



Control Number: 50017



Item Number: 1

Addendum StartPage: 0

50017



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

2019 SEP 17 PM 4:00
FILED
FILING CLERK

Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
 - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
 - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
 - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (**NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.**)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. *Application is not accepted for filing.*
 - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. *Application is accepted for filing.*
- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.

HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).
- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.
- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

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

Who is required to use this form?

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

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

151008

Application Summary

Transferor: Pure Utilities, LC

(selling entity)

CCN No.s: 12072

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

Transferee: Undine Texas, LLC

(acquiring entity)

CCN No.s: 13260

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

County(ies): Liberty, Polk, San Jacinto, Tyler

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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 checked="" type="checkbox"/> List of Assets to be Transferred	Part D: 11.B
<input type="checkbox"/> Developer Contribution Contracts or Agreements	Part D: 11.D
<input type="checkbox"/> Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
<input checked="" type="checkbox"/> TCEQ Compliance Correspondence	Part F: Question 22
<input type="checkbox"/> TCEQ Engineering Approvals	Part F: Question 24
<input type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part F: Question 26
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> General Location (small scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> Digital Mapping Data	Part G: Question 29
<input checked="" type="checkbox"/> Signed & Notarized Oath	Page 13-14

Part A: General Information

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

Undine Texas, LLC will purchase all utility assets listed in Attachment 'A' as defined in the Letter of Intent to Pure Utilities, LC

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

For Transferee (Purchaser) CCN:

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

For Transferor (Seller) CCN:

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

Part B: Transferor Information

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

3. A. Name: Pure Utilities, LC
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☒ WSC ☒ Other: LC

B. Mailing Address: 207 W. Mill St, Livingston, Texas 77351

Phone: (936) 327-1896

Email: stonewall@livingston.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: Stone Jackson

Title: Member

Mailing Address: 207 W. Mill St, Livingston, Texas 77351

Phone: (936) 327-1896

Email: stonewall@livingston.net

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: January 25, 2013

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

☐ No ☒ Yes

Application or Docket Number: 37471-R

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

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

☐ There are no customers that will be transferred

☒ # of customers without deposits held by the transferor 1,058

☐ # of customers with deposits held by the transferor*

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

Part C: Transferee Information

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

6. A. Name: Undine Texas, LLC

(individual, corporation, or other legal entity)

☐ Individual ☐ Corporation ☐ WSC ☒ Other: LLC

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

Phone: (713) 574-5953

Email: info@undinellc.com

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

Name: Carey A. Thomas

Title: Senior Vice President

Address: 17681 Telge Road, Cypress, Texas 77429

Phone: (713) 574-5953

Email: cthomas@undinellc.com

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

☐ No ☒ Yes ☐ N/A

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

☐ No ☒ Yes ☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☐ Corporation

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

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

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

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

☐ Municipally-owned utility

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

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

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

Name: _____

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

Name: Confidential - Please see Attachment 'C'

Position: _____ Ownership % (if applicable): 0.00%

Address: _____

Phone: _____ Email: _____

Name: _____

Position: _____ Ownership % (if applicable): 0.00%

Address: _____

Phone: _____ Email: _____

Name: _____

Position: _____ Ownership % (if applicable): 0.00%

Address: _____

Phone: _____ Email: _____

Name: _____

Position: _____ Ownership % (if applicable): 0.00%

Address: _____

Phone: _____ Email: _____

10. **Financial Information**

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

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

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

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

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

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: \$ _____

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

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

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: \$ _____

Accumulated Depreciation: \$ _____

Net Book Value: \$ _____

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

☐ No ☐ Yes

Total Customer CIAC: \$ _____

Accumulated Amortization: \$ _____

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

☐ No ☐ Yes

Total developer CIAC: \$ _____

Accumulated Amortization: \$ _____

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

☒ No ☐ Yes

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

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

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

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

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

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

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

There will be no changes to billing rates.

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

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

Part E: CCN Obtain or Amend Criteria Considerations

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

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

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

Please see Attachment 'E'

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

☒ No

☐ Yes

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

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

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

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

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

Please See Attachment 'E'

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

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

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

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

Name of PWS: _____

Date of last TCEQ compliance inspection: _____ (attach TCEQ letter)

Subdivisions served: _____

B. For Sewer service:

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

Name of Wastewater Facility: _____

Name of Permittee: _____

Date of last TCEQ compliance inspection: _____ (attach TCEQ letter)

Subdivisions served: _____

Date of application to transfer permit submitted to TCEQ: _____

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

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

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

☐ No ☐ Yes

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

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

C. Is there a moratorium on new connections?

☐ No ☐ Yes:

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

☐ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

Capacity is purchased from: _____

Water: _____

Sewer: _____

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

☐ No ☐ Yes

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

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

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

☐ No ☐ Yes:

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

☐ No ☐ Yes:

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

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

Part C: Mapping & Affidavits

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

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

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

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

- iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.

- 2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
 - i. The map must be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made or natural landmarks must be labeled and marked on the map as well.
 - ii. If the application requests an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
 - iv. The outer boundary of the requested area should not be covered by any labels, roads, city limits or extraterritorial jurisdiction (ETJ) boundaries.

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

Part H: Notice Information

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

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

The total acreage of the requested area is approximately: _____

Number of customer connections in the requested area: _____

Affected subdivision : Please See Attachment 'H'

The closest city or town: _____

Approximate mileage to closest city or town center: _____

Direction to closest city or town: _____

The requested area is generally bounded on the North by: _____

on the East by: _____

on the South by: _____

on the West by: _____

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

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

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

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

☐ higher monthly bill ☐ lower monthly bill

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

☐ higher monthly bill ☐ lower monthly bill

Oath for Transferor (Transferring Entity) Water

STATE OF Texas

COUNTY OF Park

I, Stone Jackson being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as Pure Utilities, L.C.

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

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

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

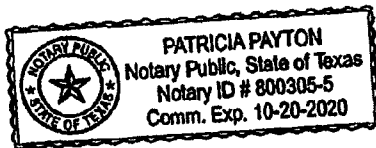
Stone Jackson
AFFIANT

(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 12th of Sept, 20 19

SEAL



Patricia Payton
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Patricia Payton
PRINT OR TYPE NAME OF NOTARY

My commission expires: 10-20-2020

Oath for Transferee (Acquiring Entity)

STATE OF Texas

COUNTY OF Harris

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

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

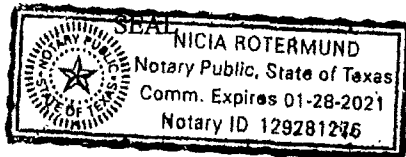
I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney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

Carey A Thomas

AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas
this day the 16 of September, 20 19



Nicia Rotermund
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Nicia Rotermund
PRINT OR TYPE NAME OF NOTARY

My commission expires:

January 28, 2021

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

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

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

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 (- -)
GENERAL/ADMINISTRATIVE EXPENSES						
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						
Total General Admin. Expenses (G&A)						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONS & MAINTENANCE EXPENSES						
Salaries & Benefits (Employee, Management)						
Materials & Supplies						
Utilities Expense-office						
Contract Labor						
Transportation Expense						
Depreciation Expense						
Other(describe)						
Total Operational Expenses (O&M)						
Total Expense (Total G&A + O&M)						
Historical % Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
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 (- -)
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
A. Total Current Assets						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
B. Total Fixed Assets						
C. TOTAL Assets (A + B)						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities						
LONG TERM LIABILITIES						
Notes Payable, Long-term						
Other						
E. Total Long Term Liabilities						
F. TOTAL LIABILITIES (D + E)						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
G. TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES+EQUITY (F + G) = C						
WORKING CAPITAL (A - D)						
CURRENT RATIO (A / D)						
DEBT TO EQUITY RATIO (F / G)						

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 (- -)
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc)						
Gross Income						
EXPENSES						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
NET INCOME						

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

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

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

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

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Attachment 'K' Part F: Question 22	Inspection Reports for Each System
Attachment 'L' Part F: Question 28 Confidential	Operators Information
Attachment 'M' Part G	CCN Maps to be Transferred with this Application
Attachment 'N' Part H	CCN Descriptions

Attachment 'A'

CCN Number, Subdivision Name, RN Number

Bar D Ranchettes

CN 600635171
CCN 12072
RN 101238574
PWSID No 1460076
Subdivision Bar D Ranchettes
County Liberty

Active Connections

41

Barlow Lake Estates

CN 600635171
CCN 12072
RN 101259828
PWSID No 2290015
Subdivision Barlow Lake Estates
County Tyler

Active Connections

15

Bentwood Bend Water System

CN 600635171
CCN 12072
RN 101438265
PWSID No 1870154
Subdivision Bentwood Bend
County Polk

Active Connections

23

Commodore Cape Water System

CN 600635171
CCN 12072
RN 102314697
PWSID No 1870026
Subdivision Commodore Cape
County Polk

Active Connections

105

Forest Springs

CN 600635171
CCN 12072
RN 101188654
PWSID No 1870059
Subdivision Forest Springs
County Polk

Active Connections

156

Lakeside Village Water

CN 600635171
CCN 12072
RN 101234094
PWSID No 1870095
Subdivision Lakeside Village Water
County Polk

