



Control Number: 50200



Item Number: 1925

Addendum StartPage: 0

SOAH DOCKET NO. 473-20-3110.WS

PUC DOCKET NO. 50200

APPLICATION OF UNDINE TEXAS,
LLC AND UNDINE TEXAS
ENVIRONMENTAL, LLC FOR
AUTHORITY TO CHANGE RATES

§
§
§
§

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

Undine Texas, LLC and Undine Texas Environmental, LLC (together, Undine) file this Response to the Second Request for Information (RFI) filed by the Office of Public Utility Counsel (OPUC). The discovery request was received by Undine on March 31, 2020; therefore these responses are timely filed. Pursuant to 16 Tex. Admin. Code (TAC) § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

The following files are confidential and will be provided electronically and on the CD attached to this filing:

CONFIDENTIAL Attachment OPUC 2-1a Payroll and Benefits Capitalized
Detail

CONFIDENTIAL Attachment OPUC 2-7b UGTX Settlement

If a responsive document exceeds 99 pages, the response will indicate that the attachment is voluminous. Voluminous documents will be provided electronically, and pursuant to 16 TAC § 22.144(h)(2), the document will be made available for inspection at the offices of Undine's attorneys, Lloyd Gosselink Rochelle and Townsend, P.C., located at 816 Congress Avenue, Suite 1900, Austin, Texas 78701. Please call Hanna Campbell at 512-322-5871 during regular business hours, to make an appointment to review the documents.

Pursuant to 16 TAC § 22.144(h)(4), an index of the voluminous documents is provided, below.

1925

VOLUMINOUS INDEX

1. Attachments to Undine's Response to OPUC's Second RFI

| No. | Date | Title or Description | Preparer or Sponsor | Page Range | No. of Pages |
|-----|------------|--|---|------------|--------------|
| 2-9 | 04/20/2020 | Attachment OPUC 2-9 (expense reports and other support for charges for Mileage Reimbursement, Corporate Travel, and Meals & Entertainment) | Prepared by: Benny Wilkinson; Sponsored by: Edward R. Wallace, Sr. | 1-412 | 412 |

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900

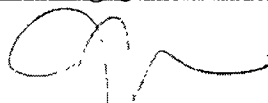
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ATTORNEYS FOR UNDINE TEXAS, LLC AND
UNDINE TEXAS ENVIRONMENTAL, LLC

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on April 20, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.



JAMIE L. MAULDIN

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-1 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 801.1 – Employees Salaries & Wages; Account 803.1 – Officers Salaries & Wages and all associated tax and benefit accounts. Please provide details on the Capitalization of Salaries & Benefits for 2018 and each Quarter of 2019. Indicate which employee or portion of each employee's salary that was capitalized and the method for determining the amount capitalized.

RESPONSE: Confidential Attachment OPUC 2-1a shows the calculation of payroll and benefits that was capitalized for the Test Year. In December 2018, Undine Operating capitalized payroll and benefits for the first time when it recorded this adjustment for all four quarters of 2018. This policy continued during 2019. For the Test Year Undine Operating had recorded seven quarters of capitalized payroll and benefits (four for 2018 and three for 2019). This dictated a known and measurable change to reverse the capitalized payroll for the first three quarters of 2018. The net effect after this adjustment was that Undine Operating had properly included the fourth quarter of 2018, and the first, second, and third quarters of 2019, payroll and benefits adjustments for capitalized payroll and benefits as detailed in Attachment OPUC 2-1b. The calculation shows the percentages for each employee's payroll and benefits that were capitalized. These percentages are based on estimates of how much time is devoted to supporting the capital expenditure program. This calculation has been applied consistently for the entire Test Year.

This response is CONFIDENTIAL and will be provided electronically or on CD.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

Undine Operating, LLC
Payroll and Benefits Capitalized
For the Test Year Ended September 30, 2019

| | <u>4th Qtr 2018</u> | <u>1st Qtr 2019</u> | <u>2nd Qtr 2019</u> | <u>3rd Qtr 2019</u> | <u>Total</u> |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Employees | \$ 131,187.71 | \$ 34,062.50 | \$ 36,062.50 | \$ 37,062.49 | \$ 238,375.20 |
| Social Security/Medicare | 10,035.91 | 2,597.36 | 2,724.38 | 2,807.88 | 18,165.53 |
| Federal Unemployment | 98.00 | 117.60 | 6.30 | - | 221.90 |
| State Unemployment | 756.00 | 680.40 | 36.45 | - | 1,472.85 |
| Officers | 266,267.94 | 66,562.49 | 66,562.46 | 66,562.52 | 465,955.41 |
| Social Security/Medicare | 14,160.65 | 5,084.28 | 4,397.97 | 3,603.74 | 27,246.64 |
| Medical Benefits | 66,609.06 | 17,267.13 | 17,865.60 | 18,648.01 | 120,389.80 |
| Payroll Taxes/Benefits | 6,237.38 | 1,532.82 | 1,532.82 | 1,636.16 | 10,939.18 |
| Total | <u>\$ 495,352.65</u> | <u>\$ 127,904.58</u> | <u>\$ 129,188.48</u> | <u>\$ 130,320.80</u> | <u>\$ 882,766.51</u> |

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**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-2 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 805 – Internet Service & IP Phones. Please indicate the physical address of all locations for which recovery of Internet Service Expense is requested. If the address provided is not a physical office location of UT or UTE, please indicate how internet service to that address is of benefit in providing service to customers of UT or UTE.

RESPONSE: Undine provides internet service for its Corporate Office at 17681 Telge Road, Cypress, Texas and the homes of Fred (Rick) Melcher, Ed Wallace, and Andy and Carey Thomas. Internet service is provided at locations other than the Corporate Office for the benefit of Undine so that the employees can work and communicate as effectively and efficiently as possible in all locations and at all times related to Undine business.

Prepared by: Benny Wilkinson

Sponsored by: Edward R. Wallace, Sr.

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**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-3 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 825 – Computer & Other IT Related Exp:

- i. Please provide information on the AVR Virus that occurred in approximately December 2018. Please provide a narrative description of how customers were impacted by this event and indicate the specific line-items of expense that were associated with addressing this issue.
- ii. Please provide information about Chris Tyron. Specifically, is Mr. Tyron a contract employee? If so, please provide any agreements in place between Undine Operating, LLC or the Company and Mr. Tyron or his employer. For Mr. Tyron's overtime on 6/4/2019 and 7/1/2019, please indicate the reason for the overtime.
- iii. Please provide information about the AVR Cash Drawer Project. Specifically, provide a narrative description of the project. Further, indicate if this is a one-time project that will serve UT or UTE and its customers over multiple years? Please indicate the specific line-items of expense that were associated with this project.
- iv. Please provide information about the Emain Project. Specifically, provide a narrative description of the project. Further, indicate if this is a one-time project that will serve UT or UTE and its customers over multiple years? Please indicate the specific line-items of expense that were associated with this project.

