RN Number



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

<b>Bayridge Sewer Treatment Plant</b>		<b>Active Connections</b>
CN	603827353	75
CCN	20366	41
RN	RN102342268	116
PWSID No	TX0042081	
Discharge Permit No	WQ 0013643-001	
Subdivision	Bayridge Subdivision & Oaks at Houston Point	
County	Chambers	
<b>HUI Enterprises, Inc.</b>		<b>Active Connections</b>
CN	603827353	148
CCN	20366	
RN	RN102334299	
PWSID No	TX0122181	
Discharge Permit No	WQ 0014154-001	
Subdivision	Wildwood Shores WWTP	
County	Walker	
<b>Greens Bayou Fabrication Yard</b>		<b>Active Connections</b>
CN	603827353	130
CCN	20366	
RN	RN102060126	
PWSID No	TX0100935	
Discharge Permit No	WQ 0003792-000	
Subdivision	Greens Bayou Fabrication Yard (KBR)	
County	Harris	

# **Attachment 'B'**

*Part A: Question 1*

*Confidential*

Letter of Intent

# **CONFIDENTIAL**

**DOCKET NO.:**

**STYLE:** Application of Nerro Supply, LLC and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Retail Public Utility in Chambers, Harris, and Walker Counties

**SUBMITTING PARTY:** Undine Texas, LLC

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

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

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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

## **Attachment 'C'**

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

Current Tariff

**SEWER UTILITY TARIFF  
FOR**

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:

20366

This tariff is effective in the following county:

Chambers and Harris

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

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 TCEQ and will have to be obtained from the city or utility."**

This tariff is effective in the following subdivision or system:

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.....	4
SECTION 3.0 -- EXTENSION POLICY .....	10
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

TEXAS COMM. ON ENVIRONMENTAL QUALITY  
36994-S, CCN 20366, OCTOBER 18, 2011  
APPROVED TARIFF BY J. K. B.

Nerro Supply, LLC

Bayridge Subdivision (Entirely within the City of Beach City)	WQ 0013643-001	Chambers
Sunflower Subdivision (Entirely within the City of Beach City)	WQ 0013643-001	Chambers
Oaks at Houston Point (Entirely within the City of Beach City)	WQ 0013643-001	Chambers
Greens Bayou Fabrication Yard	WQ 0003792-000	Harris

SECTION 1.0 - RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
All Connections	<u>\$2,012</u> (Includes 0 gallons)	<u>\$0.00</u> per 1,000 gallons Same for all meter sizes

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

Section 1.02 - Miscellaneous Fees

TAP FEE ..... Actual Cost  
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A  
 STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS  
 PERMITTED IF LISTED ON THIS TARIFF.

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

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

RATES LISTED ARE EFFECTIVE ONLY  
 IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY  
 36994-S, CCN 20366, OCTOBER 18, 2011  
 APPROVED TARIFF BY g kb

SECTION 1.0 - RATE SCHEDULE

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

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

RETURNED CHECK CHARGE..... \$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

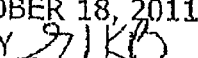
GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE;

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

RATES LISTED ARE EFFECTIVE ONLY  
IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY  
36994-S, CCN 20366, OCTOBER 18, 2011  
APPROVED TARIFF BY 



## SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Texas Commission on Environmental Quality (TCEQ) Rules, Chapter 291, Water Utility Regulation, 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 Sewer 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 TCEQ 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 TCEQ 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.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 residential customer's 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 1.0. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1.0. 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. 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 TCEQ 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 to cover unique costs not normally incurred as permitted by 30 T.A.C. 291.86(a)(1)(C) if they are listed on this approved tariff. 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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

for service, the utility will install tap and utility cut-off 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 tap location to the place of consumption. Customers will not be allowed to use the utility's cutoff.

Section 2.06 - Access to Customer's Premises

All customers or service applicants shall provide access to utility cutoffs 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 2.07 - Back Flow Prevention Devices

No water connection shall be made to any establishment where an actual or potential contamination or system hazard exists without an approved air gap or mechanical backflow prevention assembly. The air gap or backflow prevention assembly shall be installed in accordance with the American Water Works Association (AWWA) standards C510, C511 and AWWA Manual M14 or the University of Southern California Manual of Cross-Connection Control, current edition. The backflow assembly installation by a licensed plumber shall occur at the customer's expense.

The back flow assembly shall be tested upon installation by a recognized prevention assembly tester and certified to be operating within specifications. Back flow prevention assemblies which are installed to

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

provide protection against high health hazards must be tested and certified to be operating within specifications at least annually by a recognized back flow prevention device tester. The maintenance and testing of the back flow assembly shall occur at the customer's expense.

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 TCEQ 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.

(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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 TCEQ Rules.

(B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the TCEQ 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 24 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.

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 and operate production, treatment, storage, transmission, and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TCEQ Rules.

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 TCEQ 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 TCEQ rules and policies, and upon extension of the Utility's certified service area boundaries by the TCEQ.

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 collection 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.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Unless an exception is granted by the TCEQ's Executive Director, the residential service applicant shall not be required to pay for costs of main extensions greater than 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the TCEQ Executive Director 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.

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.

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 sewer mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional 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 3.0 -- EXTENSION POLICY (Continued)

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, collection, transmission, pumping, or treatment of sewage 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 30 T.A.C. 291.86(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 30 T.A.C. 291.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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 3.0 -- EXTENSION POLICY (Continued)

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, TCEQ 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 TCEQ 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

SECTION 3.0 -- EXTENSION POLICY (Continued)

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 TCEQ for resolution.

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, TCEQ rules and/or TCEQ 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 TCEQ 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 TCEQ service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by TCEQ rules.