Active Connections

130

Mont Neches Lake Estates

CN 600635171
CCN 12072

Active Connections

34

RN	101258788	
PWSID No	2290027	
Subdivision	Mont Neches Lake Estates	
County	Tyler	
Riverboat Bend Trailer Park		Active Connections
CN	600635171	42
CCN	12072	
RN	102693546	
PWSID No	1460088	
Subdivision	Riverboat Bend Trailer Park	
County	Liberty	
Six Lakes Subdivision		Active Connections
CN	600635171	59
CCN	12072	
RN	101226298	
PWSID No	1460015	
Subdivision	Six Lakes	
County	Liberty	
Spring Creek Pure Utilities		Active Connections
CN	600635171	135
CCN	12072	
RN	101259885	
PWSID No	1870149	
Subdivision	Spring Creek	
County	Polk	
Tanglewood Forest Subdivision		Active Connections
CN	600635171	25
CCN	12072	
RN	102689791	
PWSID No	2040054	
Subdivision	Tanglewood Forest	
County	San Jacinto	
Taylor Lake Estates Water System		Active Connections
CN	600635171	151
CCN	12072	
RN	101283505	
PWSID No	1870064	
Subdivision	Taylor Lake Estates	
County	Polk	
Texas Water Supply		Active Connections
CN	600635171	69
CCN	12072	
RN	101259679	
PWSID No	1870131	
Subdivision		
County	Polk	
Town Bluff Water System		Active Connections

CN 600635171
CCN 12072
RN 101268191
PWSID No 2290043
Subdivision Town Bluff
County Tyler

34

Whitetail Ridge Lakes Estates

Active Connections

CN 600635171
CCN 12072
RN 101256998
PWSID No 2290012
Subdivision Whitetail Ridge Lakes Estates
County Tyler

73

Attachment ‘B’

Part A: Question 1

Confidential

Letter of Intent

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Pure Utilities, LC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Liberty, Polk, San Jacinto, and Tyler Counties

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment B – Letter of Intent

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 28 to 32

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: September 17, 2019

Attachment 'C'

Part B: Question 4

Current Tariff

Pure Utilities LC

12072W & 20557S

Company Name

CCN Number

has submitted a rate change application to the Texas Commission on Environmental Quality (Commission). The proposed rates listed on the next page will apply to service received after the effective date provided below. If the Commission receives protests to the proposed increase from 10 percent of the ratepayers or from any affected municipality before the 91st day after the proposed effective date, a public hearing will be scheduled to determine if the proposed rates are reasonable. Protests should be mailed to:

Texas Commission on Environmental Quality

Water Supply Division

Utilities & Districts Section, MC 153

P. O. Box 13087

Austin, Texas 78711-3087

Unless protests are received from 10 percent of the ratepayers or the Commission staff requests a hearing, no hearing will be held and rates will be effective as proposed. Please read the following information carefully:

Riverboat Bend Subdivision

Subdivisions or Systems Affected by Rate Change

<u>207 W MILL,</u>	<u>LIVINGSTON,</u>	<u>TX 77351</u>	<u>936-327-7070</u>
Company Address	City	State Zip	Telephone

<u>7,838</u>	<u>NOVEMBER 20, 2012</u>
Annual Revenue Increase	Date Customer Notice Mailed

<u>OCTOBER 20, 2007</u>	<u>25TH OF MONTH</u>
-------------------------	---------------------------------

<u>Date of Last Rate Change</u>	<u>Date Meters Typically Read</u>
---------------------------------	-----------------------------------

EFFECTIVE DATE OF PROPOSED INCREASE: JANUARY 25, 2013

BILLING COMPARISON

Water

Existing	10,000 gallons:	\$ <u>20.00</u>	/mo	Existing	30,000 gallons:	\$ <u>20.00</u>	/mo
Proposed	10,000 gallons:	\$ <u>63.51</u>	/mo	Proposed	30,000 gallons:	\$ <u>134.31</u>	/mo

The proposed rates will apply to all service rendered after the effective date and will be reflected on the bill you receive approximately 30 to 45 days after the effective date.

In the event that the application is set for hearing, the specific rates requested by the utility may be decreased or increased by order of the Commission. If the Commission orders a lower rate to be set, the utility may be ordered to refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest. You may inspect a copy of the rate change application at your utility's office or at the Commission's office at Park 35 - Building F, 12015 Park 35 Circle, Suite 3101, Austin, Texas, west side of IH-35, south of Yager Lane. Additional information about the application can be obtained by contacting the Utilities and Districts Section at 512/239-4691. Information about how you can participate in the rate setting process can be obtained by contacting the Public Interest Counsel at 512/239-6363.

Si desea informacion en Espanol, puede llamar al 512-239-0200

CURRENT RATES		PROPOSED RATES	
Monthly base rate including	Unlimited gallons	Monthly base rate including	2,000 gallons
Meter Size:		Meter Size:	
RESIDENTIAL		RESIDENTIAL	
¾ x 5/8	\$ 20.00	¾ x 5/8	\$ 35.19
1"	\$ N/A	1"	\$ 77.34
1½"	\$ N/A	1½"	\$ 147.60
2"	\$ N/A	2"	\$ 231.91
3"	\$ N/A	3"	\$ 428.63
Other:	\$	Other:	\$
GALLONAGE CHARGE		GALLONAGE CHARGE	
\$ N/A for each additional 1000 gallons over the minimum FLAT RATE		\$ 3.54 for each additional 1000 gallons over the minimum	

CURRENT FEES		PROPOSED FEES	
Tap Fee	\$ 100.00	Tap Fee	\$ 350.00
Reconnect fee:		Reconnect fee:	
Non-payment		Non-payment	
(Maximum - \$25.00)	\$ 25.00	(Maximum - \$25.00)	\$ 25.00
Customer's Request	\$ 25.00	Customer's Request	\$ 25.00
Transfer Fee	\$ 10.00	Transfer Fee	\$ 35.00
Late Charge	\$ 10%	Late charge: (Indicate either \$5.00 or 10%)	\$ 5.00
Returned Check Charge	\$ 25.00	Returned Check Charge	\$ 25.00
Deposit	\$ 50.00	Deposit (Maximum \$50.00)	\$ N/A
Meter test fee	\$ 25.00	Meter test fee	\$ 25.00

Regulatory Assessment of 1% is added to base rate and gallonage charges

WATER UTILITY TARIFF FOR

Pure Utilities, L.C.
(Utility Name)

207 W. Mill St.
(Business Address)

Livingston, Texas 77351
(City, State, Zip Code)

(936) 327-7070
(Area Code/Telephone)

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

12072

This tariff is effective in the following counties:

Liberty, Polk, San Jacinto and Tyler

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

Kenefick (Riverboat Bend Subdivision)

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 subdivisions and public water systems:

See attached list

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	3
SECTION 3.0 -- EXTENSION POLICY	8
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN	10
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

LIST OF SUBDIVISIONS OR SYSTEMS

SUBDIVISION	PWS ID NUMBER	COUNTY
Ace Acres	N/A	Polk
Bar D	1460076	Liberty
Barlow Lakes	2290015	Tyler
BE&O (Texas Water Supply)	1870131	Polk
Bentwood Bend	1870154	Polk
Commodore Cape	1870026	Polk
Forest Springs	1870059	Polk
Lakeside Village	1870095	Polk
Mont Neches	2290027	Tyler
Riverboat Bend Subdivision	1460088	Liberty
Six Lakes	1460015	Liberty
Spring Creek	1870149	Polk
Tanglewood Forest	2040054	San Jacinto
Taylor Lake Estates	1870064	Polk
Town Bluff	2290043	Tyler
West Leggett Development (Texas Water Supply)	1870131	Polk
Westwood Estates (Texas Water Supply)	1870131	Polk
Whitetail Ridge	2290012	Tyler

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$35.19</u> (Includes 2,000 gallons)	<u>\$3.54</u> per 1000 gallons
1"	<u>\$77.34</u>	
1 1/2 "	<u>\$147.60</u>	
2"	<u>\$231.91</u>	
3"	<u>\$428.63</u>	

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

Cash X, Check X, Money Order X, Credit Card _____, Other (specify) _____
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT.....1.0%
 TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$350.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

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

METER RELOCATION FEEActual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE.....\$25.00
 THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

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

TRANSFER FEE.....\$35.00

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

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

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) N/A

COMMERCIAL & NON-RESIDENTIAL DEPOSIT1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 - Texas Natural Resource Conservation Commission Rules

The utility will have the most current Texas Natural Resource Conservation Commission Rules, Chapter 291, Water Rates, 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 2.02 - Application for and Provision of Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff) and will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

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

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

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Section 2.03 - 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 TNRCC 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 a complaint may be filed with the Commission.

Section 2.04 - 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 of this tariff. The utility will keep records of the deposit and credit interest in accordance with TNRCC Rules.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.04 - Customer Deposits (cont.)

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

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

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

Section 2.05 - Meter Requirements, Readings, and Testing

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

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

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.06 - 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 work day after the due date.

A late penalty of either \$2.00 or 5.0% 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.

Each bill will provide all information required by the TNRCC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

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 2.07 - Service Disconnection

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 TNRCC Rules.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.07 - Service Disconnection (cont.)

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

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Section 2.08 - Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09 - 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.

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 2.10 - Quality of Service

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

Section 2.11 - 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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.11 - Customer Complaints and Disputes (cont.)

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 Texas Natural Resource Conservation Commission 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.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with TNRCC Rules to be effective.

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 customer 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.

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

COST UTILITIES SHALL BEAR. Within its certificate 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 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.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems."

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with TNRCC Rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full 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.

Developers will 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 Texas Natural Resource Conservation Commission minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Natural Resource Conservation Commission 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.

Pure Utilities, L.C.

Water Utility Tariff Page No. 10

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

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CCN 12072 SEP 07 05

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DROUGHT CONTINGENCY PLAN

**Pure Utilities, L. C.
CCN # 12072
3595 FM 3277
Livingston, Texas 77351**

**Original November 2001
Updated September 2, 2003
Reviewed June 24, 2005**

Section I: Declaration of Policy, Purpose, and Intent

In cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit nonessential water usage. The purpose of the Drought Contingency Plan is to encourage customer conservation in order to maintain supply, storage, or pressure or to comply with the requirements of a court, government agency or other authority.

Pure Utilities, L. C. hereby adopts the following regulations and restrictions on the consumption of water regarding the afore mentioned situations for the purpose of maintaining integrity of domestic water usage, sanitation, and fire protection; also to protect and preserve public health, welfare, and safety and to minimize the adverse affects of water supply shortage or any other water supply emergency.