RESPONSE:

- i. The AVR virus work was done to make sure that the virus was contained/eliminated from all Undine computers. Seth Waldman, iDominium IT Specialist, was engaged to make sure all systems were clear of the virus and that no customer data was compromised (it was not). The only Test Year expense associated with this was \$870.00.
- ii. Chris Tyron worked for iDominium and was assigned to work on multiple projects at Undine. The iDominium Contract covers 32 hours of work each month. Chris worked 28 hours over the monthly amount in one period and 24 hours over the monthly amount in the subsequent month. The notation "Chris Tyron - 32 hours over" for each of these lines should have stated "Chris Tyron – amount over 32 hours". Chris was billed to Undine at \$145/Hour, so, with sales tax at 8.25%, 28 hours was billed at \$4,394.95 (28 x \$145 x 1.0825 = \$4,394.95) and 24 hours was billed at \$3,767.10 (24 x \$145 x 1.0825 = \$3,767.10).

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
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- iii. The AVR Cash Drawer Project was installed for Undine's new Customer Lobby and Cash Payment Window in Undine's new offices at 17681 Telge Road, Cypress, Texas 77429. It allows for Customer Service and Billing Personnel to assist customers more efficiently. Because the Cash Drawer is integrated with a computer, which has our AVR Billing Software installed, a Customer Service Representative can inquire into a customer's account at the Payment window while still attending to the customer at the payment counter. Customer Service Representatives have the ability to inquire into a customer's balance, so that Undine's payment process for walk-in payments is more accurate at the pay window. This is a much more effective way for Undine to receive customer payments of cash or check, and post the payments properly. The Cash Drawer Project has the ability to print a receipt from the AVR Billing system, so the customer has a record instead of previously writing a handwritten receipt. The Customer Service Representative has the ability to reconcile the payment that has been posted to the correct account. It also assists the Billing Manager in balancing the Cash Drawer, so that the daily receipts reconcile with the daily payment reports. This Cash Drawer Project will be utilized for the life of the AVR Billing system. The AVR billing system/software/cash drawer project serves Undine Texas, LLC and Undine Texas Environmental, LLC. The costs associated with this project are \$2,900.00 and \$3,324.05, and are included in Account 825.
- iv. eMaint is a flexible and easy-to-use computerized maintenance and management software ("CMMS") that allows users to take control of all facets of maintenance and facilities management.

eMaint solutions provides a central repository for all asset data, purchase orders, work orders, materials and inventory, and other vital information for our Operations, Maintenance, and Capital Improvement teams. Using a reliable tool such as eMaint can track work activities, parts usage, and asset lifecycle. Labor resources can be maximized through improved planning and scheduling, and the reduction of time spent on data entry and unnecessary maintenance tasks.

The core functionalities include tools for tracking, managing and controlling work orders and requests, inventory and spare parts, work schedules and assignment, monitoring equipment condition, dispatching and supporting regulatory compliance.

eMaint's web-based, Software as a Service ("SaaS") solution can be accessed on PCs, smartphones, tablets, and any other browser-based device. Every eMaint subscription package includes a Customer Success Manager, unlimited helpdesk

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support (via phone, email and live chat), daily data backup, and software updates and enhancements.

This digital record keeping simplifies reporting, making it faster and easier. eMaint assists the Undine Teams to:

- Generate reports and have access to real-time dashboards
- Track work order history, and work requests
- Attach documents to records, customer's billing accounts, and document procedures
- Record labor and hours spent

eMaint has improved communication and transparency, as well as worker productivity, within Undine. It has increased Undine's efficiency and asset tracking capabilities. It serves as a proactive tool, rather than re-active, by potentially preventing Operational failures. This is a one-time project, but may require upgrades in the future. eMaint serves Undine Texas, LLC and Undine Texas Environmental, LLC customers. The cost associated with this project is \$6,934.19 and is included in Account 825.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

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**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-4 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 830 – Contract Services – IT. Please provide a copy of the agreement between Undine Operating, LLC and iDominium Corporation.

RESPONSE: See Attachment OPUC 2-4 for the agreement between iDominium and Undine.

Prepared by: Benny Wilkinson

Sponsored by: Edward R. Wallace, Sr.



MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT FOR CONSULTING SERVICES ("Agreement"), effective 07/01/2016, by and between Undine, LLC, a Texas corporation with offices located 10913 Metronome, Houston, TX 77043, ("Client"), and iDominium Corporation, a Texas corporation with offices located at Three Sugar Creek Center, Suite 100, Sugar Land, Texas 77478 ("iDominium") and is specifically designed for providing services to Client or Client's customer ("End User") or both.

WHEREAS, iDominium desires to supply Client with technical support and technical consulting services, including but not limited to desktop support, infrastructure support, software programming, systems analysis, design, project management, consulting and/or education and training (the "Services") to be specifically performed for Client or End User, or both; and

WHEREAS, Client desires to have iDominium perform Services as an independent contractor to Client for its own use and for End User's, and agrees to engage iDominium to perform services in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the material promises and conditions contained in this Agreement, the parties agree as follows:

1. BASIC PROVISIONS

1.1 This Agreement contains the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior proposals, understandings and agreements pertaining to the subject matter hereof. This Agreement may not be modified nor amended, except in a writing duly signed by an authorized representative of each party.

1.2 This Agreement shall be for a month-to-month period ("Agreement Term") commencing on November 1, 2016 and continues perpetually until either party notifies the other in writing of the termination of this agreement. Either party may terminate agreement in whole or in part, at any time without cause following thirty (30) business days written notice to the other party.

1.3 Failure of either party to act on or exercise its rights under this Agreement upon the breach of any term hereof by the other party shall not be construed as a waiver of such a breach or prevent said party from thereafter enforcing strict compliance with any or all of the terms hereof.

1.4 Nothing in this Agreement shall create any association, partnership or joint venture between the parties hereto, it being understood and agreed that the parties are independent contractors and neither party shall have the power or authority to obligate the other in any way. Neither iDominium nor its employees, consultants or agents shall be deemed to be employees of Client.

2. PATENTS AND INVENTIONS

2.1 Work Product includes any software programs, specifications, reports, writings, analyses, instructional materials, designs, patterns, schematics and other diagrams, drawings, prototypes, models, devices, and documentation thereof created or produced by iDominium exclusively in connection herewith.

2.2 Work Made for Hire – Upon full and final payment to iDominium by Client of all amounts due and owing, all Work Product, including all applicable rights to patents, copyrights, trademarks and trade secrets inherent therein and appurtenant thereto, shall constitute work-made-for-hire belonging exclusively to Client. To the extent that any Work Product does not constitute work-made-for-hire owned by Client, iDominium does hereby assign and transfers all of its right, title and interest in such Work Product to Client. Client shall have the right to obtain and to hold in its own name patents, copyrights, trademarks and trade secrets or such other protection as may be appropriate to the subject matter. iDominium shall sign any necessary documents and shall otherwise assist Client,



MASTER SERVICES AGREEMENT

at Client's expense, in obtaining patents or mask work registrations and otherwise protecting such inventions in any country.