Section 3.07 - Developer Requirements

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

# APPENDIX A -- SAMPLE SERVICE AGREEMENT

From 30 T.A.C. Chapter 290.47(b), Appendix B

## SERVICE AGREEMENT

- I. **PURPOSE.** The Nerro Supply, LLC 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 Nerro Supply, LLC will begin service. In addition, when service to an existing connection has been suspended or terminated, the sewer 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 Nerro Supply, LLC and \_\_\_\_\_ (the Customer).
- A. The Sewer System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Sewer 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 Sewer 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 Sewer System's normal business hours.
  - C. The Sewer 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 reinspection.
  - 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 Sewer System. Copies of all testing and maintenance records shall be provided to the Sewer System.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Sewer System shall, at its option, 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: \_\_\_\_\_

**APPENDIX B -- APPLICATION FOR SERVICE**  
***(Utility Must Attach Blank Copy)***

## TCEQ Interoffice Memorandum

**TO:** Tariff Coordinator  
Utility Financial Review Team

**THRU:** Tammy Benter, Manager  
Utilities & Districts Section  
Water Supply Division

**FROM:** Elizabeth Flores  
Water Supply Division

**DATE:** November 12, 2013

**SUBJECT:** Request for Tariff Approval Stamp

Utility Name: **Nerro Supply, LLC**  
CCN Number: **20366**  
Application/Docket Number: **37490-S**

Attached, please find:

- A. A tariff for a utility reflecting the results of a rate case approved by the Commission (contested).
- B. A tariff for a utility reflecting rates effective by Operation of Law i.e. no protests received nor hearing requested (uncontested).
- C. A tariff for a utility with minor tariff changes allowed under TCEQ Rule 291.21(b)(2).
- D. A utility tariff submitted in a CCN application.
- E. A tariff for a utility submitted in a report of sale and/or transfer of CCN application.
- F. Other: Contested case settled during the preliminary hearing.
- G. Comments regarding any of the above or any related tariff on file: Nerro Supply, LLC is purchasing and acquiring the facilities of HUI Enterprises, Inc. in this application. Please note that HUI Enterprises, Inc.'s sewer tariff will be cancelled in this matter.

I have reviewed the above tariff and I recommend it be stamped APPROVED. Date of tariff approval: November 12, 2013.

\_\_\_\_\_  
(Signature)

TEXAS COMM. ON ENVIRONMENTAL QUALITY  
37490-S, CCN 20366, NOVEMBER 12, 2013  
APPROVED TARIFF BY \_\_\_\_\_

**SEWER UTILITY TARIFF  
FOR**

Norro Supply, LLC  
(Utility Name)

718 Westcott Dr.  
(Business Address)

Houston, Texas 77007  
(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:

20366

This tariff is effective in the following county:

Chambers, Harris and Walker

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

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 TCEQ and will have to be obtained from the city or utility.”**

This tariff is effective in the following subdivision or system:

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.....	4
SECTION 3.0 -- EXTENSION POLICY .....	10
APPENDIX A – SAMPLE SERVICE AGREEMENT	
APPENDIX B – APPLICATION FOR SERVICE	



## Nerro Supply, LLC

Bayridge Subdivision (Entirely within the City of Beach City)	WQ 0013643-001	Chambers
Sunflower Subdivision (Entirely within the City of Beach City)	WQ 0013643-001	Chambers
Oaks at Houston Point (Entirely within the City of Beach City)	WQ 0013643-001	Chambers
Greens Bayou Fabrication Yard	WQ 0003792-000	Harris
Wildwood Shores	WQ 0014154-001	Walker

SECTION 1.0 - RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$25.00</u> (Includes 10,000 gallons)	<u>\$2.00</u> per 1,000 gallons
1"	<u>\$25.00</u>	Same for all meter sizes

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

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 CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF  
 LISTED ON THIS TARIFF.

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

RECONNECTION FEE  
 THIS 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

RATES LISTED ARE EFFECTIVE ONLY  
 IF THIS PAGE HAS TCEQ APPROVAL STAMP

SECTION 1.0 - RATE SCHEDULE

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) ..... \$5.00  
TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE ..... \$25.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$25.00

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

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

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

RATES LISTED ARE EFFECTIVE ONLY  
IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY  
37490-S, CCN 20366, NOVEMBER 12, 2013  
APPROVED TARIFF BY \_\_\_\_\_

**ORDINANCE NO. 2016-01**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BEACH CITY, TEXAS PROVIDING NOTICE AND OPPORUNITY FOR HEARING FOR A CHANGE IN WATER AND SEWER RATES BY NERRO SUPPLY, LLC INSIDE THE CORPORATE LIMKTS OF THE CITY; SETTING RATES FOR WATER AND SEWER SERVICES IN RESPONSE TO THE RATE REQUEST OF NERRO SUPPLY, LLC; PROVIDING FOR SEVERABILITY; REPEALING CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, on or about November 30, 2015 Nerro Supply, LLC ("Applicant") filed a Water Rate/Tariff and Application for Authority to Change Rates ("New Rates") within the corporate limits of Beach City, Texas ("City") seeking increased water and sewer rates; and

WHEREAS, the City suspended the rates sought in the Rate Application; and

WHEREAS, on February 23, 2016, the City approved an increase to the rates sought in the Rate Application; and

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEACH CITY, TEXAS:**

**SECTION 1.** The recitals contained in the preamble of this ordinance are determined to be true and correct and are hereby adopted as a part of this ordinance.

**SECTION 2.** The City Council hereby finds that the water rates contained in the Rate Application should be lower and has set a reduction of the water and sewer rates as set forth herein.

a. Water Rates per month:

- i. Bayridge Subdivision and Oaks at Houston Point Subdivision Base Rate for Single Family Connections: \$55.00 per month; \$5.00 per one thousand gallons

b. Sewer Rates per month:

- i. Oceanway Park, LLC: \$4,770.23 Per Month Wholesale Rate
- ii. Bayridge Subdivision and Oaks at Houston Point Subdivision Single Family Connections: \$82.99 Per Connection

(B) The rates adopted herein shall be charged beginning on the first billing cycle after February 29, 2016.

