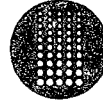


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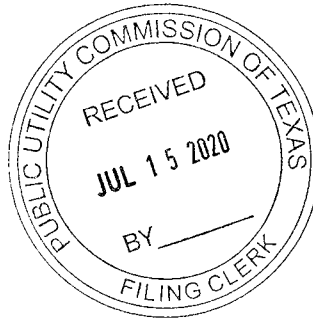
**Monarch
Utilities I L.P.**

A SouthWest Water Company

12535 Reed Road
Sugar Land, TX 77478
TXCustomerCare@swwc.com
www.swwc.com

July 15, 2020

Public Utility Commission of Texas
Attention: Filing Clerk
1701 Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326



Re: Docket 50424 - Application of Monarch Utilities I L.P. and Goins Utility Service LLC for Sale Transfer, or Merger of Facilities and Uncertificated Area in Polk County

Response to Commission Staff's First Request for Information

To the Commission:

On June 25, 2020 the Commission Staff's First Request for Information was issued with a requirement that the questions be answered within 20 days. Attached is Monarch Utilities I L.P.'s ("Monarch") response to Question Nos. Staff 1-1 through Staff 1-5. A document responding to Question 1-1 is being filed separately under Confidentiality.

Monarch would also take this opportunity to remind and point out to all parties that the correct name for the utility is Monarch Utilities I L.P. – without the comma.

Please contact me if any additional information is required at this time.

Sincerely,

George Freitag, P.E.
Texas Regulatory Manager
SouthWest Water Company
Monarch Utilities I L.P.
(512) 219-2288
gfreitag@swwc.com

Attachment

DOCKET NO. 50424

MONARCH UTILITIES I L.P.'s RESPONSE TO COMMISSION STAFF FIRST REQUEST FOR INFORMATION

Staff RFI 1-1 Regarding the water and sewer depreciation schedules provided by Monarch in the Applicant's Response to Additional Information Requested by Staff RFI [AIS Item No. 13, page 41], in response to Staff RFIs April 17, 2020 Supplemental Recommendation on Administrative Completeness, please provide supporting documentation for the estimated original costs, such as the complete trending study, and the basis for the estimated service lives.

RESPONSE: A trending study was done to estimate the original costs of the water and wastewater assets to be acquired. The complete study is provided separately under Confidentiality. The estimated service lives are based on the currently approved Depreciation Service Lives for Monarch. They are attached.

SPONSORED BY: George Freitag, P.E.

Staff RFI 1-2 Regarding Monarch's proposed water and sewer capital improvements (wastewater treatment plant, water system interconnect, and lift station upgrade) included in the application, please provide the basis for the costs of each capital improvement such as quotes or bids from vendors.

RESPONSE:

Monarch does not yet own or operate the utility systems and has had limited access to develop details for the improvements and upgrades beyond preliminary costs. The estimated costs for the proposed water and wastewater capital improvements are based on the professional judgement of Monarch's engineering, operations, and construction staff from experience with similar projects.

SPONSORED BY: George Freitag, P.E.

Staff RFI 1-3 Regarding Monarch's proposed water and sewer capital improvements (wastewater treatment plant, water system interconnect, and lift station upgrade) included in the application, please provide the ultimate number of connections each capital improvement is designed to serve.

RESPONSE:

Monarch does not yet own or operate the utility systems and has had limited access to review the system layouts or existing customer demands in detail. For example, there is an RV park and a marina on the systems, both currently served by single meters. Additionally, there has been at least one informal inquiry from a developer. Monarch needs to examine current demand and also determine any growth potential before finalizing specific numbers of connections to be served by capital improvements and upgrades.

SPONSORED BY: George Freitag, P.E.

Staff RFI 1-4 Please provide a timeline for both the submittal of plans and specifications to the Texas Commission on Environmental Quality (TCEQ) for construction approval and for the construction of the proposed water and sewer capital improvements listed in RFI 1-2.

RESPONSE:

Monarch does not yet own or operate the utility systems and has had limited access to develop detail for the improvements and upgrades. The design, bid, and construction process should occur within the first 18-24 months after final acquisition. This timeframe includes evaluation of the area for growth, engineering designs for both water and wastewater facilities, permitting and TCEQ approvals, obtaining easements, construction, and installation.

SPONSORED BY: George Freitag, P.E.

Staff RFI 1-5 Please provide any engineering studies prepared for Goins' water and sewer systems and any construction approval and permit approval letters for the existing plant items and proposed capital improvements.

RESPONSE:

Monarch will not proceed with the next level of engineering studies, plans, permitting and approvals until it owns the water and wastewater systems.

SPONSORED BY: George Freitag, P.E.

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 22, 2010

Mr. Mark H. Zeppa, Attorney
Offices of Mark H. Zeppa, PC
4833 Spicewood Springs Rd. Suite 202
Austin, TX 78759

Re: Water - Revise Depreciation Service Lives Application of Monarch Utilities I, L.P. in Bandera, Brazoria, Chambers, Denton, Grayson, Hays, Henderson, Hood, Johnson, Liberty, Marion, Medina, Matagorda, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Trinity, Tyler, Van Zandt, Wise, and Wood Counties, Texas; CCN No. 12983, Application No. 36630-R

Sewer - Revise Depreciation Service Lives Application of Monarch Utilities I, L.P. in Bandera, Brazoria, Chambers, Denton, Grayson, Hays, Henderson, Hood, Johnson, Liberty, Marion, Medina, Matagorda, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Trinity, Tyler, Van Zandt, Wise, and Wood Counties, Texas; CCN No. 20899, Application No. 36631-R

CN: 602740706; RN: 102904596 (water) 102904620 (sewer)

Dear Mr. Zeppa:

The Texas Commission on Environmental Quality (TCEQ) did not receive protests to your rate change from ten percent of your customers during the statutory comment period. Therefore, your proposed revised utility plant and property depreciation service lives for both water and sewer utility service was effective on April 9, 2010, without public hearing according to the requirements of Texas Water Code, Section 13.187.