3. CONFIDENTIALITY

3.1 During the performance of Services, Client or End User, or both, may provide certain confidential information to iDominium ("Confidential Information"). For the purposes of this Agreement, Confidential Information means information in any form, tangible or intangible, provided either directly or indirectly, in writing, orally or by drawings, by Client or End User, that is nonpublic, proprietary, a trade secret or confidential in nature. Confidential Information includes, without limitation, research, products, services, algorithms, software, software designs, product plans, specifications and information, inventions, designs, drawings, engineering, hardware configuration information, testing methodologies and testing processes, technical information, data, processes, documentation and specifications, pricing or cost information, finances, budgets, business plans, customer or supplier information, marketing strategies, information regarding executives and employees, and other trade secrets, as defined by applicable law, and any other information that may be so designated by Client or End User. In the event that Client or End User furnish samples, software or equipment to iDominium, the items so received and any information learned therefrom shall be treated as Confidential Information. Confidential Information shall also include analyses, compilations, studies, testing methodologies or other documents prepared by Client or End User, their agents, employees or consultants.

3.2 Confidential Information includes, but is not limited to, information pertaining to any aspects of Client's or End User's business that is either not known by actual or potential competitors of Client or End User or other third parties not under confidentiality obligations to Client or End User, or is otherwise proprietary information of Client, End User or their customers or suppliers, whether of a technical nature or otherwise.

3.3 Confidential Information does not include any information which:

- (i) was known to iDominium or any of its personnel prior to disclosure by Client;
- (ii) is known or able to be ascertained by a non-party of ordinary skill in computer design and programming;
- (iii) is or becomes publicly known through no wrongful act of iDominium;
- (iv) is rightfully received from a third party without breach of this Agreement;
- (v) is furnished to a third party by Client without a similar restriction on the third party's rights;
- (vi) is approved for release by written authorization of Client; or is developed by iDominium without reference to the information acquired from Client.

3.3.1 iDominium will (i) treat and obligate its personnel to treat as secret and confidential all such information and (ii) not disclose any such Confidential Information to any person, firm or corporation or use it in any manner inconsistent with this Agreement.

3.3.2 Client further agrees that iDominium is hereby permitted to release Confidential Information in response to any subpoena or court order from a court of competent jurisdiction or government regulatory agency, provided that: (i) iDominium first notifies Client prior to disclosure in order to give Client an opportunity to seek an appropriate protective order (or other similar relief) and/or waive compliance with the terms of this Agreement, and (ii) iDominium shall disclose only that part of the Confidential Information that iDominium is required to disclose.

4. FACILITIES/WORKING SPACE

Client will ensure that End User provides, at no cost to iDominium, safe and adequate working space and facilities, and clerical, typing, technical publication and related services and supplies reasonably necessary to support iDominium personnel assigned under this Agreement. Such working space, facilities and services will be at least equivalent to that which Client provides for its personnel engaged in comparable work.



MASTER SERVICES AGREEMENT

5. INSURANCE

iDominium shall take appropriate measures to ensure that its personnel performing Services hereunder are adequately covered by Workmen's Compensation insurance in accordance with applicable law. iDominium further agrees to maintain comprehensive general liability insurance on behalf of its personnel in the following amounts: Comprehensive General Liability, \$1,000,000 in the Aggregate, not to exceed \$1,000,000 per occurrence.

6. ASSIGNED EMPLOYEES/SUPERVISION

6.1 Neither iDominium nor its personnel shall be deemed to be employees of Client or End User. In instances where Client has made a placement at End User, using iDominium personnel, Client will be billed for every business day of Services that iDominium Personnel are unable to work when iDominium personnel, upon arrival at Client's or End User's site, discover that their start date has been delayed or that their Services are no longer needed. The Services billed to the Client shall not exceed ten (10) business days of Services at the scheduled rate for those iDominium personnel required.

6.2 iDominium shall exercise its best efforts to furnish competent personnel for fulfillment of its obligations. Client and End User shall be primarily responsible for the daily direct supervision of iDominium's personnel and the projects on which the Services are performed. Those personnel failing to adhere to Client's and End User's direction and control, or who may otherwise be unacceptable to Client or End User, can be removed from the project at Clients' or End User's request.

6.3 Client represents that it will not reject or otherwise deem iDominium personnel to be unacceptable for performance of work under this Agreement, or take any other action, for any reasons prohibited by federal, state or local laws, including but not limited to, laws pertaining to employment discrimination or employee safety.

7. WARRANTIES AND DISCLAIMER OF WARRANTIES

7.1 iDominium warrants that all Services provided under this Agreement will be provided in a professional and workmanlike manner. Client or End User will notify iDominium of any alleged breach of this warranty within ten (10) days of the performance of any Services. In the event of a breach of this warranty, Client's and End User's sole and exclusive remedy shall be for iDominium to re perform the Services breaching the warranty without charge.

THE WARRANTIES EXPRESSED HEREIN ARE THE SOLE AND EXCLUSIVE WARRANTIES GIVEN BY THE PARTIES AND ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTIES OTHERWISE ARISING FROM THE SERVICES PROVIDED OR THE COURSE OF DEALING OR TRADE. THE REMEDIES EXPRESSED HEREIN SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDIES OF CLIENT.

8. LIMITATION OF LIABILITY

8.1 Whether attributable to contract, tort, warranty, negligence, strict liability or otherwise, iDominium's liability for any claims, damages, losses or liabilities arising out of or related to this Agreement or the Services performed hereunder shall not exceed the amounts paid by Client to iDominium for Services under this Agreement unless caused by the intentional, wrongful actions or gross negligence of iDominium or its employees.

IN NO EVENT SHALL EITHER PARTY BE LIABLE HEREUNDER FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOST PROFITS AND LOSS OF USE OF FACILITIES) SUSTAINED BY THE OTHER PARTY OR ANY OTHER INDIVIDUAL, THIRD PARTY OR OTHER ENTITY FOR ANY MATTER ARISING OUT OF OR PERTAINING TO THE SUBJECT MATTER OF THIS AGREEMENT. THE PARTIES EXPRESSLY ACKNOWLEDGE THAT THE FOREGOING LIMITATIONS HAVE BEEN NEGOTIATED BY THE PARTIES AND REFLECT A FAIR ALLOCATION OF RISK.

MASTER SERVICES AGREEMENT

9. SOLICITATION OF EMPLOYMENT

9.1 Unless otherwise specified Client agrees that neither Client nor End User or any other company that has at least one director in common as Client will solicit to or actually hire, retain, contract with or engage the employment or services of any current or former iDominium employee or consultant during the term of this Agreement and for a period of two (2) years thereafter, unless otherwise agreed to in a relevant writing or Fee and Expense schedule.

9.2 Furthermore, Client hereby agrees, covenants and warrants that it shall not, during the term of this Agreement and for a period of two (2) years thereafter, retain in any manner, either directly or indirectly (including through another consulting firm), the services of any of iDominium's current or former employees or consultants who provided Services to Client, either hereunder or through another agreement, unless otherwise agreed to in a relevant writing or Fee and Expense schedule.

10. PAYMENT TERMS

10.1 All Services performed by iDominium shall be rendered in accordance with a written schedule of Services and fees, which shall be mutually agreed upon in advance by the parties and set forth in writing. Except to the extent expressly set forth therein, each Fee and Expense Schedule shall be issued pursuant to and governed by the terms and conditions of this Agreement and shall be incorporated herein.