**SECTION 3.** All other rates and fees contained in the Rate Application are approved.

**SECTION 4. Severability:** It is hereby declared that the sections, paragraphs, sentences, clauses and phrases of this ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation of any such unconstitutional phrase, clause, sentence, paragraph or section.

**SECTION 5.** All ordinances and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict herewith.

**SECTION 6. Effective Date:** This ordinance shall take effect immediately from and after its adoption and it is accordingly so ordained.

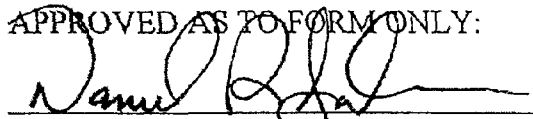
Signed this 24<sup>th</sup> day of Feb., 2016.

  
\_\_\_\_\_  
Billy Combs, Mayor

ATTEST:

  
\_\_\_\_\_  
Evonne Donnelly, City Secretary

APPROVED AS TO FORM ONLY:

  
\_\_\_\_\_  
Daniel R. Jackson, City Attorney

## **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 Environmental, LLC for Sale, Transfer, or Merger of Retail Public Utility in Chambers, Harris, 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:** 58 TO 62

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

---

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

## **Attachment 'E'**

*Part C: Question 7*

*Confidential*

Limited Liability Company Agreement Undine Texas, LLC and  
Organizational Chart



# **CONFIDENTIAL**

**DOCKET NO.:**

**STYLE:** Application of Nerro Supply, LLC and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Retail Public Utility in Chambers, Harris, 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:** 64 TO 68

**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.



## Office of the Secretary of State

### Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for Undine Texas Environmental, LLC (file number 801768069), a Domestic Limited Liability Company (LLC), was filed in this office on April 15, 2013.

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

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



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

David Whitley  
Secretary of State



**Office of the Secretary of State**

**CERTIFICATE OF FILING  
OF**

**Undine Texas Environmental, LLC  
801768069**

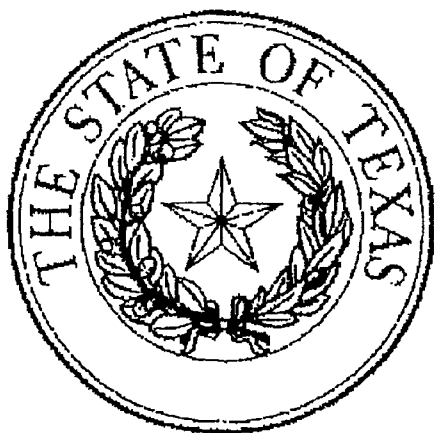
[formerly: EMCAD Water and Wastewater, LLC]

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Amendment for the above named entity has been received in this office and has been found to conform to the applicable provisions of law.

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

Dated: 07/27/2017

Effective: 07/27/2017



A handwritten signature in black ink, appearing to read "R. Pablos".

Rolando B. Pablos  
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 INVESTORS, LLC	
Texas Taxpayer Number	32056220802
Mailing Address	11131 MCCRACKEN CIR STE A CYPRESS, TX 77429-4463
Ⓜ Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	01/26/2015
Texas SOS File Number	0802143247
Registered Agent Name	CHARLES PETERSON
Registered Office Street Address	11131 MCCRACKEN CIRCLE, SUITE A CYPRESS, TX 77429

**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 inanagers 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 Environmental, LLC for Sale, Transfer, or Merger of Retail Public Utility in Chambers, Harris, 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:** 78 TO 78

**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 Environmental, LLC for Sale, Transfer, or Merger of Retail Public Utility in Chambers, Harris, and Walker Counties

**SUBMITTING PARTY:** Undine Texas, LLC

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

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 80 TO 88

**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



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

Utiliy Name	Connection Count
Country Vista	113
Grand Ranch	62
Mayfair	172
Sugartree	104
Angle Acres WWTP	45
Beechwood WWTP	133
Greenshores on Lake Austin	157
Oak Shores WWTP	
Southwood	506
Spring Crossing	1

**Total Connection Count: 1,293**



# **Attachment 'J'**

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

### **Utilities Within 2 Miles**

Nerro Supply, LLC CCN 20366 STM

Utility Name- 2 mile Notice	CCN#	Street	City	State	Zip
<b>Bayridge Subd &amp; Oaks at Houston Point</b>					
City of Beach City		12723 FM 2354	Beach City	TX	77523
Baytown Area Water Authority		7425 Thompson Rd	Baytown	TX	77521
Gulf Coast Waste Disposal Authority	20465	910 Bay Area Blvd	Houston	TX	77058
Harris County FCD		9900 Northwest Fwy	Houston	TX	77092
Port of Houston Authority		111 East Loop N	Houston	TX	77029
City of Baytown		2401 Markel St	Baytown	TX	77620
Chambers Liberty Counties Navigation Dist		PO Box 518	Anahuac	TX	77614
Chambers County ID 1		2727 Allen Pkwy Ste 1100	Houston	TX	77019
Coastal Water Authority		1301 Main St Ste 800	Houston	TX	77002
Trinity River Authority		PO Box 60	Arlington	TX	76004
Chambers County Judge Jimmy Sylvia		PO Box 939	Anahuac	TX	77614
				TX	