Enclosed are copies of the approved revised utility plant and property depreciation service lives for both water and sewer utility service provided by Mr. George Freitag, P.E. on August 5, 2010.

Pursuant to Texas Water Code, Section 13.187(d), you may not file a statement of intent to increase your rates more than once in a twelve month period except to implement an approved purchased water pass through adjustment or to adjust the rates of a newly acquired utility system; or unless a financial hardship exists as determined by the TCEQ.

You are required by TCEQ rules to assist anyone seeking information on your approved rates or service policies and to make copies of your tariffs available upon request at reasonable reproduction costs. You are also required to maintain copies of the current TCEQ Permanent Rules, 30 Texas Administrative Code, Chapter 290 and Chapter 291. I have enclosed a pamphlet explaining how to obtain copies of TCEQ rules.

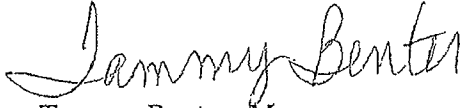
Mr. Mark H. Zeppa, Attorney

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November 22, 2010

If you have any further questions, please contact Mrs. Elsie N. Pascua at (512) 239-5367 or Mr. Brian Dickey at (512) 239-0963, by email at epascua@tceq.state.tx.us or bdickey@tceq.state.tx.us. If by correspondence, include MC 153 in the address.

Sincerely,

A handwritten signature in cursive script that reads "Tammy Benter".

Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/EP/ln

MONARH UTILITIES 1, LP
 NOTICE TO CUSTOMERS OF RATES
 EFFECTIVE APRIL 9, 2010

The Texas Commission on Environmental Quality did not receive protests from 10% of the customers during the statutory comment period for the recently noticed of revised utility plant and property depreciation service lives for **water** utility service. This notice was effective as proposed without hearing according to Section 13.187 of the Texas Water Code.

The following revised utility plant and property depreciation service lives for **water** utility service were effective on April 9, 2010:

Account No.	Description	Approved Average Service Life (ASL) Water
Source of Supply		
307.20	Wells & Springs	46
Pumping Plant		
304.20	Pumping Structures & Improvements	40
310.20	Power Gen Equip (incl Controls)	15
311.21	Electric Pumping Equipment	15
Water Treatment Plant		
304.30	WT Structures & Improvements	33
320.30	Chemical Equipment	15
Transmission & Distribution Plant		
330.40	Distr. Reservoirs & Standpipes	50
331.40	Water Lines (Transmission and Distrib)	85
331.42	Water Lines	85
331.43	Mains	85
333.40	Services	45

<u>Continue: Water Utility Assets</u>		
334.40	Meters	20
334.50	Chlorine Meter	20
335.40	Hydrants	50
336.40	Hydrants Backflow Preventer	50
General Plant		
304.50	Adm & Gen Structures & Improvements	35
304.51	Fencing	35
340.10	Furniture & Fixtures	15
340.50	Computers & Peripherals	5
341.00	Transportation Equipment	5
344.00	Laboratory Equipment	15
345.70	Power Operated Equipment	15
346.50	Communication Equipment	20
343.00	Tools, Shop & Garage Equipment	15
121.01	M&S Inventory (Office Furn and Equip)	20
362.20	Media	5

MONARH UTILITIES 1, LP
 NOTICE TO CUSTOMERS OF RATES
 EFFECTIVE APRIL 9, 2010

The Texas Commission on Environmental Quality did not receive protests from 10% of the customers during the statutory comment period for the recently noticed of revised utility plant and property depreciation service lives for **sewer** utility service. This notice was effective as proposed without hearing according to Section 13.187 of the Texas Water Code.

The following revised utility plant and property depreciation service lives for **sewer** utility service were effective on April 9, 2010:

Account No.	Description	Approved Average Service Life (ASL) Sewer
Collection Plant		
354.20	Structures & Improvements - Collection	35
354.21	Structures & Improvements - Collection	35
354.22	Structures & Improvements - Collection	35
360.20	Sewer Service Lines	65
360.24	Lift Stations	35
361.20	Sewers-Gravity	65
361.21	Sewers-Force	65
362.20	Filter Media	5
364.20	Flow Meters	25
367.60	Sewer Service Taps	40

Continue: Sewer Assets		
Pumping Equipment		
370.30	Receiving Wells / Manholes	50
371.32	Lift Station Pumps	25
355.20	Power Gen Equip (incl Controls)	25
Treatment & Disposal Equipment		
380.40	Treatment & Disposal Equipment	25
381.40	Treatment & Disposal Equipment	25
General Plant		
394.50	Laboratory	15
395.70	Power Operated Equipment (Heavy Equip)	15
396.70	Communication Equipment	20
397.70	Miscellaneous Equipment	25