Water restriction is not a legitimate alternative when the water system does not meet the Texas Commission on Environmental Quality's capacity requirements under normal conditions, nor when the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

Section II: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by Pure Utilities, L. C. by means of keeping the information available in our office at 3595 FM 3277, Livingston, TX 77351 and by notifying the customers of the existence of the Plan by placing an ad/notice in local newspapers.

Section III: Public Education

Pure Utilities, L. C. will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage as the circumstances require. This information will be provided by means of posting the information in our office at 3595 FM 3277, Livingston, TX 77351 and by advertising the availability of the Plan annually in a local newspaper.

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Section IV: Coordination with Regional Water Planning Groups

The service areas of Pure Utilities, L. C. are located within the TCEQ Region 10 and TCEQ Region 12 water planning areas and Pure Utilities, L. C. has provided a copy of this Plan to both Region 10 and Region 12 water planning groups. The original of this Plan was submitted in November of 2001, and the updated version is being submitted September 2, 2003.

Section V: Declaration

DECLARATION OF WATER RESTRICTION: When there is an acute water supply shortage to such an extent that normal use patterns can no longer be served, the utility may implement a water restriction program in the following manner.

Section VI: Notice Requirements

Written notice will be provided to each customer prior to implementation or termination of each stage of the water restriction program. Mailed notice must be given to each customer 72 hours prior to the start of water restriction. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided. The written notice to customers will contain the following information:

- a) the date restrictions will begin,
- b) the circumstances that triggered the restrictions,
- c) the stages of response and explanation of the restrictions to be implemented, and,
- d) an explanation of the consequences for violations.

The utility must notify the TCEQ by telephone at (512) 239 - 6020, or electronic mail at watermon@TNRCC.state.tx.us prior to implementing the program and must notify in writing the Public Drinking Water Section at MC - 155, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days of implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ every 30 days that restriction continues.

Section VII: Violations

1. First violation - The customer will be notified by written notice of their specific violation.
2. Second violation - After written notice the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed \$50.00.
3. Subsequent violations - The utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, ~~whichever is less~~. The normal reconnect fee of

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CCN 1207200790

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Pure Utilities, L. C. Water System, hereby established as \$ 30.00 will apply for restoration of service.

Section VIII: Exemptions or Variances

The utility may grant any customer an exemption or variance from the drought contingency plan for good cause upon written request. A customer who is refused an exemption or variance may appeal such action of the utility by written appeal to the Texas Commission on Environmental Quality. The utility will treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances. No exemption or variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

Section IX: Criteria for Initiation and Termination of Drought Response Stages

Unless there is an immediate and extreme reduction in water production, or other absolute necessity to declare an emergency or severe condition, the utility will initially declare Stage I restrictions. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, reduce the risk of outages, or comply with restrictions required by a court, government agency or other authority, Stage II may be implemented with Stage III to follow if necessary.

Section X: Application and Definitions

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by Pure Utilities, L. C. Water System. The terms "person" and "customer" as used in this Plan include individuals, corporations, partnerships, associations, and all other legal entities.

For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and industrial water use: water use which is integral to the operations of commercial and nonprofit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by Pure Utilities, L. C..

Domestic water use: water use for personal needs or for household or for sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

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Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Nonessential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- (a) Irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle;
- (c) Use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) Use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (e) Flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) Use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (g) Use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) Failure to repair a controllable leak(s) within a responsible period after having been given notice directing the repair of such leak(s); and;
- (i) Use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

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STAGE I - MILD WATER USE RESTRICTIONS:

TRIGGERS: Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain nonessential water uses when ground storage tank levels drop below 80%, well capacity reaches 70%, water system pressure drops 20%, water availability drops to 80%.

Requirements for termination

Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days.

STAGE I RESPONSE MEASURES

Goal: To achieve a voluntary 10% reduction in total water use

Supply management measures

Pure Utilities, L. C. will manage limited water supplies by discontinued flushing, and will reduce water demand by activation and use of alternative water supply where possible.

Voluntary water use restrictions

- (a) Water customers are requested to voluntarily limit the irrigation of landscaped areas to between the hours of 9:00 p.m. and 6:00 a.m..
- (b) All water operations of Pure Utilities, L. C. shall adhere to water use restrictions prescribed for Stage 2 of the Plan.
- (c) Water customers are requested to practice water conservation and to minimize or discontinue water use for nonessential purposes.

STAGE II - MODERATE WATER USE RESTRICTIONS:

TRIGGERS: Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain nonessential water uses when water levels drop below 70%, well capacity reaches 80%, water system pressure drops 25%, water availability drops to 70%.

Requirements for termination

Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

STAGE II RESPONSE MEASURES

Goal: Achieve a 20% reduction in total water use.

Supply management measures

Pure Utilities, L. C. will reduce or discontinue flushing of water mains, reduce or discontinue irrigation of public landscaped areas; and use an alternative source, if possible.

Water use restrictions

Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems is limited to the hours of 9:00 p.m. and 6:00 a.m.. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except between 9:00 p.m. and 6:00 a.m.. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shut-off nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- (c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or "Jacuzzi" type pools is prohibited except between the hours of 9:00 p.m. and 6:00 a.m..
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.
- (e) Use of water from hydrants or flush valves shall be limited to maintaining public health, safety, and welfare.
- (f) Use of water for the irrigation of golf courses, parks, and green belt areas is prohibited except by hand-held hose and only on designated watering days between the hours of 9:00 p.m. and 6:00 a.m..
- (g) The following uses of water are defined as nonessential and are prohibited:
 - 1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - 2. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - 3. use of water for dust control;
 - 4. flushing gutters or permitting water to run or accumulate in any gutter or street; and

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5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

STAGE III- SEVERE WATER USE RESTRICTIONS:

TRIGGERS: Requirements for initiation:

Customers shall be required to comply with the requirements and restrictions for Stage 3 of this Plan when ground storage tank water levels drop below 60%, well capacity reaches 85%, water system pressure drops 30%, water availability drops to 60%.

Requirements for termination:

Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

STAGE III RESPONSE MEASURES

Goal: Achieve a 30% reduction in total water use, and daily water demand, ECT..

Supply Management Measures:

Pure Utilities, L. C. will limit water supplies and/or reduce water demand by: reduced or discontinued flushing of water mains, reduced or discontinued irrigation of public landscaped areas; use of alternative supply sources.

Water Use Restrictions: All requirements of Stage 2 shall remain in effect during Stage 3 except:

- (a) Irrigation of landscaped areas shall be limited to designated watering hours of between 12:00 midnight and 3:00 a.m.. The use of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler systems only. The use of hose-end sprinklers is prohibited at all times.
- (b) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by Pure Utilities, L. C. Water System.
- (c) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

STAGE IV CRITICAL WATER SHORTAGE

TRIGGERS: Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when ground storage tank water levels drop below 50%, well capacity reaches 90%, water system pressure drops 35%, water availability drops to 50%.

Requirements for termination

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Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

STAGE IV RESPONSE MEASURES

Goal: Achieve a 40% reduction in total water use, daily water demand, ECT..

Supply management measures

Pure Utilities, L. C. will limit water supplies and/or reduce water demand by: reduced or discontinued flushing of water mains, reduced or discontinued irrigation of public landscaped areas; use of alternative supply sources.

Water use restrictions

All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except:

- (a) Irrigation of landscaped areas shall be limited to designated watering hours of between 12:00 midnight and 3:00 a.m.. The use of hand-held hoses, hand-held buckets, drip irrigation only. The use of permanently installed automatic sprinkler systems or hose-end sprinklers is prohibited at all times.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the immediate premises of a commercial car wash or commercial service station and not in the interest of immediate public health, safety, and welfare, is strictly prohibited. Further, such vehicle washing at commercial car washes and commercial service stations is prohibited.
- (c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or "Jacuzzi" type pools is prohibited.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.
- (e) No applications for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

STAGE V EMERGENCY WATER SHORTAGE CONDITIONS

TRIGGERS: Requirements for initiation

Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan when Pure Utilities, L. C. determines that a water supply emergency exists based upon:

1. Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service; or

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2. Natural or man-made contamination of the water supply source(s).

Requirements for termination

Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days.

STAGE V RESPONSE MEASURES

Goal: Achieve a 50% reduction in total water use, daily water demand, etc.

Supply management measures

Pure Utilities, L. C. will limit water supplies and/or reduce water demand by: reduced or discontinued flushing of water mains, reduced or discontinued irrigation of public landscaped areas; use of alternative supply sources; use of reclaimed water for non-potable uses.

Water use restrictions

All requirements of Stage 2, 3, and 4 shall remain in effect during Stage 5 except:

- (a) Irrigation of landscaped areas in absolutely prohibited.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is absolutely prohibited.

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CCN 12072 SEP 07 '05

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Attachment 'D'

Part B: Question 5

Confidential

Customer Name, Address and Deposit Information

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Pure Utilities, LC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Liberty, Polk, San Jacinto, and Tyler 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 70

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: September 17, 2019

Attachment 'E'

Part C: Question 7

Confidential

Limited Liability Company Agreement Undine Texas, LLC and
Organizational Chart

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Pure Utilities, LC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Liberty, Polk, San Jacinto, and Tyler 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: 72 to 79

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: September 17, 2019

Attachment 'F'

Part C: Question 7

Certificates of Account Status

The legal name of the seller party is Pure Utilities, LC. It does not conduct business under an assumed name.

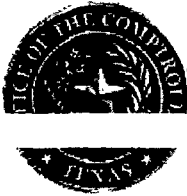
The legal name of the buyer party is Undine Texas, LLC. It does not conduct business under an assumed name.

The seller party, Pure Utilities, LC, operates as a domestic limited liability company. The business was formed on May 15, 1997.