10.2 Client will pay iDominium at the rate per working hour for iDominium personnel furnished under this Agreement. It is mutually understood and agreed that these rates are exclusive of any sales tax; any tax levied as a result of use of these Services are the sole responsibility of Client. Client agrees to make reasonable effort in scheduling work for iDominium employees for a recognized Client holiday or shutdown which can be performed either at Client's premises or at iDominium's site. Client further agrees to provide iDominium with at least a thirty (30) day prior written notice of the end date of the need for the Services of iDominium personnel assigned under this Agreement; if no such notice is given, Client agrees to pay iDominium for each day (up to a maximum of two (2) weeks) for which notice was not provided. iDominium may remove any personnel provided hereunder with fifteen (15) days prior notice to Client.

10.3 **iDominium will invoice Client monthly for services provided and expenses incurred under this Agreement through the date of such invoice. All invoices shall be payable upon receipt of the invoice.** Invoices unpaid by Client beyond sixty (60) days shall be subject to a one and one-half percent (1.5%) penalty per month, which shall be added to the fees due and owing iDominium.

10.4 In the event of nonpayment by Client of an invoice when due (even where such non-payment occurs on account of Client's bankruptcy or insolvency), iDominium may terminate this Agreement and/or remove any iDominium personnel provided hereunder to Client immediately without any notice to Client. In the event of such termination, Client hereby expressly waives any claim for damages on account of such termination.

11. GOVERNING LAW

This Agreement shall be binding upon the parties, their successors, legal representatives and assigns, and it is mutually understood and expressly agreed that this Agreement shall be construed and interpreted according to the laws of the State of Texas without regard to its conflict of laws provisions.

12. ARBITRATION

Any dispute or claim arising out of or related to this Agreement, or the interpretation, making, performance, breach or termination thereof, shall be finally settled by binding arbitration under the American Arbitration Association (the "AAA"), in accordance with its Commercial Arbitration Rules (the "AAA Rules"). The arbitration will be administered by the AAA in Houston, Texas and will be before a single arbitrator appointed in accordance with the AAA Rules. Any award by the arbitrator shall be accompanied by a written opinion setting forth the findings of fact



MASTER SERVICES AGREEMENT

and conclusions of law relied upon in reaching the award. Judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction thereof, and will be final, binding and non-appealable. The arbitrators shall have the authority to award compensatory damages only. Each party shall pay the fees of its own attorneys, expenses of witnesses and all other expenses and costs in connection with the presentation of its case.

13. FORCE MAJEURE

iDominium shall not be responsible for losses or damages to Client or End User occasioned by delays in the performance or nonperformance of any of iDominium's obligations when caused directly or indirectly by acts of God, acts of government, casualty, riots, acts of Client or End User, strikes or other labor difficulties, shortages of labor, supplies and transportation, or any other cause beyond iDominium's control. The schedule shall be adjusted in accordance with the impact of any such delay or postponement and the price shall be equitably adjusted to include all additional costs.

14. SEVERABILITY

Should any part(s) of this Agreement for any reason be held by a court or arbitration panel of competent jurisdiction to be invalid, void or enforceable, such decision shall not affect the validity of the remaining parts, which parts shall remain in full force and effect as if this Agreement had been executed with the invalid part(s) hereof eliminated.

15. NOTICES

Any notice or report required or permitted to be given or made under this Agreement by one of the parties hereto to the other shall be in writing, delivered personally or by facsimile (and properly confirmed by personal delivery or courier) or courier, postage prepaid, addressed to the other party at its address indicated below, or to such other address as the addressee shall have last furnished to the addresser and shall be effective upon receipt by addressee.

| | |
|--|---|
| If to iDominium: Attn: Contracts Administration IDOMINIUM CORPORATION Three Sugar Creek Center, Suite 100 Sugar Land, TX 77478 Phone: (281) 377-6900 Fax: (713) 344-0875 | If to Client: Attn: Carey Thomas Undine, LLC 10913 Metronome Houston, TX 77043 Phone: (713) 574-7760 |
|--|---|

16. ASSIGNMENT

Neither party shall transfer or assign any of its rights or interests nor delegate any of its obligations under this Agreement without the prior written consent of the other party. This restriction on assignment shall not apply to the extent that such assignment is the result of a merger or sale of all or substantially all of the assets of either iDominium or Client or any other corporate restructuring.

17. MARKETING AND ADVERTISING

The parties agree that either party may reference the existence of this Agreement in any marketing or advertising information that they may produce. The parties agree that they shall each be permitted to release information of the existence of this business relationship to the general public through a press release or other media.

18. SURVIVAL

The provisions of Sections 2, 3, 7, 8, 9, 10, 11, 14 and 17 shall survive any termination or expiration of this Agreement for any reason.

**MASTER SERVICES AGREEMENT****EXHIBIT A****DESCRIPTION OF SERVICES AND CHARGES****STANDARD SERVICES**

iDominium will provide to Client information technology support services to include an on-site computer services support specialist (specialist) for eight (8) hours per week, usually 4 to 8 hours a day, based on the Client's needs. The specialist and the iDominium team will support the server infrastructure, network infrastructure, workstations, network services, printing, telephony and mobile device support needs of the Client and end users at the Customer's office located at 10913 Metronome, Houston, Texas 77053. The normal coverage hours of this service will be between 8:00 AM and 5:00 PM.

ADDITIONAL SERVICES

For problems requiring on-site presence of an iDominium support representative after the on-site technician has fulfilled the required weekly attendance, next day onsite service will be provided for additional charges as described in the CHARGES section below. Project work, to include software development, infrastructure and network enhancements etc. if needed, will be billed separately under a statement of work provided by iDominium for the work requested.

CHARGES

Customer will be charged \$2,240.00 per month for standard services listed above.

| Item # | Description of charges | Amount |
|--------|--|------------|
| 1 | Monthly charge based on 32 hours a month onsite/off-site specialist coverage | \$2,240.00 |

Additional services will be charged hourly based on the type of service requested. Most of the work should fall within the services listed in the matrix below.

| Item # | Description of charges | Rate |
|--------|-----------------------------------|-------------------|
| 1 | Desktop Support Specialist | \$95.00 per hour |
| 2 | System Administrator | \$135.00 per hour |
| 3 | System Architect | \$175.00 per hour |
| 4 | Network Infrastructure Specialist | \$145.00 per hour |
| 5 | Network Architect | \$175.00 per hour |
| 6 | Software Developer | \$145.00 per hour |
| 7 | Software Architect | \$175.00 per hour |
| 8 | Database Architect | \$175.00 per hour |

The first payment will be due upon the execution of this agreement. Subsequent invoices will be due on the first of each month thereafter.

The standard services are a flat monthly charge and hence no deductions are made for national holidays or other Customer approved days off on which onsite support will not be required.

MASTER SERVICES AGREEMENT


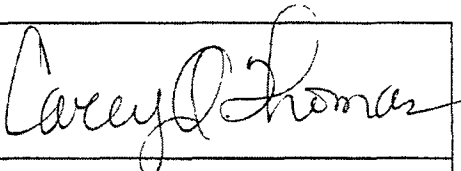
19. SIGNATURE

Accepted:

Accepted:

IDominium Corporation

Undine LLC

| | |
|--|---|
| Signature:  | Signature:  |
| By: Shahab Kazim | By: Carey Thomas |
| Title: President | Title: Sr. Vice President |
| Date: July 1, 2016 | Date: 7/1/2016 |
| Fed ID: 25-1920274 | Fed ID: |

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-5 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 833.1 – Beechwood Lawsuit. Please provide a narrative description of the merits of this dispute and the ultimate outcome of the proceeding if concluded. Please provide the names of the parties to the lawsuit, the cause number, a citation to the case or applicable PUC Docket number.