**Greens Bayou Fabrication Yard**

City of Houston		PO Box 1502	Houston	TX	77251
Coastal Water Authority		1801 Main St Ste 800	Houston	TX	77002
Aqua Texas, Inc.	21065	1106 Clayton Ln Ste 400W	Austin	TX	78723
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
Harris Galveston Subsidence District		1660 W Bay Area Blvd	Friendswood	TX	77546
Harris County ID 15		3200 Southwest Fwy Ste 2600	Houston	TX	77027
Harris County MUD 8		10000 Memorial Dr Ste 260	Houston	TX	77024
Harris County WCID 21		15808 Avenue C	Channelview	TX	77530
Harris County WCID 35		903 Hollywood St	Houston	TX	77015
North Channel Water Authority		3200 Southwest Fwy Ste 2600	Houston	TX	77027
Harris County FWSD 47	20329	210 Brookview St	Channelview	TX	77530
Harris County WCID 21	20545	15808 Avenue C	Channelview	TX	77530
Marwood WSC	20724	903 Hollywood St	Houston	TX	77016
GS Biosciences Corp	20846	2239 Haden Rd	Houston	TX	77015
City of Pasadena		1149 Ellsworth Dr	Pasadena	TX	77506
City of Galena Park		2000 Clinton Dr	Galena Park	TX	77547
Harris County Judge Ana Hidalgo		1001 Preston Suite 011	Houston	TX	77002
				TX	

**Wildwood Shores WWTP**

San Jacinto River Authority		PO Box 329	Conroe	TX	77305
Bluebonnet GCD		303 E Washington Ave Ste D	Navasota	TX	77868
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: \_\_\_\_\_ (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 0013643-001 (8 digit ID)

Name of Wastewater Facility: Bayridge Wastewater Treatment Facility

Name of Permittee: Nerro Supply, LLC

Date of last TCEQ compliance inspection: 07/19/2016 (attach TCEQ letter)

Subdivisions served: Bayridge and Oaks at Houston Point

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"	116	Residential
	5/8" or 3/4"	3"		Commercial
	1"	4"		Industrial
	1 1/2"	Other		Other
Total Water Connections:			Total Sewer Connections:	116

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

No  Yes

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

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

C. Is there a moratorium on new connections?

No  Yes:

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

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

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

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

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

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

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

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

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

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

No  Yes

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

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

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

No  Yes:

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

No  Yes:

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

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

**Part G: Mapping & Affidavits**

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

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

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

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

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



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

July 19, 2016

Charles Peterson, Manager  
Nerro Supply, LLC  
PO Box 691008  
Houston, Texas 77269

Re: Notice of Compliance with Notice of Violation dated December 11, 2015:  
Nerro Supply, LLC, Bayridge Wastewater Treatment Plant, FM 2354,  
Chambers County, Texas  
TPDES Permit No. 13643-001, EPA ID No. TX0042081

Dear Mr. Peterson:

This letter is to inform you that the Texas Commission on Environmental Quality (TCEQ) Houston Region Office has received adequate compliance documentation on January 16 and July 6, 2016 to resolve the alleged violations documented during the investigation of the above-referenced regulated entity conducted on October 14, 2015. Based on the information submitted, no further action is required concerning this investigation.

The Texas Commission on Environmental Quality 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, please feel free to contact Ms. Stacy Pentecost in the Houston Region Office at (713) 767-3667.

Sincerely,

A handwritten signature in cursive script that reads "Nicole Bealle".

Nicole Bealle, P.G.  
Special Assistant to the Regional Director  
Region 12 Houston

NMB/SSP/cl

635 Phil Gramm Blvd.  
Bryan, TX 77807  
(979) 778-3707  
Fax (979) 778-3193



7500 W Hwy 71 Suite 105  
Austin, TX 78735  
(512) 301-9559  
Fax (512) 301-9552

Printed: 7/20/2016 2:50:50PM

Z014919

Client: **Gulf Utility Services**

**Gulf Utility Services**

ATTN: Alan Burdell

PO Box 691008

Houston, TX 77268

Phone: (281) 355-13 Fax: (281) 288-4844



PO Box 691008 | Houston, TX 77629  
Phone (281) 355-1312 | Fax (281) 355-1312

12/31/2015

Re: Bayridge Wastewater System  
Exit Interview# 13643-001 Date 10/14/2015

To Whom It May Concern,

In response to the TCEQ Exit Interview we are submitting the following information:

**#1) Alleged Violation**

- We are going to do a total rehab on the WWTP.
- Repairing all rust above the water lines and on the side of the plant
- Replace the wall that is noted for the chlorine contact chamber

**Bayridge WWTP Rehab Procedure**

1. Magna Flow to haul digester and clean basin
2. Contractor to prepare metal and build new wall between digester and CP-contact chamber. Coat inside of digester with epoxy coating
3. Contractor to weld 6" steel on outside of tank over Aeration and digester area of plant
4. Contractor to pour concrete 1' thick over base of entire plant to prevent rust on bottom of tank
5. Set Up temporary bypass pumping to remove and replace weir trough assembly. Replace brakes as needed
6. After weir replacement, setup bypass pumping to drain C12 contact chamber. Prepare walls and epoxy coat C12 contact chamber and V-Notch box

**#2) Concrete Manhole at the entrance of Bayridge**

- This has been repaired. Please see attached work Order and pictures.

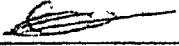
**#3) Offsite Lift Station**

- One operative pump at WWTP



- We are replacing both pumps and this should be finalized today. Please see attached NTS letter.

Sincerley,  
Karl Skarboszewski



Date 1/4/16

General Manager  
[karl@gulfutility.net](mailto:karl@gulfutility.net)  
832-497-1253



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

Regulated Entity/Site Name	Aerco Supply, LLC - Bayridge WWTTP		TCEQ Add. ID No. RN No. (optional)	13643-001		
Investigation Type	CAI	Contact Made In-House (Y/N)	<input checked="" type="checkbox"/> Yes	Purpose of Investigation	Compliance	
Regulated Entity Contact	Michael Williams		Telephone No.	346-300-5282	Date Contacted	
Title	Field Supervisor		Fax No.		Date Faxed	

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

Issue		For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type <sup>1</sup>	Rule Citation (if known)	Description of Issue
1.)	A.V.	San Francisco	Russ noted on WWTTP. A few small holes noted at the bp of the aeration basin and the metal wall between the aeration basins & chlorine contact basin - is rusty and the metal is flaking off.
2.)	A.V.		the concrete hole at the entrance to the Bayridge Station was cracked
3.)	A.V.		Only 1 operative pump was noted in the Bayridge Station

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

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

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.

Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date
Stacy Penick	10-14-15	[Signature]	10-14-15

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.

101



**Pumps, Motors and Controls**

**281-477-7867**

September 22, 2015

Karl

Gulf

RE: Bay Ridge LS

Karl,

Bay Ridge LS is in need of some repairs the existing pumps are worn out from years of wear and tear with corrosion, we have looked at several options but do to the 90' TDH of this lift station and required flow GPM. Replace existing pumps with same style is the most cost efficient to the customer. We have a grinder pump in wet well as of today keeping flow moving, customer has spent a lot of \$\$\$ over the years with patch work.

NTS is pleased to bid:

Cost to rehab the existing lift station with the following: install (2) two new T4 pump ends, suction piping, fittings, supports, belts, pulleys, (1) one new motor, repair skids, wiring, floats, gaskets and misc. hardware.

Labor and material: \$27,130.00

Should you have any questions or require any additional information, please call me at 281-477-7867 or cell 832-473-8507

Sincerely,

Greg Holt  
Operations Manager

GH



# Work Order #45709

## ▼ Type, Assignment, Approval, Status

---

Add Purchase Order

**QB WO #** 45709 **Route Operator**

**Days Past Due** 17

**Date**

**Customer - Name** Byars, Bertha **District Account**

**Account #** 23-20627 **Customer - Related Client** 23

**Client/System Name** NERRO2 Residents - South

**Work Order Type** Survey/Investigate/Maintenance/Repairs - District Assets **Dept** Field Service

**Work Order Type - Operator Description** Survey/Investigate/Maintenance/Repairs - District Assets

**Client #** 23 **Category**

**Date Issued** 12-18-2015 **Date to be completed** 12-18-2015

**Requested By** Michael Williams

**Assigned To New** Bell, Jason

**Team Members** Rachel Montgomery

**Priority** High **Status** Completed

**Could Not Complete**

**Date Completed** 12-23-2015 **Completed By** Rachel Montgomery

**Note to Operator** regROUT top of manhole and take photos for tceq. Manhole is on bayridge drive on side easement of this adress

**Instructions**

**Field Notes** -- [DEC-23-15 5:29 PM Rachel Montgomery] -----  
RegROUTed manhole and took pictures (attached)

**Time Check**

**Meter Number (In Field)** **Field Meter Read**

**Estimated Water Loss**

**File Attachment** 8007 Bayview manhole (1).JPG

**File Attachment 2** 8007 Bayview manhole (2).JPG

**File Attachment 3**

**After Repair**

**Related Client Job** 100

## ▼ Invoicing

---

**# of Purchase orders** **# of Purchase orders RTI**





**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: \_\_\_\_\_ (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 0003792-001 (8 digit ID)

Name of Wastewater Facility: Greens Bayou Fabrication Yard Facility

Name of Permittee: Nerro Supply, LLC

Date of last TCEQ compliance inspection: 09/24/2015 (attach TCEQ letter)

Subdivisions served: Greens Bayou Fabrication Yard

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"	148	Residential
5/8" or 3/4"		3"		Commercial
1"		4"		Industrial
1 1/2"		Other		Other
Total Water Connections:			Total Sewer Connections:	148

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.

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

Regulated Entity/Site Name	Newco Supply, LLC	TCEQ Add. ID No. RN No. (optional)	03792-000
Investigation Type	CCI Contact Made In-House (Y/N) <input checked="" type="checkbox"/> Y	Purpose of Investigation	Compliance
Regulated Entity Contact	Karl Skarbowski	Telephone No.	281-351-1312
Title	General Manager	Fax No.	ext. 241

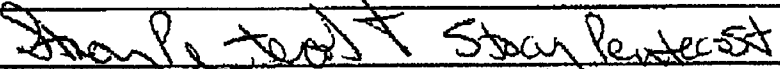
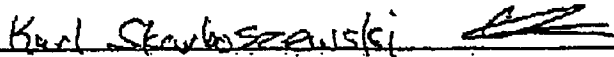
**NOTICE:** The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and *does not represent final TCEQ findings related to violations.* Any potential or alleged violations discovered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

Issue		For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type <sup>1</sup>	Rule Citation (if known)	Description of Issue
1)	RR		Submit a copy of the sampling report required in Order Request No. 9, + Attachment A.
2)	Additional Issue		Numerous Enterococci violations - enforce + order
3)	P.V.		Submit copies of the noncompliance notifications for oilwells

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

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

**Document Acknowledgment.** Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.

 Investigator Name (Signed & Printed)	09-24-15 Date	 Regulated Entity Representative Name (Signed & Printed)	9/24/15 Date
--	------------------	--	-----------------

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

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3287.



PO Box 691008 | Houston, TX 77629  
Phone (281) 355-1312 | Fax (281) 355-1312

10/7/2015


Re: Peeco Plant KBR  
Investigation Date 09/24/2015

Ms. Pentecost,

In response to the issues listed on the Exit Interview provided after the completion of the investigation we have the following response:

1. Submit a copy of sampling required-Other Requirement No. 9-Attachement A. (complete report attached)
2. Submit copies of Non Compliance Notifications for Jan 2015. (reports attached)

Sincerely,  
Karl Skarboszewski

  
Date 10-16-15  
General Manager  
[karl@gulfutility.net](mailto:karl@gulfutility.net)  
832-497-1253



# Water Quality Noncompliance Notification

\*See back of Form for Guidance for Completion\*

Unauthorized Discharge

Reportable Effluent Violation

Other

## General Information

Entity Name: KBR-Peeco Sewage Treatment Plant

Telephone No: (281) 353 - 1312

Permittee

Subscriber

TCEQ Region: 12

County: Harris

\*Permit Number: WQ0003792000

## Noncompliance Summary

Description of Noncompliance (include location, discharge route, and estimated volume of unauthorized discharge):  
We are reporting the following:

1. On 1/23/15 we are reporting a Enterococci single grab of 187.2 MPN/100ml on a daily max permitted value of 104 MPN/100ml

### Cause of Noncompliance:

Inadequate disinfection caused elevated results.