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

Pure Utilities, LC is wholly owned by Pure Utilities, LC. The Primary business of Pure Utilities, LC is owning and operating water, wastewater, and natural gas 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.



Franchise Tax Account Status

As of : 07/26/2019 10:53:17

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

PURE UTILITIES, L.C.

Texas Taxpayer Number : 17605530538

Mailing Address : 207 W MILL ST LIVINGSTON, TX 77351-3224

Right to Transact Business In Texas : ACTIVE

State of Formation : TX

Effective SOS Registration Date : 05/15/1997

Texas SOS File Number : 0702652722

Registered Agent Name : M S JACKSON II

Registered Office Street Address : 206 W. ABBEY ST. LIVINGSTON, TX 77351

Delaware

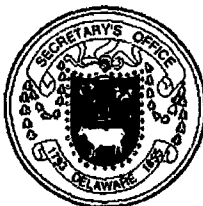
The First State

Page 1

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

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

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



5860781 8300

SR# 20190989150

You may verify this certificate online at corp.delaware.gov/authver.shtml

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

Jeffrey W. Bullock, Secretary of State

Authentication: 202256273

Date: 02-13-19



Office of the Secretary of State

Certificate of Fact

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

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

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



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

David Whitley
Secretary of State

Attachment 'G'

Part C: Question 9

Confidential

List of the Officers of Undine Texas, LLC

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Pure Utilities, LC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Liberty, Polk, San Jacinto, and Tyler 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: 86 to 86

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: September 17, 2019

Attachment 'H'

Part D

Confidential

Financial Information

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Pure Utilities, LC and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Liberty, Polk, San Jacinto, and Tyler Counties

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment H – Financial Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 88 to 97

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: September 17, 2019

Attachment 'I'

Part E: Question 17

Evidence of Financial, Managerial and Technical Capabilities

List of Currently Held Utilities

ATTACHMENT "E"
STM FILING UNDINE TEXAS, LLC.

Who We Are – Proven Expertise

<u>Name and Title</u>	<u>W&WW Industry Exp.</u>	<u>Summary</u>
Ed Wallace President	▪ 29 years of total experience	▪ Founded AquaSource in 1996 ▪ Founded Ni America in 2007 ▪ Eight year career with Coopers and Lybrand ▪ Director at Credit Suisse First Boston
Carey Thomas Sr. Vice President	▪ 19 years of total experience	▪ One of 16 Original Investors at AquaSource ▪ One of 10 Original Investors at Ni America ▪ Former Sr. VP of Administration and HR for AquaSource and Ni America
Andy Thomas Sr. Vice President	▪ 24 years of total experience	▪ Overall responsibility for Transition and Administration ▪ One of 16 Original Investors at AquaSource ▪ One of 10 Original Investors at Ni America ▪ Former Sr. VP of Capital Projects and Due Diligence for AquaSource and Ni America
Charlie Leibold Chief Accounting Officer	▪ 19 years of total experience	▪ Director of Due Diligence at AquaSource ▪ 10 year career at Deloitte and Touche
Mike Ashfield Sr. Vice President Acquisitions	▪ 13 years of total experience	▪ VP Transactions at Ni America ▪ Former Sr. VP of Transactions at AquaSource ▪ Nine year career with Coopers and Lybrand ▪ Coordinated due diligence protocol and administered definitive document negotiations at AquaSource and Ni America
Rick Melcher Manager of Public Relations	▪ 16 years of total experience	▪ Former Public Relations Manager and Spokesperson for AquaSource and Ni America
Jeff Goebel Manager Business Development	▪ 17 years of total experience	▪ Project Coordinator for AquaSource ▪ Business Development for Quadvest for 10 years

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

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

Forest Manor	98
Heathergate	109
Sweetgum Forest	27
Greengate Acres	99
Highland Mobie Home Sub	25
Highland Ridge	196
Huffman Heights	119
Joy Village	52
Lakewood Colony	57
Meadowlake Estates	219
Peach Creek Oaks	70
Pioneer Trails	133
Porter Terrace	109
Spring Forest	258
Springmont	175
Tall Cedars	57
Urban Acres	177
Oak Shores	220
Oak Shores on Lake Austin	
Briarpatch	
Woods of Greenshores	
Greenshores on Lake Austin	
Smokey Ridge Annes	
Southwood	506
Spring Crossing	1
Magnolia Bend	51
Bear Creek	20
Bell Manor	24
Buffalo Creek	50
Crowley II Acres	97
John Dame	51
Martin Creek	27
Rock Creek Estates	40
Sanders View	30

Total Connection Count: 6,093

Attachment 'J'

Part E: Question 21

Utilities Within 2 Miles

Pure Utilities, LC, CCN 12072 STM & Amend
Bar D Ranchettes

Utility Name- 2 mile Notice

CCN#

Street

City

State

Zip

Lake Livingston Water Supply & Sewer Service	10147	PO Box 1149	Livingston	TX	77351
Trinity River Authority of Texas		PO Box 60	Arlington	TX	76004
Liberty County Judge Jay H. Knight		1923 Sam Houston	Liberty	TX	77575

Riverboat Bend

transfer area is within city limits and ETJ

City of Kenefick		3564FM 1008	Dayton	TX	77535
City of Dayton		117 Cook St	Dayton	TX	77535
City of Liberty	10144	1829 Sam Houston	Liberty	TX	77575
T&W Water Service	12892	PO Box 2927	Conroe	TX	77305
Woodland Hills Water LLC	12388	1775 N Loop 336 E Ste 14	Conroe	TX	77301
Trinity River Authority of Texas		PO Box 60	Arlington	TX	76004
Liberty County WCID 1		PO Box 1386	Dayton	TX	77535
Liberty County WCID 5		PO Box 626	Liberty	TX	77575
Liberty County WCID 6		PO Box 1	Liberty	TX	77575
Chambers-Liberty Counties Navigation District		PO Box 518	Anahuac	TX	77514
Liberty County Judge Jay H. Knight		1923 Sam Houston	Liberty	TX	77575

Six Lakes

Lake Livingston Water Supply & Sewer Service	10147	PO Box 1149	Livingston	TX	77351
Trinity River Authority of Texas		PO Box 60	Arlington	TX	76004
Lower Trinity GCD		602 E Church St, Ste 141	Livingston	TX	77351
Liberty County Judge Jay H. Knight		1923 Sam Houston	Liberty	TX	77575
Polk County Judge Sydney Murphy		101 West Church St, Suite 300	Livingston	TX	77351

Bentwood Bend

City of Onalaska		PO Box 880	Onalaska	TX	77360
Lake Livingston Water Supply & Sewer Service	10147	PO Box 1149	Livingston	TX	77351
Onalaska WSC	10119	PO Box 2463	Onalaska	TX	77360
Tempe WSC 1	11579	2120 US Hwy 190 W	Livingston	TX	77351
Yaupon Cove Water Co	10118	PO Box 279	New Waverly	TX	77358
Polk County FWSD 2		PO Box 2250	Onalaska	TX	77360
Trinity River Authority of Texas		PO Box 60	Arlington	TX	76004
Lower Trinity GCD		602 E Church St, Ste 141	Livingston	TX	77351
Polk County Judge Sydney Murphy		101 West Church St, Suite 300	Livingston	TX	77351

Commodore Cape

Aqua Texas Inc	13203	1106 Clayton Ln Ste 400W	Austin	TX	78723
Lake Livingston Water Supply & Sewer Service	10147	PO Box 1149	Livingston	TX	77351
RC WSC	10121	2120 US Hwy 190 W	Livingston	TX	77351
Trinity River Authority of Texas		PO Box 60	Arlington	TX	76004
Memorial Point Utility District		2929 Allen Pkwy Ste 3450	Houston	TX	77019
Lower Trinity GCD		602 E Church St, Ste 141	Livingston	TX	77351
Polk County Judge Sydney Murphy		101 West Church St, Suite 300	Livingston	TX	77351

Forest Springs

Lake Livingston Water Supply & Sewer Service	10147	PO Box 1149	Livingston	TX	77351
Providence WSC	10120	PO Box 726	Livingston	TX	77351
Trinity River Authority of Texas		PO Box 60	Arlington	TX	76004
Polk County Judge Sydney Murphy		101 West Church St, Suite 300	Livingston	TX	77351
Lower Trinity GCD		602 E Church St, Ste 141	Livingston	TX	77351

Lakeside Village
within ETJ

City of Livingston		200 West Church St	Livingston	TX	77351
Monarch Utilities I LP	12983	12535 Reed Rd	Sugar Land	TX	77478
Providence WSC	10120	PO Box 726	Livingston	TX	77351
Soda WSC	10146	PO Box 136	Livingston	TX	77351
Trinity River Authority of Texas		PO Box 60	Arlington	TX	76004
Lower Trinity GCD		602 E Church St, Ste 141	Livingston	TX	77351
Polk County Judge Sydney Murphy		101 West Church St, Suite 300	Livingston	TX	77351