RESPONSE: The referenced legal proceeding is a pending lawsuit filed in Brazoria County, Texas under Cause Number 102743-CV (the “Beechwood Lawsuit”). The Beechwood Lawsuit concerns claims by fourteen individuals, seeking money for personal injury and property damage purportedly arising from discolored water. Undine believes there are no meritorious claims to this Case. No PUC Docket number exists for the claims underlying the Beechwood Lawsuit, because none of the Plaintiffs pursued or exhausted their administrative remedies with either the PUC or TCEQ.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-6 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 833 – Contract Services – Legal – Other. Please provide a copy of the customer complaint specific to Beechwood addressed by Wisdom Law, PLLC on 10/31/2018.

RESPONSE: Wisdom Law, PLLC was hired to discuss two Undine systems' issues with the TCEQ at the executive level. To the best of Undine's knowledge, there were no customer complaints specific to Beechwood filed at the TCEQ or the PUC. Instead, customer complaints were being received at town hall meetings regarding the Beechwood system (discolored water issues) and the Tejas Lakes system (issues involving both discolored water and capacity complaints), which necessitated a meeting between Undine management and the TCEQ Executive group. The Wisdom Law firm facilitated this meeting.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-7 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 836 – Contract Services:

- i. Please provide timesheets or records for the following individuals which detail the hours worked, the work performed, and services provided to Undine Operating, LLC, and the hourly rate paid:
 1. Janet Black
 2. Austin Goebel
 3. Grant Goebel
 4. Jennifer Goebel
 5. Corey Griffin
- ii. Please provide all invoices or receipts supporting the accounting entry on 4/16/2019 of \$14,522 related to the UGTX Settlement Agreement.

RESPONSE:

- i. See Attachment OPUC 2-7a for these contractor timesheets. The timesheets include a description of the work done and the hourly rate paid.
- ii. The UGTX Settlement was related to services that UGTX asked the prior owners of Orbit Utilities to perform. See Confidential Attachment OPUC 2-7b for a detail of these charges.

This response is CONFIDENTIAL and will be provided electronically or on CD.

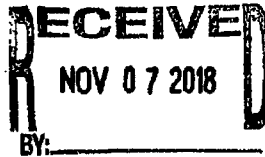
Prepared by: Benny Wilkinson

Sponsored by: Edward R. Wallace, Sr.



Page: 1
 Invoice Date: 11/01/2018
 Invoice Number: 52113271
 Customer Number: 04180-000508000
 Fed Tax ID: 94-1648752

Personal & Confidential
 Carey Thomas
 UNDINE, LLC
 17681 Telge
 Cypress TX 77429



Labor Invoice - DUE UPON RECEIPT

Please Remit To:
 OfficeTeam
 P.O. BOX 743295
 Los Angeles CA 90074-3295

Pay Online: <https://www.roberthalf.com/pay>

| Line | Employee Name | Wk End Dt | "Report-To" Supervisor | Qty | UOM | Bill Rate | Amount |
|-------------------------------------|---------------|------------|------------------------|------|---------|-----------|-----------|
| 1 | Black, Janet | 10/26/2018 | Rotermund, Nida | 5.42 | HRS REG | \$ 19.50 | \$ 105.69 |
| Subtotal for Week-Ended: 10/26/2018 | | | | 5.42 | HRS | | \$ 105.69 |

Invoice Subtotal:

\$ 105.69

TOTAL AMOUNT DUE:

\$ 105.69

*Thomas Admin
Temp Contract
SACS.*

POSTED
11/16/18
10/26/18

La

We provide more timely and accurate information to the business community by sharing our accounts receivable information with National Credit Reporting Agencies.

Any questions regarding this invoice, please call or email:
 (800) 356-1994 / Inquiries.srm@roberthalf.com

For qualified administrative professionals please call:
 (800) 804-8367

Please detach and return this remittance stub with your payment.

Thank you for choosing OfficeTeam!

OfficeTeam
 P.O. BOX 743295
 Los Angeles CA 90074-3295

| Customer Number | Invoice Number | Total Amount |
|-----------------|----------------|--------------|
| 04180-000508000 | 52113271 | \$ 105.69 |

0418000050800052113271000105695



Page: 1
 Invoice Date: 11/08/2018
 Invoice Number: 52164973
 Customer Number: 04180-000508000
 Fed Tax ID: 94-1648752

Personal & Confidential
 Carey Thomas
 UNDINE, LLC
 17681 Telge
 Cypress TX 77429

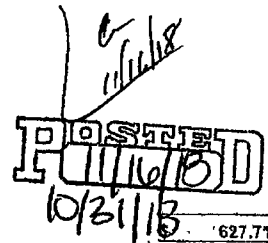
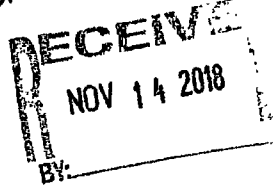
Labor Invoice -- DUE UPON RECEIPT

Please Remit To:
 OfficeTeam
 P.O. BOX 743295
 Los Angeles CA 90074-3295

Pay Online: <https://www.roberthalf.com/pay>

| Line | Employee Name | Wk End Dt | "Report-To" Supervisor | Qty | UOM | Bill Rate | Amount |
|-------------------------------------|---------------|------------|------------------------|-------|---------|-----------|-----------|
| 1 | Black, Janet | 11/02/2018 | Rotemund, Nicia | 32.19 | HRS REG | \$ 19.50 | \$ 627.71 |
| Subtotal for Week-Ended: 11/02/2018 | | | | 32.19 | HRS | | \$ 627.71 |

Thomas Admin
Temp Contract Sics.
 Invoice Subtotal:



TOTAL AMOUNT DUE: \$ 627.71

We provide more timely and accurate information to the business community by sharing our accounts receivable information with National Credit Reporting Agencies.

Any questions regarding this invoice, please call or email:
 (800) 368-1994 / inquiries.srm@roberthalf.com

For qualified administrative professionals please call:
 (800) 804-8367

Please detach and return this remittance stub with your payment.

Thank you for choosing OfficeTeam!

OfficeTeam
 P.O. BOX 743295
 Los Angeles CA 90074-3295

| Customer Number | Invoice Number | Total Amount |
|-----------------|----------------|--------------|
| 04180-000508000 | 52164973 | \$ 627.71 |

04180000508000521649730000627713



Page: 1
 Invoice Date: 11/15/2018
 Invoice Number: 52214011
 Customer Number: 04180-000508000
 Fed Tax ID: 94-1648752

Personal & Confidential
 Carey Thomas
 UNDINE, LLC
 17681 Telge
 Cypress TX 77429

Labor Invoice – DUE UPON RECEIPT

Please Remit To:
 OfficeTeam
 P.O. BOX 743295
 Los Angeles CA 90074-3295

Pay Online: <https://www.roberthalf.com/pay>

| Line | Employee Name | Wk End Dt | "Report-To" Supervisor | Qty | UOM | Bill Rate | Amount |
|-------------------------------------|---------------|------------|------------------------|------|---------|-----------|-----------|
| 1 | Black, Janet | 11/09/2018 | Rotermund, Nicia | 6.67 | HRS REG | \$ 19.50 | \$ 130.07 |
| Subtotal for Week-Ended: 11/09/2018 | | | | 6.67 | HRS | | \$ 130.07 |

POSTED
 11/27/18

RECEIVED
 NOV 21 2018

La
 11/27/18

Invoice Subtotal:

\$ 130.07

TOTAL AMOUNT DUE:

BY:

\$ 130.07

Thomas

We provide more timely and accurate information to the business community by sharing our accounts receivable information with National Credit Reporting Agencies.