Duration: Start Date and Time:  
End Date and Time:

Or Date Expected to be Corrected:

Potential Danger to Human Health and Safety or the Environment: None

## Actions Taken

Monitoring Data: Data should be attached or submitted to TCEQ when available.

- Yes  No Field Measurements  
 Yes  No Laboratory Samples  
 Yes  No Fish Kill If yes, estimated number killed:

Actions Taken to Mitigate Adverse Effects:

Actions Taken to Correct the Problem and Prevent Recurrence: Increased CL2 feed to provide better disinfection.

## Verification Information

Information Reported By (Name/Title): Karl Skarboszewski 

Date Reported: 10-16-15 Signature: \_\_\_\_\_

Note: If this form is being used for a 5-day written report, a copy of the form should be sent to the TCEQ Region Office, and the original to: TCEQ, Compliance Monitoring Team (MC224), Enforcement Division, P.O. Box 13087, Austin, TX 78711-3087.

# Water Quality Noncompliance Notification

\*See back of Form for Guidance for Completion\*

Unauthorized Discharge

Reportable Effluent Violation

Other

## General Information

Entity Name: KBR-Peeco Sewage Treatment Plant

Telephone No: (281) 355 - 1312

Permittee

Subscriber

TCEQ Region: 12

County: Harris

\*Permit Number: WQ0003792000

## Noncompliance Summary

Description of Noncompliance (include location, discharge route, and estimated volume of unauthorized discharge):  
We are reporting the following:

1. On 1/7/2015 we are reporting a PH value of 5.2 on 6.0 permitted limit
2. On 1/14/2015 we are reporting a PH value of 5.7 on a 6.0 permitted limit
3. On 1/23 we are reporting a PH value of 5.5 on a 6.0 permitted limit.
4. For the month of 01/2015 we are reporting a TSS daily avrg of 24.9 mg/l on a permitted value of 15 mg/l
5. For the month of 01/2015 we are reporting a Silver daily avrg of 0.013 mg/l on a permitted value of 0.0151 mg/l
6. For the month of 1/2015 we are reporting a Enterococci daily average of 76.8 mg/l on a permitted value of 35mg/l

Cause of Noncompliance: During the month of January 2014, the plant experienced problems with internal transfer line in the aeration chambers, causing an upset condition. The plants aeration zones are not visible due to the design of the plant.

Duration: Start Date and Time:  
End Date and Time:

Or Date Expected to be Corrected:

Potential Danger to Human Health and Safety or the Environment: No

## Actions Taken

Monitoring Data: Data should be attached or submitted to TCEQ when available.

- Yes  No Field Measurements  
 Yes  No Laboratory Samples  
 Yes  No Fish Kill If yes, estimated number killed:

Actions Taken to Mitigate Adverse Effects:

Actions Taken to Correct the Problem and Prevent Recurrence: In February, we removed all material from one side of the plant and repaired damaged sludge transfer lines and performed a sludge haul.

## Verification Information

Information Reported By (Name/Title): Carl Schwab

Date Reported: 2/1/15

Signature: [Signature]



# Chaparral Laboratories, Inc.



T104704204-07-TX

861 State Hwy 19 P.O. Box 1622 Huntsville, TX 77341-1622 www.chaparrallabs.com Phone: 936-291-1881 Fax: 936-295-1731

## Certificate of Analysis

Gulf Utility Service, Inc.  
Attn: Charlie Gasper  
P.O. Box 1629  
Spring, TX 77383

Customer ID: GULF  
Sample ID: 13011176  
Date Received: 01/31/2013  
Date Reported: 02/26/2013

Project: Peeco Plant  
Location: Harris County, TX

## Analytical Results

Collection Point: Effluent	Date/Time Collected: 01/31/2013 12:14
Sample Type: Grab	Flow (MGD): 0.031
	Collector: CRH

