



Control Number: 50960



Item Number: 13

Addendum StartPage: 0

**DOCKET NO. 50960**

2020 AUG 20 AM 10:30

**APPLICATION OF NERRO SUPPLY, §  
LLC AND UNDINE TEXAS, LLC FOR §  
SALE, TRANSFER OF FACILITIES §  
AND CERTIFICATE RIGHTS IN §  
CHAMBERS, HARRIS AND LIBERTY §  
COUNTIES §  
§  
§**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**APPLICANTS' RESPONSE TO ORDER NO. 2**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

Undine Texas, LLC ("Undine") and Nerro Supply, LLC ("Nerro") file this Response to Order No. 2. In support thereof, Applicants state the following:

**I. BACKGROUND**

On June 19, 2020, Undine and Nerro filed with the Public Utility Commission of Texas ("Commission") an application for sale, transfer or merger of facilities and certificate rights in Chambers, Harris and Liberty Counties. On July 7, 2020, Undine and Nerro filed Applicants' First Amendment to Application. On July 20, 2020, Commission Staff filed its Recommendation of Administrative Completeness and Proposed Notice. On July 31, 2020, the Administrative Law Judge ("ALJ") issued Order No. 2, finding the application deficient and not administratively complete and directing Applicants to amend the application to cure the deficiencies noted by Commission Staff on or before August 20, 2020. Accordingly, this response is timely filed.

**II. Supplemental Application Information Provided**

In response to Order No. 2, Undine and Nerro hereby file the following information:

**Deficiency – Application Content**

1. Staff recommends that the Applicants provide the following:
  - a. Pages 2 and 3 of the application, revise to indicate that only a portion of Nerro's CCN is being transferred in this application.

- b. Page 4, identify the number of customers in the area to be transferred with deposits held by Nerro.
- c. Pages 9 and 10 of the application, answer questions 22 to 28 for each of the water systems being transferred in this application with responses for each of the questions asked.
- d. A detailed listing of each inventory asset for each system to be transferred including:
  - i. Date in service,
  - ii. Original in-service amount, and
  - iii. Accumulated depreciation.
- e. Proof that Nerro's Annual Report has been filed with the Commission.
- f. Legal Status:
  - i. A copy of Undine's Certification of Account Status from the Texas Comptroller.
  - ii. Undine's Corporation's Charter number for Texas.
- g. Active Violations — Proof that all violations for Undine's public water systems in the Texas Commission on Environmental Quality's databases have been returned to compliance or how they are being addressed by the Applicants.

**RESPONSE:**

- 1.a. – See Attachment 1A.
- 1.b. – See Attachment 1B.
- 1.c. – See Attachment 1C.
- 1.d. – See Attachment 1D (Confidential).
- 1.e. – See Attachment 1E (Confidential).
- 1.f.i. – See Attachment 1F.
- 1f.ii. – Undine Charter Number: 802339329.
- 1.g. – See Attachment 1G.
- 2. Based on the mapping documentation submitted, Undine is seeking to decertify a portion of HCMUD's water CCN No. 11952. Staff recommends that Undine provide an agreement or other proof that HCMUD has consented to the decertification of this area. If Undine has not obtained HCMUD's consent, please provide information per 16 TAC § 24.245(d) to demonstrate why the area should be decertified from the current CCN holder.

**RESPONSE:**

According to the PUC's website, CCN 11952 is currently inactive. Undine has so far been unable to locate any contact information for the CCN holder and requests the overlap area be dually certified as requested. See Attachment 2.

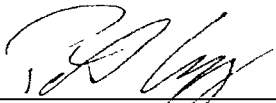
3. The requested area overlaps with a portion of the City of Old Win-free. Staff recommends that Undine provide an agreement or other proof that the City has consented to this overlap or adjust the mapping to remove this overlap.

**RESPONSE:**

See Attachment 3.

Respectfully submitted,

**DuBois, Bryant & Campbell, LLP**

By: 

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(512) 457-8000  
(512) 457-8008 (fax)

**Attorneys for Undine Texas, LLC**

**CERTIFICATE OF SERVICE**

I certify by my signature above that a true and correct copy of the foregoing document was served by email on this the 20th day of August, 2020, to:

Kourtnee Jinks  
Public Utility Commission of Texas  
Legal Division  
1701 N. Congress Avenue  
P. O. Box 13326  
Austin, Texas 78711-3326  
[kourtnee.jinks@puc.texas.gov](mailto:kourtnee.jinks@puc.texas.gov)

**ATTACHMENT 1A**  
**APPLICATION SUMMARY**  
**PAGES 2 & 3**

## Application Summary

**Transferor:** Nerro Supply, LLC

*(selling entity)*

**CCN No.s:** 12252

- 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):** Chambers, Harris, Liberty