Spring Creek amendment area overlaps	Tempe WSC 1	11579	2120 US Hwy 190 W	Livingston	TX	77351
	Lake Livingston Water Supply & Sewer Service	10147	PO Box 1149	Livingston	TX	77351
	Lake Serene Utilities I LP	13092	PO Box 680246	Houston	TX	77268
	Monarch Utilities I LP	12983	12535 Reed Rd	Sugar Land	TX	77478
	Trinity River Authority of Texas		PO Box 60	Arlington	TX	76004
	Lower Trinity GCD		602 E Church St, Ste 141	Livingston	TX	77351
	Polk County Judge Sydney Murphy		101 West Church St, Suite 300	Livingston	TX	77351
Taylor Lake Estates	Lake Livingston Water Supply & Sewer Service	10147	PO Box 1149	Livingston	TX	77351
	Pixley Water Works	12092	1699 FM 2665	Goodrich	TX	77335
	Trinity River Authority of Texas		PO Box 60	Arlington	TX	76004
	Lower Trinity GCD		602 E Church St, Ste 141	Livingston	TX	77351
	Polk County Judge Sydney Murphy		101 West Church St, Suite 300	Livingston	TX	77351
Texas Water Supply	City of Seven Oaks		PO Box 334	Leggett	TX	77350
	Leggett WSC	10145	PO Box 757	Livingston	TX	77351
	Lower Trinity GCD		602 E Church St, Ste 141	Livingston	TX	77351
	Trinity River Authority of Texas		PO Box 60	Arlington	TX	76004
	Polk County Judge Sydney Murphy		101 West Church St, Suite 300	Livingston	TX	77351
Tanglewood Forest	San Jacinto River Authority		PO Box 329	Conroe	TX	77305
	Trinity River Authority of Texas		PO Box 60	Arlington	TX	76004
	Lower Trinity GCD		602 E Church St, Ste 141	Livingston	TX	77351
	San Jacinto County Judge Fritz Faulkner		1 SH 150	Coldspring	TX	77331
Town Bluff (Mont Neches) Transfer area has dual with...	Tyler County SUD	11528	PO Box 138	Spurger	TX	77660
	Angelina & Neches River Authority		PO Box 387	Lufkin	TX	75902
	Upper Jasper County Water Authority		269 County Road 080	Jasper	TX	75951
	Lower Neches Valley Authority		PO Box 5117	Beaumont	TX	77726
	Southeast Texas GCD		PO Box 1407	Jasper	TX	75951
	Tyler County Judge Jacques L. Blanchette		100 W Bluff, Rm 102	Woodville	TX	75979
Barlow Lake Estates	Upper Jasper County Water Authority	12020	269 County Road 080	Jasper	TX	75951
	Tyler County SUD		PO Box 138	Spurger	TX	77660
	Angelina & Neches River Authority		PO Box 387	Lufkin	TX	75902
	Lower Neches Valley Authority		PO Box 5117	Beaumont	TX	77726
	Southeast Texas GCD		PO Box 1407	Jasper	TX	75951
	Tyler County Judge Jacques L. Blanchette		100 W Bluff, Rm 102	Woodville	TX	75979
Whittetail Ridge	Cypress Creek WSC	10426	PO Box 536	Woodville	TX	75979
	Angelina & Neches River Authority		PO Box 387	Lufkin	TX	75902
	Lower Neches Valley Authority		PO Box 5117	Beaumont	TX	77726
	Southeast Texas GCD		PO Box 1407	Jasper	TX	75951
	Tyler County Judge Jacques L. Blanchette		100 W Bluff, Rm 102	Woodville	TX	75979

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: TX1480076 (7 digit ID)

Name of PWS: Bar D Ranchettes

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

Subdivisions served: Bar D Ranchettes

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
41	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:				41	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

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.

Texas Commission on Environmental Quality	Office of Water	Public Drinking Water Section
County Map of TX	Water System Search	Office of Compliance and Enforcement

Water System Detail			
Water System Facilities Source Water Assessment Results	Violations Enforcement Actions	TCR Sample Results	TTHM HAA5 Summaries
Sample Points	Assistance Actions	Recent Positive TCR Results	PBCU Summaries
Sample Schedules / FANLs / Plans	Compliance Schedules	Other Chemical Results	Chlorine Summaries
Site Visits Milestones	TOC/Alkalinity Results	Chemical Results: Sort by: Name Code	Turbidity Summaries
Operators All POC	LRAA (TTHM/HAA5)	Recent Non-TCR Sample Results	TCR Sample Summaries
Glossary		DWW Instructions	

Water System Detail Information			
Water System No.:	TX1460076	Federal Type:	C
Water System Name:	BAR D RANCHETTES	Federal Source:	GW
Principal County Served:	LIBERTY	System Status:	A
Principal City Served:		Activity Date:	01-01-1913

Group Violations					
Fed Fiscal Year	Determ. Date	Violation Type	Violation Name	Analyte Group	Analyte Group Name

Individual Violations							
Violation No.	Compliance Period	Violation Type Code	Violation Name	Analyte Code	Analyte Name	Has the Violation been Addressed? (On the Path to Compliance)	Has the Violation been Resolved? (Returned to Compliance)
<u>2019-100069205</u>	04-01-2017- 06-30-2017	75	PUBLIC NOTICE RULE LINKED TO VIOLATION	7500	PUBLIC NOTICE	Yes - Informal	No
<u>2017-100069203</u>	04-01-2017- 06-30-2017	27	MONITORING, ROUTINE (DBP), MAJOR	0999	CHLORINE	Yes - Informal	Yes
<u>2013-100069197</u>	07-01-2012- 07-05-2013	71	CCR REPORT	7000	CONSUMER CONFIDENCE RULE	Yes - Informal	Yes
<u>2013-100069194</u>	01-01-2002- 12-31-2010	52	FOLLOW-UP OR ROUTINE TAP M/R (LCR)	5000	LEAD & COPPER RULE	Not yet on path to compliance	Yes

8/29/2019

TCEQ - Drinking Water Watch

<u>2010-</u> 100069190	07-01-2010- 09-30-2010	27	MONITORING, ROUTINE (DBP), MAJOR	0999	CHLORINE	Not yet on path to compliance	Yes
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Total Number of Records Fetched = 5

Part F TCEQ Public Water 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: TX2290015 (7 digit ID)

Name of PWS: Barlow Lake Estates

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

Subdivisions served: Barlow Lake Estates

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
15	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:				15	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

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.

PWS_2290015_CP_20190220_INVESTIGATION
Texas Commission on Environmental Quality
Investigation Report

The TCEQ is committed to accessibility. If you need assistance in accessing this document, please contact tceq@tceq.texas.gov

Customer: Pure Utilities, L.C.
Customer Number: CN600635171

Regulated Entity Name: BARLOW LAKE ESTATES

Regulated Entity Number: RN101259828

Investigation # 1551191

Incident Numbers

Investigator: MARISSA PELTIER

Site Classification GW <=50 CONNECTION

Conducted: 02/20/2019 -- 02/20/2019

SIC Code: 4941

Program(s): PUBLIC WATER SYSTEM/SUPPLY

Investigation Type: Compliance Investigation

Location: OFF FM 92 SOUTH OF 1746

Additional ID(s): 2290015

Address: 3595 FM 3277,
LIVINGSTON, TX, 77351

Local Unit: REGION 10 - BRAUMONT

Activity Type(s): PWSCCIGWCM - CCI GW PURCHASE
- COMMUNITY MANDATORY

Principal(s):

Role

Name

RESPONDENT

PURE UTILITIES LC

Contact(s):

Role

Title

Name

Phone

REGULATED
ENTITY MAIL
CONTACT

OWNER

MR STONEWALL
JACKSON

Cell (936) 327-1896

PARTICIPATED
IN

OWNER

MR STONEWALL
JACKSON

Cell (936) 327-1896

PARTICIPATED
IN

FIELD SUPERVISOR

MR CULLEN TIPTON

Work (936) 327-7070
Work (877) 327-7070
Work (936) 328-0906
Cell (936) 328-0906
Cell (936) 328-0906

REGULATED
ENTITY
CONTACT

FIELD SUPERVISOR

MR CULLEN TIPTON

Work (936) 327-7070
Work (877) 327-7070
Cell (936) 328-0906
Cell (936) 328-0906
Work (936) 328-0906

BARLOW LAKE ESTATES - LIVINGSTON

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Other Staff Member(s):

Role	Name
Investigator	DUSTIN LORANCE
QA Reviewer	DUSTIN LORANCE
Supervisor	RONALD HEBERT JR
Investigator	CATHY LANDRY

Associated Check List

<u>Checklist Name</u>	<u>Unit Name</u>
PWS INVESTIGATION - EQUIPMENT	2
MONITORING AND SAMPLING revised 06/2013	
PWS STANDARD FIELD	3

Investigation Comments:

INTRODUCTION

Barlow Lake Estates was investigated by Environmental Investigators Mrs. Mariasa Peltier and Mr. Dustin Lorance on February 20, 2019, to determine compliance with applicable public water system regulations. Mr. Stonewall Jackson, Owner, was contacted on February 6, 2019, to schedule the Comprehensive Compliance Investigation (CCI) for February 20, 2019. An investigative request was e-mailed to Mr. Jackson on February 7, 2019 (see Attachment No. 1- Investigative Request Letter).

An exit interview was conducted explaining the results of the investigation. A TCEQ Exit Interview Form and Customer Survey Form was provided to Mr. Jackson on February 20, 2019. See Attachment No. 2 for Exit Interview Form.

A Notice of Violation (NOV) Letter was mailed to the water system.

GENERAL FACILITY AND PROCESS INFORMATION

- Type of system: Community
- Total retail meters/connections: 15
- Retail population: 39 (based on U.S. Census Data)
- Wholesale meters/connections: 0
- Wholesale population: 0
- Average daily usage: 5,505 gallons from January 2, 2018 to January 29, 2019
- Maximum daily usage: 9,030 gallons on February 27, 2018

The water system operates as one pressure plane which is served by one plant with one artesian well (G2290025A).

The Barlow Lake Estates Plant consists of Well No. 1 (G2290015A), which could not be tested due to the flow meter being broken, polyphosphate for sequestration, sodium hypochlorite for disinfection, one 0.020 million-gallon (MG) ground storage tank, two 150 gallons per minute (gpm) service pumps, and one 0.002 MG pressure tank. The water system stated that the well is providing approximately half of the amount from the previous investigation (44 gpm conducted on 7/27/2016), which is about 22 gpm. This value will be used to calculate capacity for the water system.

For additional facility information, see Attachment No. 3- Water System Schematic, PWS Database Printout, and Water System Data Sheet.