Parameter	Result	Units	Date/Time	Analyst	Bottle	Method	QC ID	Acrd
BOD5	6.2	mg/L	02/01/2013 07:35	JCG	-01	SM 5210 B	QC1302070	NELAC
CBOD5	3.7	mg/L	02/01/2013 07:35	JCG	-01	SM 5210 B	QC1302081	NELAC
TSS	30.0	mg/L	02/01/2013 08:30	BAM	-02	SM 2540 D	QC1302045	NELAC
Ammonia Nitrogen	9.1	mg/L	02/01/2013 12:30	KMC	-03	SM 4500-NH3 D	QC1302024	NELAC
Total Kjeldahl Nitrogen	9.5	mg/L	02/01/2013 08:00	KMC	-03	SM 4500-NH3 C	QC1302027	NELAC
Total Organic Nitrogen	0.4	mg/L	02/22/2013 11:28	DHV	-03	Calculation	QC1302373	
Nitrate+Nitrite Nitrogen	19.6	mg/L	02/11/2013 08:39	TLP	-04	SM 4500-NO3 E	QC1302167	NELAC
Total Phosphorus	4.5	mg/L	02/05/2013 07:25	JCG	-04	SM 4500-P E	QC1302067	NELAC
Chemical Oxygen Demand	62.6	mg/L	02/04/2013 08:32	BAM	-05	SM 5220 D	QC1302042	NELAC
Chloride	68.0	mg/L	02/05/2013 13:45	BAM	-06	SM 4500-Cl B	QC1302064	NELAC
Sulfate	85.9	mg/L	02/06/2013 09:08	TLP	-06	ASTM D516-02	QC1302090	NELAC
Total Dissolved Solids	488.0	mg/L	02/04/2013 15:31	TLP	-06	SM 2540 C	QC1302069	NELAC
HEM (O&G)	<5.3	mg/L	02/04/2013 09:02	TLP	-07	EPA 1664 A	QC1302065	NELAC
Chlorine, Residual (Total)	3.7	mg/L	01/31/2013 12:17	CRH	-08	SM 4500-Cl F	QC1302005	Field
Dissolved Oxygen	8.4	mg/L	01/31/2013 12:17	CRH	-08	SM 4500-O G	QC1302006	Field
pH	6.6	SU	01/31/2013 12:17	CRH	-08	SM 4500-H+B	QC1302007	Field
Temperature	64.5	°F	01/31/2013 12:17	CRH	-08	SM 2550 B	QC1302015	Field
Chromium (Tri)	<10.0	ug/L	02/22/2013 11:30	DHV	-09	Calculation	QC1302372	
Hexavalent Chromium	<10.0	ug/L	02/01/2013 07:59	TLP	-09	SM 3500-Cr B	QC1302009	NELAC
Copper	12.1	ug/L	02/11/2013 20:02	SA	-10	EPA 6020	QC1302195	NELAC
Mercury	<0.2	ug/L	02/12/2013 16:28	SA	-10	EPA 7470	QC1302244	NELAC
Silver	2.5	ug/L	02/11/2013 20:02	SA	-10	EPA 6020	QC1302196	NELAC
Zinc	151.0	ug/L	02/11/2013 20:02	SA	-10	EPA 6020	QC1302243	NELAC
Aluminum	137.0	ug/L	02/11/2013 08:15	SA	-11	EPA 6020	QC1302250	NELAC
Antimony	<30.0	ug/L	02/11/2013 08:15	SA	-11	EPA 6020	QC1302251	NELAC
Arsenic	<10.0	ug/L	02/11/2013 08:15	SA	-11	EPA 6020	QC1302252	NELAC
Barium	116.0	ug/L	02/11/2013 08:15	SA	-11	EPA 6020	QC1302253	NELAC
Beryllium	<5.0	ug/L	02/13/2013 12:33	SA	-11	EPA 6020	QC1302254	NELAC
Cadmium	<1.0	ug/L	02/11/2013 08:15	SA	-11	EPA 6020	QC1302255	NELAC



# Chaparral Laboratories, Inc.



TIC-704204-07-TX

861 State Hwy 19 P.O. Box 1622 Huntsville, TX 77342-1622 www.chaparrallabs.com Phone: 936-291-1881 Fax: 936-295-1731

## Certificate of Analysis

Gulf Utility Service, Inc.  
Attn: Charlie Gasper  
P.O. Box 1629  
Spring, TX 77383

Customer ID: GULF  
Sample ID: 13011176  
Date Received: 01/31/2013  
Date Reported: 02/26/2013

Project: Pocco Plant  
Location: Harris County, TX

## Analytical Results

Collection Point: Effluent	Date/Time Collected: 01/31/2013 12:14
Sample Type: Grab	Flow (MGD): 0.031
	Collector: CRH

Parameter	Result	Units	Date/Time	Analyst	Bottle	Method	QC ID	Acrd
BOD5	6.2	mg/L	02/01/2013 07:35	JCG	-01	SM 5210 B	QC1302070	NELAC
CBOD5	3.7	mg/l	02/01/2013 07:35	JCG	-01	SM 5210 B	QC1302081	NELAC
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Ammonia Nitrogen	9.1	mg/L	02/01/2013 12:30	KMC	-03	SM 4500-NH3 D	QC1302024	NELAC
Total Kjeldahl Nitrogen	9.5	mg/L	02/01/2013 08:00	KMC	-03	SM 4500-NH3 C	QC1302027	NELAC
Total Organic Nitrogen	0.4	mg/L	02/22/2013 11:28	DHV	-03	Calculation	QC1302373	
Nitrate/Nitrite Nitrogen	19.6	mg/l	02/11/2013 08:39	TLP	-04	SM 4500-NO3 E	QC1302167	NELAC
Total Phosphorus	4.5	mg/L	02/05/2013 07:25	JCG	-04	SM 4500-P E	QC1302067	NELAC
Chemical Oxygen Demand	62.6	mg/l	02/04/2013 08:32	BAM	-05	SM 5220 D	QC1302042	NELAC
Chloride	68.0	mg/L	02/05/2013 13:45	BAM	-06	SM 4500-Cl B	QC1302064	NELAC
Sulfate	85.9	mg/L	02/06/2013 09:08	TLP	-06	ASTM D516 02	QC1302090	NELAC
Total Dissolved Solids	488.0	mg/L	02/04/2013 15:31	TLP	-06	SM 2540 C	QC1302069	NELAC
HFM (O&G)	<5.3	mg/L	02/04/2013 09:02	TLP	-07	EPA 1664 A	QC1302065	NELAC
Chlorine Residual (Total)	3.7	mg/L	01/31/2013 12:17	CRH	-08	SM 4500-Cl F	QC1302005	Field
Dissolved Oxygen	8.4	mg/L	01/31/2013 12:17	CRH	-08	SM 4500-O G	QC1302006	Field
pH	6.6	SU	01/31/2013 12:17	CRH	-08	SM 4500 H+B	QC1302007	Field
Temperature	64.5	°F	01/31/2013 12:17	CRH	-08	SM 2550 B	QC1302015	Field
Chromium (Tri)	<10.0	ug/L	02/22/2013 11:30	DHV	-09	Calculation	QC1302372	
Hexavalent Chromium	<10.0	ug/L	02/01/2013 07:59	TLP	-09	SM 3500-Cr B	QC1302009	NELAC
Copper	12.1	ug/L	02/11/2013 20:02	SA	-10	EPA 6020	QC1302195	NELAC
Mercury	<0.2	ug/L	02/12/2013 16:28	SA	-10	EPA 7470	QC1302244	NELAC
Silver	2.5	ug/l	02/11/2013 20:02	SA	-10	EPA 6020	QC1302196	NELAC
Zinc	151.0	ug/L	02/11/2013 20:02	SA	-10	EPA 6020	QC1302343	NELAC
Aluminum	137.0	ug/L	02/11/2013 08:15	SA	-11	EPA 6020	QC1302250	NELAC
Antimony	<30.0	ug/L	02/11/2013 08:15	SA	-11	EPA 6020	QC1302251	NELAC
Arsenic	<10.0	ug/l	02/11/2013 08:15	SA	-11	EPA 6020	QC1302252	NELAC
Barium	116.0	ug/L	02/11/2013 08:15	SA	-11	EPA 6020	QC1302253	NELAC
Beryllium	<5.0	ug/l	02/13/2013 12:33	SA	-11	EPA 6020	QC1302254	NELAC
Cadmium	<1.0	ug/L	02/11/2013 08:15	SA	-11	EPA 6020	QC1302255	NELAC