## Table of Contents

<b>Sale, Transfer, or Merger (STM) Application Instructions</b> .....	1
<b>Part A: General Information</b> .....	3
<b>Part B: Transferor Information</b> .....	3
<b>Part C: Transferee Information</b> .....	4
<b>Part D: Proposed Transaction Details</b> .....	6
<b>Part E: CCN Obtain or Amend Criteria Considerations</b> .....	8
<b>Part F: TCEQ Public Water System or Sewer (Wastewater) Information</b> .....	9
<b>Part G: Mapping &amp; Affidavits</b> .....	10
<b>Part H: Notice Information</b> .....	12
<b>Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)</b> .....	15
<b>Appendix B: Projected Information</b> .....	18

**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 Nerro Supply, LLC.

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: Nerro Supply, LLC  
(individual, corporation, or other legal entity)  
 Individual    Corporation    WSC    Other: LLC

B. Mailing Address: PO Box 691008, Houston TX 77269

Phone: (281) 355-1312      Email: chuck@gulfutility.net

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

Name: Gregory P. Pappas      Title: President

Mailing Address: PO Box 691008, Houston TX 77269

Phone: (281) 355-1312      Email: pappas@blackswanrep.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: September 25, 2015

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: 44967

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

**ATTACHMENT 1B**  
**APPLICATION SUMMARY**

**PAGE 4**



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 187
- # of customers with deposits held by the transferor\* 543

\*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.)

**ATTACHMENT 1C**  
**APPLICATION SUMMARY**

**PAGES 9 & 10**

**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: TX1460146 (7 digit ID)

Name of PWS: Riverwood Estates

Date of last TCEQ compliance inspection: 6/30/2017 (attach TCEQ letter)

Subdivisions served: Indian Ridge/Riverwood

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
183	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			183	Total Sewer Connections:	

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

No  Yes

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

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

C. Is there a moratorium on new connections?

No  Yes:

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

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

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

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

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?  
 No     Yes:    If yes, attach a copy of purchase agreement or contract.

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

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

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

- B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?  
 No     Yes

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

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

- D. Will the purchase agreement or contract be transferred to the Transferee?  
 No     Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?  
 No     Yes:

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

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

**Part G: Mapping & Affidavits**

**ALL applications require mapping information to be filed in conjunction with the STM application.**  
*Read question 29 A and B to determine what information is required for your application.*

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

**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: TX1011493 (7 digit ID)

Name of PWS: Maple Leaf Mobile Home Subdivision

Date of last TCEQ compliance inspection: 12/31/2016 (attach TCEQ letter)

Subdivisions served: Maple Leaf Gardens

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"	137	Residential
277	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			277	Total Sewer Connections:	137

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

No  Yes

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

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

C. Is there a moratorium on new connections?

No  Yes:

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

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

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

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

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?  
 No  Yes: If yes, attach a copy of purchase agreement or contract.

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

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

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

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?  
 No  Yes

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

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

D. Will the purchase agreement or contract be transferred to the Transferee?  
 No  Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?  
 No  Yes:

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

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

**Part G: Mapping & Affidavits**

**ALL applications require mapping information to be filed in conjunction with the STM application.**  
*Read question 29 A and B to determine what information is required for your application.*

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

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

**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: TX1011049 (7 digit ID)

Name of PWS: Oakland Village Mobile Home Community

Date of last TCEQ compliance inspection: 12/14/2017 (attach TCEQ letter)

Subdivisions served: Oakland Village

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
46	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			46	Total Sewer Connections:	

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

No  Yes

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

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

C. Is there a moratorium on new connections?

No  Yes:

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

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

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

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

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?  
 No     Yes:    If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: \_\_\_\_\_  
 Water: \_\_\_\_\_  
 Sewer: \_\_\_\_\_

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?  
 No     Yes

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

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

D. Will the purchase agreement or contract be transferred to the Transferee?  
 No     Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?  
 No     Yes:

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

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

**Part G: Mapping & Affidavits**

**ALL applications require mapping information to be filed in conjunction with the STM application.  
 Read question 29 A and B to determine what information is required for your application.**

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

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.



**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: TX0360027 (7 digit ID)

Name of PWS: Woodland Acres Subdivison

Date of last TCEQ compliance inspection: 12/31/2016 (attach TCEQ letter)

Subdivisions served: Woodland Acres

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"	222	Residential
224	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			224	Total Sewer Connections:	222

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

No  Yes

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

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

C. Is there a moratorium on new connections?

No  Yes:

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

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

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

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

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

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

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

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

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

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

No  Yes

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

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

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

No  Yes:

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

No  Yes:

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

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

**Part G: Mapping & Affidavits**

**ALL applications require mapping information to be filed in conjunction with the STM application. Read question 29 A and B to determine what information is required for your application.**

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

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

## Operator's Information:

All Personnel listed below are employed by Utility Partners as Full-Time employees.