The water system employs the following operators:

- Cullen Tipton, Class C Ground Water Treatment, License No. WG0009570, Expiration 11/28/2019

BACKGROUND

The previous CCI was conducted on July 27, 2016, and a Notice of Violation (NOV) Letter was issued on

September 27, 2016 for the following alleged violations: failure to have a concrete sealing block which extends at least three feet from the well casing in all directions; failure to provide a well casing which extends 18" above the surrounding natural ground surface.

The following alleged violations remain outstanding and will be addressed in this report: failure to have a concrete sealing block which extends at least three feet from the well casing in all directions; failure to provide a well casing which extends 18" above the surrounding natural ground surface. Also, an additional issue was noted for the well capacity. There was also an additional issue noted for the well production decreasing 43% since the investigation in 2013 and suggested to have the well pump serviced.

A search of the Consolidated Compliance and Enforcement Data System (CCEDS) found that no complaints have been filed against the water system since the previous CCI.

A search of the Consolidated Compliance and Enforcement Data System (CCEDS) found that no enforcement cases have been filed against the water system.

ADDITIONAL INFORMATION

On February 20, 2019, the investigators met with Mr. Jackson and Mr. Cullen Tipton, Field Manager, to conduct the CCI.

The following records were reviewed: connection counts, American National Standards Institute (ANSI)/National Sanitation Foundation (NSF) certification for all chemicals used, plant operations manual, customer service agreement, customer service inspections, monthly operating reports, records for the amount of chemicals used, monthly flushing records, disinfectant residual sampling records, a distribution map, drought contingency plan, annual tank inspection forms, monitoring plan, the bacteriological sampling records for the previous twelve months, and Revised Total Coliform Rule sample siting plan and map.

During the investigation, it was noted that boil water notices were issued to the water system, but the executive director was not notified. There were two occasions that the water system had issued a boil water notice (April 2018 and January 2019) and did not notify the executive director. Mr. Jackson stated that he had hired a new office employee and forgot to train her to complete the required notification steps for a boil water notice. He stated he has since created a Standard Operating Procedure (SOP) for her to complete the required notification. During the investigation, a copy of the SOP was provided to the investigators and appeared to be adequate.

During the investigation, it was noted that the water system is taking the required monthly bacteriological samples.

Operation and maintenance- During the investigation, an evaluation of the water production and distribution system was conducted.

During the investigation, it was noted that the well is not maintained in good condition. Mr. Jackson stated that the well pumpage has decreased to about half of the capacity compared to the previous investigation. This is due to the well sinking and the pump is stuck in the well casing, therefore cannot be maintained. It was also noted that the well cannot be inspected for cracks since it is sinking.

During the investigation, it was noted that the well does not have a concrete sealing block which extends at least three feet from the well casing in all directions. Due to the well sinking, a sealing block was not visible at the ground level. This is a repeat violation from the previous CCI.

During the investigation, it was noted that the well does not have an open-bottomed, watertight basin which extends 18" above the surrounding natural ground surface.

During the investigation, it was noted that the well meter was broken.

Capacity and Sampling- During the investigation, the water system capacities were evaluated (see Attachment No. 3- Water System Schematic, PWS Database Printout, and Water System Data Sheet).

The water system is required to provide the following well production: 0.6 gpm multiplied by (x) 15 connections

BARLOW LAKE ESTATES - LIVINGSTON

2/20/2019 Inv. # - 1551191

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equals (=) 9 gpm for total well production, while the water system provides approximately 22 gpm (Mr. Jackson stated that the production is approximately half of 44 gpm from previous investigation conducted on 7/27/2016).

The water system provides 0.020 MG total storage capacity, while 0.003 MG is required. The water system provides 0.002 MG pressure tank capacity, while 0.0003 MG is required. The water system provides 300 gpm service pump capacity, while 30 gpm is required.

Sampling- During the investigation, a disinfectant residual and pressure test were conducted in the distribution system. After flushing for about three minutes from an outside hose bibb located at 1620 Sample Drive, a free chlorine residual of 1.09 milligrams per liter (mg/L) and a pressure of 49 pounds per square inch (psi) were documented.

List of Attachments:

Attachment No. 1 - Investigative Request Letter

Attachment No. 2 - Exit Interview Form

Attachment No. 3 - Water System Schematic, PWS Database Printout, and Water System Data Sheet

Attachment No. 4 - Investigation Photographs

NOV Date	02/20/2019	Method	AREA OF CONCERN
NOV Date	04/03/2019	Method	WRITTEN
OUTSTANDING/ADJUDICATED VIOLATION(S)			
AS APPLICABLE TO ALLEGED VIOLATION			

Track Number: 618826

Compliance Due Date: 01/25/2017

Violation Start Date: 7/27/2016

30 TAC Chapter 290.41(d)(3)(C)

Alleged Violation:

Investigation: 1350585

Comment Date: 09/26/2016

Failure by Barlow Lake Estates WS to have a concrete sealing block which extends at least three feet from the well casing in all directions.

During the investigation, it was noted that the WS had not provided a concrete sealing block which extends at least three feet from the well casing in all directions.

Investigation: 1551191

Comment Date: 03/28/2019

During the investigation, it was noted that the well does not have a concrete sealing block. Due to the well sinking, a sealing block was not visible from ground level.

Recommended Corrective Action: Submit a planning report to correct the design of the well head by providing a concrete sealing block which extends at least three feet from the well casing in all directions. Demonstrate in the report how the requirements of 290.41(c)(3)(j) will be satisfied. Once construction is complete, provide photographic documentation of the work done to the Beaumont Region Office.

The water system may request an exception to this requirement by writing to TOEQ Water Supply division, Technical Review and Oversight Team, MC 159 PO Box 13087, Austin, Texas 78711-3087; phone (512) 239-4691.

Track Number: 708944

Compliance Due Date: 05/03/2019

Violation Start Date: 2/20/2019

30 TAC Chapter 290.46(m)

Alleged Violation:

Investigation: 1551191

Comment Date: 03/18/2019

Failure by Barlow Lake Estates WS to maintain the well meter in a good condition.

During the investigation, it was noted that the well meter was broken.

Recommended Corrective Action: Repair or replace the well meter. Submit 1 minute of video documentation to the Beaumont Regional Office once the meter has been repaired or replaced.

Track Number: 708947

Compliance Due Date: 08/01/2019

Violation Start Date: 2/20/2019

30 TAC Chapter 290.46(m)

Alleged Violation:

Investigation: 1551191

Comment Date: 03/18/2019

Failure by Barlow Lake Estates WS to maintain the well in good condition.

During the investigation, Mr. Jackson stated that the well pumpage has decreased to about half of the capacity compared to the previous investigation. This is due to the well sinking and the pump is stuck in the well casing, therefore cannot be maintained. It was also noted that the well cannot be inspected for cracks since it is sinking.

Recommended Corrective Action: Repair the well. Submit documentation to the Beaumont Regional Office.

Track Number: 709989

Compliance Due Date: 08/01/2019

Violation Start Date: 3/28/2019

30 TAC Chapter 290.41(d)(3)(B)

Alleged Violation:

Investigation: 1551191

Comment Date: 04/01/2019

Failure by Barlow Lake Estates to provide an open-bottomed, watertight basin that extends at least 18 inches above ground level.

During the investigation, it was noted that the spring well does not have a basin that extends 18 inches above ground level.

Recommended Corrective Action: Submit a planning report to correct the design of the well head by providing a basin which extends 18 inches above the surrounding natural ground surface. Demonstrate in the report how the requirements of 290.41(d)(3)(B) will be satisfied. Once construction is complete, provide photographic documentation of the work done to the Beaumont Regional Office.

The water system may request an exception to this requirement by writing to TCEQ Water Supply Division, Technical Review and Oversight Team, MC 159 PO Box 13087, Austin, Texas 78711-3087; phone (512) 239-4691.

BARLOW LAKE ESTATES - LIVINGSTON

2/20/2019 Inv. # - 1551191

Page 6 of 7

**WITHDRAWN VIOLATION(S)
ASSOCIATED WITH A NOTICE OF VIOLATION**

**Track Number: 619372 Compliance Due Date: 01/25/2017
Violation Start Date: 7/27/2016**

30 TAC Chapter 290.41(d)(3)(C)

Alleged Violation:

Investigation: 1350585 Comment Date: 09/26/2016
Failure by Barlow Lake Estates WS to provide a well casing which extends 18" above the surrounding natural ground surface.

During the investigation, it was noted that the WS had not provided a well casing which extends 18" above the surrounding natural ground surface.

Investigation: 1551191 Comment Date: 03/28/2019
During the investigation, it was noted that the well does not have a well casing that extends 18" above the surrounding natural ground surface.

Recommended Corrective Action: Submit a planning report to correct the design of the well head by providing a casing which extends 18" above the surrounding natural ground grade. Demonstrate in the report how the requirements of 290.41(c)(3)(B) will be satisfied. Once construction is complete, provide photographic documentation of the work done to the Beaumont Region Office.

The water system may request an exception to this requirement by writing to TCEQ Water Supply division, Technical Review and Oversight Team, MC 159 PO Box 13087, Austin, Texas 78711-3087; phone (512) 239-4691.

AREA OF CONCERN

**Track Number: 708950 Resolution Status Date: 3/28/2019
Violation Start Date: 2/20/2019 Violation End Date: 2/20/2019**

30 TAC Chapter 290.46(q)(1)

Alleged Violation:

Investigation: 1551191 Comment Date: 03/18/2019
Failure by Barlow Lake Estates WS to notify the executive director of Boil Water Notices issued to the water system.

During the investigation, it was noted that boil water notices were issued to the water system, but the executive director was not notified. There were two occasions that the water system had issued a boil water notice (April 2018 and January 2019) and did not notify the executive director. Mr. Jackson stated that he had hired a new office employee and forgot to train her to complete the required notification steps for a boil water notice. He stated he has since created a Standard Operating Procedure (SOP) for her to complete the required notification. During the investigation, a copy of the SOP was provided to the investigators and appeared to be adequate.