**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: \_\_\_\_\_ (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 0014154-001 (8 digit ID)

Name of Wastewater Facility: Wildwood Shores Wastewater Treatment Facility

Name of Permittee: Nerro Supply, LLC

Date of last TCEQ compliance inspection: 10/27/2017 (attach TCEQ letter)

Subdivisions served: Wildwood Shores

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"	30	Residential
5/8" or 3/4"		3"		Commercial
1"		4"		Industrial
1 1/2"		Other		Other
Total Water Connections:			Total Sewer Connections:	130

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 & Affidavit**

**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*

November 7, 2017

**CERTIFIED MAIL 7013 3020 0000 9763 9839**  
**RETURN RECEIPT REQUESTED**

Gulf Utility Service, Inc.  
Attn: Gregory Pappas  
P.O. Box 691008  
Houston, Texas 77269

Re: Notice of Compliance with Notice of Violation (NOV) dated *September 30, 2014*:  
Nerro Supply, LLC Wildwood Shores Wastewater Treatment Facility, Walker County,  
Texas  
RN 10233-4299, TCEQ Additional ID: WQ0014154001, Investigation No. 1186916,  
Final Investigation No. 1443078

Dear Mr. Pappas:

This letter is to inform you that the Texas Commission on Environmental Quality (TCEQ) Houston Regional Office has received adequate compliance documentation on September 27, 2017, to resolve alleged violations documented during the investigation of the above-referenced regulated entity conducted on August 15, 2012. Based on the information submitted, no further action is required concerning this investigation.

The Texas Commission on Environmental Quality 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, please feel free to contact Mr. Gary Ackerman at the Houston Regional Office at (713) 767-3577.

Sincerely,

A handwritten signature in black ink, appearing to read "KR", written over a faint circular stamp.

Karina Rocha, Team Leader  
Water Quality  
Houston Region 12 Houston  
Texas Commission on Environmental Quality

KR/GA/es

Enclosure: Summary of Investigation Findings

## Summary of Investigation Findings

HUI ENTERPRISES

Investigation #

1443078

Investigation Date: 10/04/2017

, WALKER COUNTY,

Additional ID(s): WQ0014154001  
TX0122181

### ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 544551

30 TAC Chapter 305.125(1)

30 TAC Chapter 319.7(d)

PERMIT WQ0014154001, Monitoring and Reporting Requirements  
No. 1

**Alleged Violation:**

Investigation: 1186916

Comment Date: 09/24/2014

Failed to provide monitoring results at the intervals specified in the permit. Specifically, during the 18 month review period, the discharge monitoring reports (DMRs) for the monitoring periods ending 11/30/2013, 1/31/2014, and 03/31/2014 were missing the values for flow and total residual chlorine. In addition, the DMR for the monitoring period ending 11/30/2013 was submitted 3 months late (on 02/20/2014). The Sludge DMR for the monitoring period ending on 07/31/2013 was also submitted late (02/10/2014).

Investigation: 1443078

Comment Date: 10/09/2017

A follow-up investigation was conducted on October 4, 2017 to determine the compliance status of the alleged violation.

**Recommended Corrective Action:** DMRs must be submitted by the 20th day of the month following the monitoring period. Submit the corrected DMRs for the monitoring periods ending on 11/30/2013, 01/31/2014 and 03/31/2014 to the Region 12 Office and the Enforcement Division (MC 224). Also, Submit documentation indicating that the DMRs are now being submitted on time.

**Resolution:** This alleged violation was resolved on September 17, 2017, based on documentation submitted to the TCEQ Houston Region Office which indicated that the DMRs with the missing information were re-submitted and DMRs submitted since have been timely.

Track No: 547147

30 TAC Chapter 305.125(5)

**Alleged Violation:**

Investigation: 1186916

Comment Date: 09/24/2014

Failed to properly maintain the facility. Specifically, the rubber on the clarifier skimmer arm was missing.

Investigation: 1443078

Comment Date: 10/09/2017

A follow-up investigation was conducted on October 4, 2017 to determine the compliance status of the alleged violation.

**Recommended Corrective Action:** Submit documentation showing that the rubber has been replaced on the clarifier skimmer arm.

**Resolution:** This alleged violation was resolved on November 14, 2014, based on documentation submitted to the TCEQ Houston Region Office which indicated that the rubber on the skimmer arm was replaced.

Track No: 548266