### Licensed Operators:

- Licensed operators check their assigned facilities on a schedule dedicated to the permit of the site.
- The licensed operator will run any process control, check residuals, pressure, housekeeping, maintenance, or necessary adjustments to keep the facility within compliance.
- If the scope of work is questionable, an immediate supervisor will be notified for further instruction.

### Operator-In-Training & Field Technician:

- If an Operator-In-Training is utilized, it is strictly when a licensed operator is on-site. No facility checks or adjustments are made by unlicensed personnel.
- If an Operator-In-Training is in the field (non-facility related work) without a licensed operator and happens to come across an issue, they will immediately contact the operator of the facility or an immediate supervisor to report their findings and get a licensed operator on-site to rectify the situation.

### Danny Blatt

Project Manager

A Wastewater License # WW0053382 Expires 7/1/21

A Water License # W00035517 Expires 5/21/21

CSI License # CI0004437 Expires 5/21/21

### John Connell

Assistant Project Manager

B Wastewater License # WW0032974 Expires 7/8/2020

C Ground Water License #WG 0009533 Expires 5/24/2020

### Kenneth Eason

Lead Operator

C Ground Water License # WG0016189 Expires 9/9/2022

### Russell Johnson

Operator

B Wastewater License # WW0060187 Expires 1/23/2022

C Ground Water License # WG0015813 Expires 1/12/2022

Andrew Smith

Field service tech

C Wastewater License # WW0054762 Expires 11/16/2022

Hollis Wayne Hurta

Field service Tech

No TCEQ licenses

Steven Bullard

Technical Advisor

B Surface Water License # WS 0003301 Expires 9/29/20

B Wastewater License # WW0005955 Expires 6/13/22

Bryan Davis

Manager

No TCEQ licenses

Brian Heath

Operator

C Wastewater License # WW0058346 Expires 6/5/2020

C Water License # WG 0016836 Expires 8/16/2020

Ronnie Turner

Operator

A Water License # W0040328 Expires 5/22/2020

C Wastewater License # WW0033539 Expires 5/24/2020

Gerry Millender

C Wastewater License # WW0057807

CDL drives pumper truck

Paul E Baudet

C Water License # WG000214

Danny Donahoe

CDL pumper truck driver

No TCEQ license

**ATTACHMENT 1D**  
**NERRO ASSET & DEPRECIATION SCHEDULE**  
**CONFIDENTIAL**

# CONFIDENTIAL

**DOCKET NO.:** 50960

**STYLE:** Application of Nerro Supply, LLC and Undine Texas, LLC for Sale, Transfer of Facilities and Certificate Rights in Chambers, Harris and Liberty Counties

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment 1D - Nerro Asset & Depreciation Schedule

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 21 to 22

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** August 20, 2020

**ATTACHMENT 1E**

**NERRO SUPPLY, LLC AND NERRO SUPPLY INVESTORS, LLC  
2019 ANNUAL REPORT**

**CONFIDENTIAL**

# CONFIDENTIAL

**DOCKET NO.:** 50960

**STYLE:** Application of Nerro Supply, LLC and Undine Texas, LLC for Sale, Transfer of Facilities and Certificate Rights in Chambers, Harris and Liberty Counties

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment 1E – Nerro Supply, LLC and Nerro Supply Investors, LLC 2019 Annual Report