Any questions regarding this invoice, please call or email:
 (800) 356-1994 / inquiries.sm@roberthalf.com

For qualified administrative professionals please call:
 (800) 804-8367

Please detach and return this remittance stub with your payment.

Thank you for choosing OfficeTeam!

OfficeTeam
 P.O. BOX 743295
 Los Angeles CA 90074-3295

| Customer Number | Invoice Number | Total Amount |
|-----------------|----------------|--------------|
| 04180-000508000 | 52214011 | \$ 130.07 |

0418000050800052214011000130071

Austin Goebel

| <u>Date</u> | | <u>\$ 10.00</u> | <u>Rate/hr</u> |
|------------------|--------------|------------------|----------------|
| 12/14/2018 | 8.00 | 80.00 | |
| 12/19/2018 | 6.00 | 60.00 | |
| 12/21/2018 | 5.00 | 50.00 | |
| 1/3/2019 | 6.00 | 60.00 | |
| Total Hrs | 25.00 | \$ 250.00 | |

Total - Austin Goebel \$ 250.00

POSTED
11/17/19
12/14/18
a
1/17/19

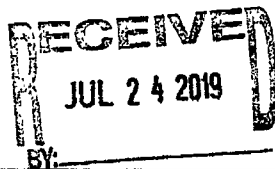
Grant Goebel

| <u>Date</u> | | <u>\$</u> | <u>10.00</u> | <u>Rate/hr</u> |
|-----------------------------|------|-----------|--------------|----------------|
| 12/21/2018 | 2.00 | | 20.00 | |
| 1/3/2019 | 6.00 | | 60.00 | |
| Total Hrs | 8.00 | \$ | 80.00 | |
| Total - Grant Goebel | | \$ | 80.00 | |

✓
1/17/19

POSTED
1/17/19
12/21/18

Contract Labor
Grant Goebel



| Date | Hours | Approval |
|-------------|-------|-------------------------------|
| 6/17/2019 | 8.5 | <i>Carey Thomas 7/24/2019</i> |
| 6/18/2019 | 9 | |
| 6/19/2019 | 9 | |
| Total Hours | 26.5 | |

*\$15.00/
hr
Cat*

POSTED
Paid

\$ 397.50

*a
7/24/19*

Jennifer Goebel W-9 on File

Dates

| | | | |
|------------------|--------------|--|--|
| 2/5/2019 | 10 | | |
| 2/6/2019 | 9.25 | | |
| 2/20/2019 | 10 | | |
| 2/21/2019 | 9 | | |
| Total Hrs | 38.25 | | |

\$18.00 38.25 \$688.50

Mileage

2/20/2019 31 \$17.98

Total: \$706.48

Thomas

POSTED
4/4/19

3/31/19

*OK
4/4/19*

Jennifer Goebel

Jennifers Time and Miles

| | | |
|--------|-------------|---------------------|
| 24-May | ✓ 24 miles | Getting eds Glasses |
| 24-May | 3 hours ✓ | |
| 17-May | 8.5 hours ✓ | |
| 9-Apr | ✓ 20 miles | Futon |
| 9-Apr | 9 hours ✓ | |
| 21-Mar | 8 hours ✓ | |

$$44 \text{ Miles} \times .58\text{\$} = \$25.52$$

$$28.50 \text{ HRS} \times \$18.00 = \$513.00$$

\$538.52 TOTAL

C Thomas

5/29/2019

✓
5/29/19

RECEIVED
JUL 24 2019

Contract Labor
Jennifer Goebel

BY: _____

| Date | Hours | Approval |
|-------------|-------|------------------------------|
| 7-Jun | 9 | <i>Cary Thomas 7/24/2019</i> |
| 6/17/2019 | 9.05 | |
| 6/18/2019 | 9.1 | |
| 6/19/2019 | 9.15 | |
| Total Hours | 36.3 | |

#18.00
fr.
cat

POSTED
7/24/19

\$653.40

ac
7/24/19

Employee

~~PROJECT~~ TIMESHEET

POSTED
4/23/97

Page 10 of 16

Time Sheet - *COREY GRIFFIN*

| Date | Duties Performed | In | Out | Hours |
|-------------|------------------------------|---------|---------|-------|
| 7/1/2019 | office | 9:00 AM | 4:00 PM | 7 |
| 7/2/2019 | office | 9:00 AM | 1:00 PM | 4 |
| 7/3/2019 | office | 9:00 AM | 4:00 PM | 7 |
| 7/4/2019 | Holiday | N/A | N/A | 0 |
| 7/5/2019 | Site Clean Up at Angle Acres | 6:00 AM | 3:00 PM | 9 |
| Total Hours | | | | 27 |

Rate \$15.00/Hour

Total \$ 405.00

C
*7/10/19***APPROVED**
*[Signature]***POSTED**
7/10/19*QB 7/10/19*

| | | |
|------------|----------|----------|
| Office | 18 Hours | \$270.00 |
| Operations | 9 Hours | \$135.00 |
| Total | 27 Hours | \$405.00 |

Corey Griffin
7/8 - 7/12

Time Sheet

| Date | Duties | Peri In | Out | Hours |
|-----------|-------------|---------|---------|-------|
| 7/8/2019 | N/A | N/A | N/A | 0 |
| 7/9/2019 | Angle Acre: | 6:00 AM | 3:00 PM | 9 |
| 7/10/2019 | office | 9:00 AM | 4:00 PM | 7 |
| 7/11/2019 | Office | 9:00 AM | 4:00 PM | 7 |
| 7/12/2019 | office | 9:00 AM | 4:00 PM | 7 |
| Total | | | | 30 |

RECEIVED
JUL 12 2019
BY: _____

\$450.00

Rate \$15.00/Hour

POSTED
7/15/19
CB 7/12/19

7/16/19

| | | |
|------------|----------|----------|
| Office | 21 Hours | \$315.00 |
| Operations | 9 Hours | \$135.00 |
| Total | 30 Hours | \$450.00 |

Corey Griffin
7/22 - 7/26

Time Sheet

| Date | Duties Performed | In | Out | Hours |
|-----------|---------------------|---------|---------|-------|
| 7/22/2019 | Office | 9:00 AM | 5:00 PM | 8 |
| 7/23/2019 | Office / Leak Check | 9:00 AM | 4:00 PM | 7 |
| 7/24/2019 | Office / Leak Check | 9:00 AM | 5:00 PM | 8 |
| 7/25/2019 | Office / Leak Check | 9:00 AM | 5:00 PM | 8 |
| 7/26/2019 | Office | 9:00 AM | 4:00 PM | 7 |
| Total | | | | 38 |