Recommended Corrective Action: Create a Standard Operating Procedure (SOP) on notifying the executive director of a boil water notice. Submit documentation to the Beaumont Regional Office.

BARLOW LAKE ESTATES - LIVESTON

2/20/2019 Inv. # - 1551191

Page 7 of 7

Resolution: On February 20, 2019, the Beaumont Regional Office investigators viewed the SOP written for notifying the executive director of boil water notices and it appeared adequate.

Signed Maria Peltier
Environmental Investigator

Date 4-3-19

Signed [Signature]
Supervisor

Date 4-3-19

Attachments: (in order of final report submittal)

☐ Enforcement Action Request (EAR)

☐ Maps, Plans, Sketches

☒ Letter to Facility (specify type): WBU

☒ Photographs

☐ Investigation Report

☐ Correspondence from the facility

☐ Sample Analysis Results

☐ Other (specify): [Signature]

☐ Manifests

☐ Notice of Registration

Summary of Investigation Findings

BARLOW LAKE ESTATES

3696 FM 3277

LIVINGSTON, TYLER COUNTY, TX 77351

Investigation #

1551191

Investigation Date: 02/20/2019

Additional ID(s): 2290015

**OUTSTANDING ALLEGED VIOLATION(S)
ASSOCIATED TO A NOTICE OF VIOLATION**

Track No: 618826 Compliance Due Date: 01/25/2017

30 TAC Chapter 290.41(d)(3)(C)

Alleged Violation:

Investigation: 1350585

Comment Date: 09/26/2016

Failure by Barlow Lake Estates WS to have a concrete sealing block which extends at least three feet from the well casing in all directions.

During the investigation, it was noted that the WS had not provided a concrete sealing block which extends at least three feet from the well casing in all directions.

Investigation: 1551191

Comment Date: 03/28/2019

During the investigation, it was noted that the well does not have a concrete sealing block. Due to the well sinking, a sealing block was not visible from ground level.

Recommended Corrective Action: Submit a planning report to correct the design of the well head by providing a concrete sealing block which extends at least three feet from the well casing in all directions. Demonstrate in the report how the requirements of 290.41(c)(3)(i) will be satisfied. Once construction is complete, provide photographic documentation of the work done to the Beaumont Region Office.

The water system may request an exception to this requirement by writing to TCEQ Water Supply division, Technical Review and Oversight Team, MC 159 PO Box 13087, Austin, Texas 78711-3087; phone (512) 239-4691.

Track No: 708944 Compliance Due Date: 05/03/2019

30 TAC Chapter 290.46(m)

Alleged Violation:

Investigation: 1551191

Comment Date: 03/18/2019

Failure by Barlow Lake Estates WS to maintain the well meter in a good condition.

During the investigation, it was noted that the well meter was broken.

Recommended Corrective Action: Repair or replace the well meter. Submit 1 minute of video documentation to the Beaumont Regional Office once the meter has been repaired or replaced.

Track No: 708947 Compliance Due Date: 08/01/2019

30 TAC Chapter 290.46(m)

Alleged Violation:

Investigation: 1551191

Comment Date: 03/18/2019

Failure by Barlow Lake Estates WS to maintain the well in good condition.

During the investigation, Mr. Jackson stated that the well pumpage has decreased to about half of the capacity compared to the previous investigation. This is due to the well sinking and the pump is stuck in the well casing, therefore cannot be maintained. It was also noted

BARLOW LAKE ESTATES

Investigation # 1551191

that the well cannot be inspected for cracks since it is sinking.

Recommended Corrective Action: Repair the well. Submit documentation to the Beaumont Regional Office.

Track No: 709989 Compliance Due Date: 08/01/2019
30 TAC Chapter 290.41(d)(3)(B)

Alleged Violation:

Investigation: 1551191

Comment Date: 04/01/2019

Failure by Barlow Lake Estates to provide an open-bottomed, watertight basin that extends at least 18 inches above ground level.

During the investigation, it was noted that the spring well does not have a basin that extends 18 inches above ground level.

Recommended Corrective Action: Submit a planning report to correct the design of the well head by providing a basin which extends 18 inches above the surrounding natural ground surface. Demonstrate in the report how the requirements of 290.41(d)(3)(B) will be satisfied. Once construction is complete, provide photographic documentation of the work done to the Beaumont Regional Office.

The water system may request an exception to this requirement by writing to TCEQ Water Supply Division, Technical Review and Oversight Team, MC 159 PO Box 13087, Austin, Texas 78711-3087; phone (512) 239-4691.

**WITHDRAWN VIOLATION(S)
ASSOCIATED TO A NOTICE OF VIOLATION**

Track No: 619372 Compliance Due Date: 01/25/2017
30 TAC Chapter 290.41(d)(3)(C)

Alleged Violation:

Investigation: 1350886

Comment Date: 09/26/2016

Failure by Barlow Lake Estates WS to provide a well casing which extends 18" above the surrounding natural ground surface.

During the investigation, it was noted that the WS had not provided a well casing which extends 18" above the surrounding natural ground surface.

Investigation: 1551191

Comment Date: 03/28/2019

During the investigation, it was noted that the well does not have a well casing that extends 18" above the surrounding natural ground surface.

Recommended Corrective Action: Submit a planning report to correct the design of the well head by providing a casing which extends 18" above the surrounding natural ground grade. Demonstrate in the report how the requirements of 290.41(c)(3)(B) will be satisfied. Once construction is complete, provide photographic documentation of the work done to the Beaumont Regional Office.

The water system may request an exception to this requirement by writing to TCEQ Water Supply division, Technical Review and Oversight Team, MC 159 PO Box 13087, Austin, Texas 78711-3087; phone (512) 239-4691.

Withdrawal Comments: Violation withdrawn due to original citing not compatible with spring well.

AREA OF CONCERN

Track No: 708950
30 TAC Chapter 290.46(q)(1)

Summary of Investigation Findings

Alleged Violation:

Investigation: 1551191

Comment Date: 03/18/2019

- Failure by Barlow Lake Estates WS to notify the executive director of Boil Water Notices issued to the water system.

During the investigation, it was noted that boil water notices were issued to the water system, but the executive director was not notified. There were two occasions that the water system had issued a boil water notice (April 2018 and January 2019) and did not notify the executive director. Mr. Jackson stated that he had hired a new office employee and forgot to train her to complete the required notification steps for a boil water notice. He stated he has since created a Standard Operating Procedure (SOP) for her to complete the required notification. During the investigation, a copy of the SOP was provided to the investigators and appeared to be adequate.

Recommended Corrective Action: Create a Standard Operating Procedure (SOP) on notifying the executive director of a boil water notice. Submit documentation to the Beaumont Regional Office.

Resolution: On February 20, 2019, the Beaumont Regional Office Investigators viewed the SOP written for notifying the executive director of boil water notices and it appeared adequate.

Jon Niermann, Chairman
Emily Lindley, Commissioner
Toby Baker, Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 3, 2019

CERTIFIED MAIL {7015 0640 0004 7993 6835}
RETURN RECEIPT REQUESTED

Mr. Stonewall Jackson, Owner
Pure Utilites LC
207 W Mill St
Livingston, Texas 77351

**Re: Notice of Violation for Public Water Supply Comprehensive Compliance Investigation at:
Barlow Lake Estates, Woodville (Tyler County), Texas; Regulated Entity No.: RN101259828,
PWS ID No.: 2290015, Investigation No.: 1551191**

Dear Mr. Jackson:

On February 20, 2019, Marissa Peltier and Dustin Lorange of the Texas Commission on Environmental Quality (TCEQ) Beaumont Region 10 Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, a concern was noted which was an alleged noncompliance that has been resolved as an Area of Concern based on subsequent corrective action. In addition, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by August 1, 2019, a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for each of the outstanding alleged violations.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Beaumont Region 10 Office at 409-898-3838 or the Central Office Publications Ordering Team at 512-239-0028.

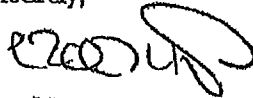
The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the Beaumont Region 10 Office within 10 days from the date of this letter. At that time, Ronald Hebert, Water Section Manager, will schedule a violation review meeting to be conducted within 21 days from the date of this letter.

Mr. Stonewall Jackson, Owner
April 3, 2019
Page 2

However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the enclosed Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Ms. Peltier in the Beaumont Region 10 Office at 409-898-3838.

Sincerely,



Ronald Hebert
Water Section Manager
Beaumont Region 10 Office

RH/MP/cal

Enclosure: Summary of Investigation Findings

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.

- Date of application to transfer permit *submitted* to TCEQ:

- | Water | | | | Sewer | | | |
|--------------------------|--------------|--|-------|--------------------------|-------------|--|--|
| | Non-metered | | 2" | | Residential | | |
| 23 | 5/8" or 3/4" | | 3" | | Commercial | | |
| | 1" | | 4" | | Industrial | | |
| | 1 1/2" | | Other | | Other | | |
| Total Water Connections: | | | 23 | Total Sewer Connections: | | | |

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

- ☐ No ☒ Yes:

- 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

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.