\$ 570.00

Thomas

Rate \$15.00/Hour

4/26/2019

POSTED
7/26/19

7/22/19

a
7/26/19

Corey Griffin
7/29 - 8/2

Time Sheet

| Date | Duties Performed | In | Out | Hours | Column1 | Column2 |
|-----------|------------------|---------|---------|-------|---------|-----------|
| 7/29/2019 | Office | 9:00 AM | 5:00 PM | 8 | | |
| 7/30/2019 | Office | 9:00 AM | 5:00 PM | 8 | | |
| 7/31/2019 | Office | 9:00 AM | 5:00 PM | 8 | | |
| 8/1/2019 | Office | 8:30 AM | 3:00 PM | 6.5 | Office | \$ 457.50 |
| 8/2/2019 | Leak Checks | 7:00 AM | 5:00 PM | 10 | Orbit | \$ 150.00 |
| Total | | | | 40.5 | Total | \$ 607.50 |

Rate \$15.00/Hour

RECEIVED
AUG 05 2019
BY: _____

[Handwritten Signature]

[Handwritten Signature]
8/8/19

POSTED
8/8/19
COB 7/29/19

Corey Griffin
08/05 - 08/09

Time Sheet

Rate \$15.00/Hour

| Date | Duties Performed | In | Out | Hours | Column1 |
|----------|------------------|---------|---------|-------|---------|
| 8/5/2019 | Office | 9:00 AM | 5:00 PM | 8 | |
| 8/6/2019 | Leak Check | 6:00 AM | 4:00 PM | 10 | leak |
| 8/7/2019 | Office | 9:00 AM | 3:00 PM | 6 | |
| 8/8/2019 | Office | 9:00 AM | 5:00 PM | 8 | |
| 8/9/2019 | Office | 9:00 AM | 4:00 PM | 8 | |
| Total | | | | 39 | |

| | |
|--------|-----------|
| Leak | \$ 150.00 |
| Office | \$ 435.00 |

~~\$585~~

RECEIVED
AUG 08 2019
BY: _____

Corey Griffin

POSTED
8/13/19

OB 8/5/17

APPROVED

SYSTEM: _____

PROJECT: _____

WORK ORDER#: _____

CAPITAL _____ EXPENSE _____

OB 8/13/19

Corey Griffin
08/12/19 - 08/16/19

Time Sheet

| Date | Duties Perfo In | Out | Hours |
|-----------|-----------------|-----------------|-----------|
| 8/12/2019 | Office | 8:00 AM 5:00 PM | 9 |
| 8/13/2019 | Leak Check | 1:30 PM 7:30 PM | 6 |
| 8/14/2019 | Office | 9:00 AM 5:00 PM | 8 |
| 8/15/2019 | Office | 9:00 AM 5:00 PM | 8 |
| 8/16/2019 | Office | 9:00 AM 5:00 PM | 8 |
| Total | | | 39 |
| | | | \$ 585.00 |

Rate \$15.00/Hour

Leaks \$ 90.00

Office \$ 495.00

*Thomas**8/16/19*

POSTED
8/16/19

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-8 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 840 – Office Maintenance. Please provide a copy of the service agreement between Undine Operating, LLC and the following entities:

- i. J&W Janitorial
- ii. Sharp Electronics Corporation
- iii. Cintas

RESPONSE: There are no service agreements between Undine and any of these contractors. J&W janitorial provides cleaning services for the Corporate Office at 17681 Telge Road, Sharp Electronics Corporation provides maintenance services on Undine's Copier/document handler, and Cintas provides traffic mats for the Telge Road office.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-9 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 850.1 – Mileage. Please provide all mileage logs maintained by employees of UT, UTE or the Company as supporting documentation for reimbursement during the test year.

RESPONSE: Undine does not require mileage logs to be kept for reimbursement of employee's personal vehicles used for business purposes. Mileage reimbursements are approved by the employee's/contractor's supervisor based on actual miles an employee/contractor drives his/her personal vehicle for business purposes as reported on their Expense Report. Please see Attachment OPUC 2-9 (voluminous) for expense reports and other support for charges for Mileage reimbursement, Corporate Travel, and Meals & Entertainment.

This response is VOLUMINOUS and will be provided electronically or on CD.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-10 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 850 – Corporate Travel – Other. Please provide receipts supporting all requested line-items of expense within this account.

RESPONSE: See Attachment OPUC 2-9 for expense reports and other support for charges for Corporate Travel.

Prepared by: Benny Wilkinson

Sponsored by: Edward R. Wallace, Sr.

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-11 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 875.1 – Meals & Entertainment. Please provide receipts supporting all requested line-items of expense within this account.

RESPONSE: See Attachment OPUC 2-9 for expense reports and other support for charges for Meals & Entertainment.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-12 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 875.9 – Other. Please provide information about the referenced office move. Specifically, provide a narrative description of the move and what physical locations were involved. Further, indicate if this is a one-time project that will serve the UT or UTE and its customers over multiple years? Please indicate the specific line-items of expense that were associated with this project.

RESPONSE: Undine moved its corporate office from 10913 Metronome Drive, Houston, Texas to 17681 Telge Road, Cypress, Texas in 2019. Undine Management had determined that the Metronome office no longer suited its needs, as it was approximately 50 years old, had increasing maintenance expenses, was in an undesirable neighborhood, and had a rodent problem. The Telge Road office is new and is in a better location. The moving/relocation expenses are a one-time expense and will serve Undine and its customers for the foreseeable future.

See Attachment OPUC 2-12 for a detailed listing of moving expenses.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

Undine Operating LLC
Transaction Detail by Account
October 2018 through September 2019
Undine Operating, LLC
Moving Costs
For the Test Year Ended September 30, 2019

| Type | Date | Num | Name | Memo | Amount |
|----------------------------------|------------|---------------------|-----------------------------|---|--------------------|
| Bill | 10/31/2018 | October 2018 Cash | Cory Pendleton | Office Supplies (Rugs & Picture hanging hardware) | \$ 231.61 |
| Bill | 10/31/2018 | October 2018 Cash | Katie Ransbottom (Exp) | Desk Pads | 116 84 |
| GJ | 12/01/2018 | 242 | | Security Equipment | 658 57 |
| Bill | 12/28/2018 | December 2018 Cash | Edward R. Wallace | lamp, shades, rug gripper | 90 89 |
| Bill | 12/28/2018 | October 2018 Cash | Carey Thomas | Flashlights, Kurig and books | 108 02 |
| Bill | 12/28/2018 | December 2018 Cash | Carey Thomas | Picture wire | 3.73 |
| Bill | 01/22/2019 | 000150 | Sixth Sense Solutions LLC | Ring Video Doorbell | 641.90 |
| Bill | 03/31/2019 | March 2019 Cash | Nicia Rotermund | Desk/closet Organizers | 207.78 |
| Bill | 12/28/2018 | September 2018 Cash | Carey Thomas | Mileage to and from KMR construction, office furniture, Pearson Bldg, CRG to lackstor | 161.14 |
| Bill | 12/28/2018 | October 2018 Cash | Carey Thomas | Mileage to and from Joann, Home Depot, working on new office | 75 49 |
| Bill | 12/28/2018 | November 2018 Cash | Carey Thomas | Mileage to and from Rooms to go, At home, Office Depot, Bed Bath & Beyond | 103.46 |
| Bill | 12/28/2018 | December 2018 Cash | Carey Thomas | Mileage to and from Costco, Home depot | 23 44 |
| Bill | 12/28/2018 | December 2018 Cash | William A. Thomas | Mileage to meet with hauling Junk Company | 114 21 |
| Bill | 12/28/2018 | November 2018 Cash | William A. Thomas | Mileage to Home Depot, Rooms to go, Lowes | 23 44 |
| Bill | 12/28/2018 | October 2018 Cash | William A. Thomas | Mileage to Home Depot, Rooms to go, Lowes & move to new office | 104 81 |
| Bill | 10/30/2018 | October 2018 Cash | Nicia Rotermund | Business meals during move to new office | 21 55 |
| Bill | 10/31/2018 | 5785 | iDominium Corporation | IT Moving Expense | 9,425.00 |
| Bill | 10/31/2018 | October 2018 | American Express 1-88000 | October 2018 Amex - Carey (Moving Expenses) | 266.59 |
| Bill | 12/28/2018 | October 2018 Cash | Carey Thomas | Cash tips for movers, equip delivery | 220.00 |
| Bill | 02/28/2019 | 624 | Utility Group of Texas, LLC | Office Move | 4,994.70 |
| Total Office Moving Costs | | | | | \$17,593.17 |

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-13 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 403.3 – Depreciation Expense. Please provide the Fixed Asset listing for Test Year end that is associated with the requested depreciation expense. Please include a description of the fixed asset, the original cost of the asset, the date placed in service, the assumed service life, and the current accumulated depreciation balance.

RESPONSE: See Attachment OPUC 2-13 for a listing of the Fixed Assets included on the books of Undine Operating, LLC, along with the original cost, the date placed in service, the depreciable life, the depreciation expense, and the current accumulated depreciation balance at September 30, 2019.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

Undine Operating LLC
Fixed Asset and Depreciation Schedule

| In-Service Date | Amount | Account | Description | Useful Life (yrs) | Monthly Depr | 12/31/18 | | | | | | | | | | | | At September 30, 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | | | | | | Oct-18 | Nov-18 | Dec-18 | Total 2018 | Accum Depr | NBV | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Total 2019 | Accum Depr | NBV | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5/1/2017 | \$ 22,926.80 | 121.1 | Dell Power Edge Servers (2) w/licenses & installation | 5 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 4,585.32 | \$ (7,642.20) | \$ 15,284.60 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 382.11 | \$ 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Test Year Depreciation Expense for Undine Operating **\$ 57,479.06**

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO OPUC'S SECOND REQUEST FOR INFORMATION**

OPUC 2-14 Please reference Confidential Workpapers: WP-II-5 W&S, WP-II-6 W&S, WP-II-7 (a)&(b) and WP-II-P Affiliate Overhead, for Account 403.3 – Amortization Expense. Please provide a listing of the “other utility plant” that is being amortized.

RESPONSE: See Attachment OPUC 2-14 for a listing of the other utility plant included on the books of Undine Operating, LLC, along with the original cost, the date placed in service, the amortizable life, the amortization expense, and the current accumulated amortization balance at September 30, 2019.

Prepared by: Benny Wilkinson

Sponsored by: Edward R. Wallace, Sr.

Undine Operating LLC
Leasehold Improvements Amortization Schedule

| In-Service Date | Amount | Account | Description | Useful Life (yrs) | Monthly Depr. | 12/31/18 | | | | At September 30, 2019 | | | | | | | | | | | |
|--------------------|----------------|---------|---|----------------------|------------------|----------|------------|-------------|-------------|-----------------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|---|---------------|--------------|
| | | | | | | Dec-18 | Total 2018 | Accum Depr | NBV | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Total 2019 | Accum Depr | NBV |
| 12/1/2018 | \$ 46,331.35 | 121.5 | Leashold Improvements | 7 | \$ 551.56 | \$551.56 | \$ 551.56 | \$ (551.56) | \$45,779.79 | \$ 551.56 | \$ 551.56 | \$ 551.56 | \$ 551.56 | \$ 551.56 | \$ 551.56 | \$ 551.56 | \$ 551.56 | \$ 551.56 | \$ 4,964.04 | \$ (5,515.60) | \$ 40,815.75 |
| 1/1/2019 | \$ 1,345.88 | 121.5 | Leashold Improvements | 6.91667 | \$ 16.22 | | \$ - | | | \$ 16.22 | \$ 16.22 | \$ 16.22 | \$ 16.22 | \$ 16.22 | \$ 16.22 | \$ 16.22 | \$ 16.22 | \$ 16.22 | \$ 145.98 | \$ (145.98) | \$ 1,199.90 |
| 2/1/2019 | \$ 1,196.00 | 121.5 | Leashold Improvements | 6.83333 | \$ 14.59 | | | | | | \$ 14.59 | \$ 14.59 | \$ 14.59 | \$ 14.59 | \$ 14.59 | \$ 14.59 | \$ 14.59 | \$ 14.59 | \$ 116.72 | \$ (116.72) | \$ 1,079.28 |
| 3/1/2019 | \$ 1,650.09 | 121.5 | Leashold Improvements | 6.75 | \$ 20.37 | | | | | | \$ 20.37 | \$ 20.37 | \$ 20.37 | \$ 20.37 | \$ 20.37 | \$ 20.37 | \$ 20.37 | \$ 20.37 | \$ 142.59 | \$ (142.59) | \$ 1,507.50 |
| 4/1/2019 | \$ 791.00 | 121.5 | Leashold Improvements | 6.66667 | \$ 9.89 | | | | | \$ 9.89 | \$ 9.89 | \$ 9.89 | \$ 9.89 | \$ 9.89 | \$ 9.89 | \$ 9.89 | \$ 9.89 | \$ 9.89 | \$ 59.34 | \$ (59.34) | \$ 731.66 |
| 4/1/2019 | \$ (33,525.00) | 121.5 | Leashold Improvements (Allowance from Landlord) | 7 | \$ (399.11) | | | | | \$ (1,995.55) | \$ (399.11) | \$ (399.11) | \$ (399.11) | \$ (399.11) | \$ (399.11) | \$ (399.11) | \$ (399.11) | \$ (399.11) | \$ (3,991.10) | \$ 3,991.10 | ##### |
| 7/1/2019 | \$ 7,581.00 | 121.5 | Leashold Improvements | 6.41667 | \$ 98.45 | | | | | | | | | | | \$ 98.45 | \$ 98.45 | \$ 98.45 | \$ 295.35 | \$ (295.35) | \$ 7,285.65 |
| Total | \$ 25,370.32 | | | | \$ 311.97 | \$551.56 | \$ 551.56 | \$ (551.56) | \$45,779.79 | \$ 567.78 | \$ 582.37 | \$ 602.74 | \$ (1,382.92) | \$ 213.52 | \$ 213.52 | \$ 311.97 | \$ 311.97 | \$ 311.97 | \$ 1,732.92 | \$ (2,284.48) | \$ 23,085.84 |
| | | | | | | | | | | | | | | | | | | | Net Leasehold Improvements | | \$ 23,085.84 |
| | | | | | | | | | | | | | | | | | | | Test Year Amortization Expense for Undine Operating | | \$ 2,284.48 |