PWS_0154_CO_20171023_CCI
Texas Commission on Environmental Quality
Investigation Report

The TCEQ is committed to accessibility. If you need assistance in accessing this document, please contact oee@tceq.texas.gov

Customer: Pure Utilities, L.C.
Customer Number: CN600635171

Regulated Entity Name: BENTWOOD BEND WATER SYSTEM

Regulated Entity Number: RN101438265

OFFICE TO
OCT 23 2017
AUSTIN

Investigation # 1434526

Incident Numbers

Investigator: DUSTIN LORANCE

Site Classification GW <=50 CONNECTION

Conducted: 08/10/2017 -- 08/10/2017

SIC Code: 4941

Program(s): PUBLIC WATER SYSTEM/SUPPLY

Investigation Type: Compliance Investigation

Location: OFF FM 3152 ON WINCHESTER LOOP

Additional ID(s): 1870154

**Address: WINCHESTER LOOP,
LIVINGSTON, TX, 77351**

Local Unit: REGION 10 - BEAUMONT

**Activity Type(s): PWSCCIGWCM - CCI GW PURCHASE
- COMMUNITY MANDATORY**

Principal(s):

Role	Name
RESPONDENT	PURE UTILITIES LC

Contact(s):

Role	Title	Name	Phone
REGULATED ENTITY MAIL CONTACT	MANAGER	MR STONEWALL JACKSON	
PARTICIPATED IN	MANAGER	MR STONEWALL JACKSON	
PARTICIPATED IN	OPERATOR	MR CULLEN D TIPTON	Cell (936) 328-0906
NOTIFIED	MANAGER	MR STONEWALL JACKSON	Cell (936) 327-1896 Phone (936) 327-7070
REGULATED ENTITY CONTACT	MANAGER	MR STONEWALL JACKSON	Work (963) 327-7070 Fax (936) 327-3330 Cell (936) 327-1896

BENTWOOD BEND WATER SYSTEM - LIVINGSTON

8/10/2017 Inv. # - 1434526

Page 2 of 4

Other Staff Member(s):

Role	Name
Investigator	VANESSA STANSBURY
QA Reviewer	VANESSA STANSBURY
Investigator	AYOKUNLE FALADE
Investigator	GAYLYN DENSON
Supervisor	BRITTNEY TEAKELL

Associated Check List

<u>Checklist Name</u>	<u>Unit Name</u>
PWS STANDARD FIELD	2
PWS INVESTIGATION - EQUIPMENT	1
MONITORING AND SAMPLING revised 06/2013	

Investigation Comments:**INTRODUCTION**

Bentwood Bend Water System was investigated by Environmental Investigators Mr. Dustin Lorange, Ms. Vanessa Stansbury, and Mr. Ayokunle Falade on August 10, 2017, to determine compliance with applicable public water system regulations. Mr. Stonewall Jackson, Manager, was contacted on July 31, 2017, to schedule the Comprehensive Compliance Investigation (CCI) for August 10, 2017. An investigative request was sent to the water system on July 31, 2017 (Attachment No. 1 - Investigative Request Letter).

An exit interview was conducted explaining the results of the investigation. A copy of the TCEQ Exit Interview Form and Customer Survey Form were provided to Mr. Jackson on August 10, 2017 (see Attachment No. 2 - Exit Interview Form).

A General Compliance Letter was mailed to the water system.

GENERAL FACILITY AND PROCESS INFORMATION

This is a community groundwater system which serves a total of 23 connections and an estimated population of 56 people, based on United States Census Data. The water system consists of two active wells and one treatment plant serving one pressure plane. Well No. 1 (G1870154A) was tested to produce 50 gallons per minute (gpm). Well No. 2 (G1870154B), an emergency well which is normally physically disconnected from the system, was tested to produce 12 gpm. The plant consists of the wells, sodium hypochlorite for disinfection, a 0.003 million gallons (MG) aeration/degasification tank, a 50 gpm transfer pump, and a 0.002 MG pressure tank.

On August 28, 2009, the water system was granted an exception to the total storage capacity rule. The exception stated that the existing polyethylene aeration/degasification tank, which was installed to remove hydrogen sulfide gas, will not be considered a storage tank for capacity purposes. The following is a list of conditions that are listed as contingencies of the exception: the exception shall be revoked if the water system supplies 50 or more service connections, compliance with well capacity requirements shall be calculated using the actual pumping capacity of the smaller of the two pumps (well pump and pump downstream of aeration tank), an appropriate overflow must be installed, and the top of the tank must be covered at all times to eliminate rainwater from standing on or entering the tank.

The water system employs the following operators:

Cullen Tipton, Class C Ground Water, License No. WG0005970, Expires November 28, 2019

Royce Read, Class D Water, License No. WO0023089, Expires January 11, 2019

BACKGROUND

The previous CCI was conducted on November 7, 2014 and a violation was cited for failure to provide the monitoring plan with a plant schematic. An Additional Issue was also listed for loose wires in the pump room for

BENTWOOD BEND WATER SYSTEM - LIVINGSTON

8/10/2017 Inv. # - 1434526

Page 3 of 4

emergency well 2, which is no longer in use. The violation was resolved during the course of the investigation.

A search of the Consolidated Compliance and Enforcement Data System (CCEDS) found that no complaints have been filed against the system since the previous CCI.

A search of CCEDS found no open enforcement cases against the water system.

ADDITIONAL INFORMATION

On August 10, 2017, the investigators met with Mr. Jackson and Mr. Cullen Tipton, Operator, to conduct the CCI.

The following records were reviewed: connection counts, American National Standards Institute (ANSI)/National Sanitation Foundation (NSF) certification for all chemicals used, plant operations manual, customer service agreement, customer service inspections, monthly operating reports, records for the amount of chemicals used, monthly flushing records, disinfectant residual sampling records, a distribution map, drought contingency plan, annual tank inspection forms, monitoring plan, and the bacteriological sampling records for the previous twelve months.

No record violations were noted during the investigation.

Operation and maintenance- During the investigation, an evaluation of the water production and distribution system was conducted.

During the investigation, it was noted that there were large gaps between the bottom of the fence and the ground near the wells at the plant. On August 11, 2017, the Beaumont Regional Office received photographic documentation which displays that the bottom of the fence has been secured to the ground.

Capacity- During the investigation, the water system capacities were evaluated (see Attachment No. 3 - Water System Schematic, PWS Database Printout, & Water System Data Sheet).

The capacity was calculated and sampling results were documented as follows:

The water system is required to provide 1.5 gpm multiplied (x) by 23 connections equals (=) 34.5 gpm, while the water system provides 50 gpm of total production. The water system provides 0.002 MG of pressure storage capacity while 0.00115 MG is required.

Sampling- During the investigation, a disinfectant residual and pressure test were conducted in the distribution system. The investigator obtained a pressure reading of 56 pounds per square inch (psi) and a free chlorine residual of 1.44 milligrams per liter (mg/L) at 926 Bentwood Bend.

List of Attachments:

Attachment No. 1- Investigative Request Letter

Attachment No. 2- Exit Interview Form

Attachment No. 3- Water System Schematic, PWS Database Printout, & Water System Data Sheet

Attachment No. 4- Investigation Photographs

Attachment No. 5- Water System Documentation

NOV Date: 08/10/2017 Method: AREA OF CONCERN
AREA OF CONCERN
AREA OF CONCERN

Track Number: 655005

Resolution Status Date: 10/3/2017

Violation Start Date: 8/10/2017

Violation End Date: 8/11/2017

30 TAC Chapter 290.41(c)(3)(O)

30 TAC Chapter 290.42(m)

BENTWOOD BEND WATER SYSTEM - LIVINGSTON

8/10/2017 Inv. # - 1434526

Page 4 of 4

30 TAC Chapter 290.43(e)

Alleged Violation:

Investigation: 1434526

Comment Date: 10/03/2017

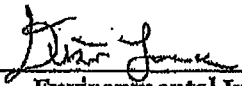
Failure by Bentwood Bend Water System to maintain an intruder-resistant fence.

During the investigation, it was noted that there were large gaps between the bottom of the fence and the ground near the wells at the plant.

Recommended Corrective Action: Repair the fence.

Resolution: On August 11, 2017, the Beaumont Regional Office received photographic documentation which displays that the bottom of the fence has been secured to the ground.

Signed



Environmental Investigator

Date

10-23-17

Signed



Supervisor

Date

10/28/17

Attachments: (in order of final report submittal)

☐ Enforcement Action Request (EAR)

☒ Letter to Facility (specify type):

Investigation Report

☐ Sample Analysis Results

☐ Manifests

☐ Notice of Registration

☐ Maps, Plans, Sketches

☒ Photographs

☐ Correspondence from the facility

☐ Other (specify):

Summary of Investigation Findings

BENTWOOD BEND WATER SYSTEM
WINCHESTER LOOP
LIVINGSTON, POLK COUNTY, TX 77351

Investigation #
1434526
Investigation Date: 08/10/2017

Additional ID(s): 1870154

AREA OF CONCERN

Track No: 655006

30 TAC Chapter 290.41(c)(3)(O)

30 TAC Chapter 290.42(m)

30 TAC Chapter 290.43(e)

Alleged Violation:

Investigation: 1434526

Comment Date: 10/03/2017

Failure by Bentwood Bend Water System to maintain an intruder-resistant fence.

During the investigation, it was noted that there were large gaps between the bottom of the fence and the ground near the wells at the plant.

Recommended Corrective Action: Repair the fence.

Resolution: On August 11, 2017, the Beaumont Regional Office received photographic documentation which displays that the bottom of the fence has been secured to the ground.

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

October 23, 2017

Mr. Stonewall Jackson, Manager
Pure Utilities, L.C.
207 W Mill Street
Livingston, Texas 77351-3224

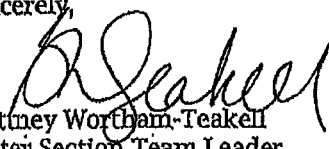
Re: Public Water Supply Comprehensive Compliance Investigation at:
Bentwood Bend Water System, Livingston (Polk County), Texas
PWS ID No. 1870154; Investigation No. 1434526

Dear Mr. Jackson:

On August 10, 2017, Mr. Dustin Lorange, Ms. Vanessa Stansbury, and Mr. Ayokunle Falade of the Texas Commission on Environmental Quality (TCEQ) Beaumont Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply. No violations are being alleged as a result of the investigation; however, please see the enclosed Area of Concern.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Lorange in the Beaumont Region Office at (409) 898-3838.

Sincerely,


Brittny Wortham-Teakell
Water Section Team Leader
Beaumont Region Office

BT/DL/gd

Enclosure: Summary of Investigation Findings