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 24 to 40

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** August 20, 2020



**ATTACHMENT 1F**  
**CERTIFICATE OF ACCOUNT STATUS**



### Franchise Tax Account Status

As of : 07/23/2020 12:54:52

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

#### UNDINE TEXAS, LLC

**Texas Taxpayer Number** 32058916225

**Mailing Address** 17681 TELGE RD CYPRESS, TX 77429-7080

**Right to Transact Business in Texas** ACTIVE

**State of Formation** DE

**Effective SOS Registration Date** 11/25/2015

**Texas SOS File Number** 0802339329

**Registered Agent Name** CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO

**Registered Office Street Address** 211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

**ATTACHMENT 1G**  
**UNDINE ACTIVE TCEQ VIOLATIONS**

## Undine Active TCEQ Violations

RN Number	Regulated Entity Name	County	Active Violation	Comments
RN101175057	BEAUMONT PLACE	HARRIS	Failure to either remove iron and manganese or demonstrate that the metals can be sequestered so that the discoloration problems they cause do not exist in the distribution system.  Failure to flush all dead-end mains at a monthly interval.	Undine is using blended phosphate to mitigate the iron & manganese. Monthly dead-end main flushing is performed.
RN101256535	BRANDI ESTATES	BRAZORIA	Failure by a retail public utility that possesses a certificate of public convenience and necessity that has reached 85% of its capacity.	engineering and exception requests underway
RN101209054	BRIAR MEADOWS	BRAZORIA	Failure to notify the executive director prior to making any significant change or addition to the system's treatment facilities.	Documentation emailed to TCEQ 10/23/2019, 10/25/2019, and 7/23/2020
RN101259596	BUFFALO CREEK	JOHNSON	Failure to calibrate the meter on well #2. C1. Minor	Resolved per tceq central registry
RN101241081	CASTLEWOOD SUBDIVISION	HARRIS	Failure to maintain all water storage facilities in a watertight condition.  Failure to provide a minimum pressure of 35 psi throughout the distribution system under normal operating conditions.  The public water system's operating records must be accessible for review during inspections and be available to the executive director upon request.	New GST installed  New booster pumps installed  Records available upon review
RN101270312	COUNTRY ACRE ESTATES	BRAZORIA	Failure to protect Well No. 1, Source ID No. 0200274A with an intruder resistant fence with a locked gate or a locked, ventilated well house to exclude possible contamination or damage to the facility by trespassers.  Failure to protect Well No. 1, Source ID No. 0200274A with an intruder resistant fence with a locked gate or a locked, ventilated well house to exclude possible contamination or damage to the facility by trespassers.  Failure to have all electrical wiring installed in conduit near Well No. 1, Source ID No. G0200274A.  Failure to maintain copies of well completion data on file for as long as the well remains in service.  Failure to maintain accurate and up-to-date detailed as-built plans or record drawings and specifications for each treatment plant, pump station, and storage tank at the public water system until the facility is decommissioned.	new fence  new fence  new pumphouse and electrical  engineering and exception requests underway  as-built submitted 8/4/2020
RN1012679842	CROWLEY II ACRE SUBDIVISION	JOHNSON	Failure to provide a minimum pressure of 35 psi throughout the distribution system under normal operating conditions. C4, Minor (3)(D)	Repair leaks and remove illegal connections
RN101192078	DEMI JOHN I S WATER SYSTEM	BRAZORIA	TTHM LRAA MCL 3Q2019 - During the 3rd quarter of 2019 the system violated the maximum contaminant level for trihalomethanes with a LRAA of 0.119 mg/L at 25 Trout LN (DBP2-01).  TTHM LRAA MCL 4Q2019 - During the 4th quarter of 2019 the system violated the maximum contaminant level for trihalomethanes with a LRAA of 0.123 mg/L at 25 Trout LN (DBP2-01).  TTHM LRAA MCL 1Q2020 - During the 1st quarter of 2020 the system violated the maximum contaminant level for trihalomethanes with a LRAA of 0.094 mg/L at 25 Trout LN (DBP2-01).	TTHM Levels below MCL for last three quarters 4Q2019, 1Q2020, 2Q2020  -  -
RN101190361	DEMI JOHN PLACE WATER SYSTEM	BRAZORIA	Failure to provide documentation of a sample tap for treated water on the ground storage tank (Plant 1) and pressure tank (Plant 2).  Failure to provide documentation of a sample tap for treated water on the ground storage tank (Plant 1) and pressure tank (Plant 2).  Failure to comply with the requirements established by the executive director to submit bacteriological samples from raw water sources.  Failure to comply with the requirements established by the executive director to submit bacteriological samples from raw water sources.  Failure to maintain well completion data for Well Number 1 (G0200185A) and Well Number 2 (G0200185B).  Failure to maintain accurate and up-to-date as-built plans for the water system.	Documentation submitted to TCEQ 4/16/2020  *  Raw samples scheduled for monthly collection  *  engineering and exception requests underway  engineering and exception requests underway
RN101275287	GREENGATE ACRES SUBDIVISION	HARRIS	Failure to comply with the site-specific requirements for a public water system which has been granted an exception to a regulatory requirement.  Failure to design the PWS system to afford effective circulation of water with a minimum of dead ends. All dead-end mains shall be provided with acceptable flush valves and discharge piping.	Raw samples scheduled for monthly collection  Review mapping and dead-end mains with valves
RN101204303	HEATHERGATE ESTATES	HARRIS	Failure of a system that uses groundwater or purchased water sources only and serves fewer than 250 connections and fewer than 750 people daily to monitor the distribution chlorine residual from various locations within the distribution system every seven days.	Residuals scheduled for collection every seven days
RN101251627	HIGHLAND MOBILE HOME SUBDIVISION	HARRIS	Failure to have an accurate and up-to-date map of the distribution system so that valves and mains can be easily located during emergencies.  Failure to include the public water system's Sample Siting Plan as part of the monitoring plan.	Review mapping and dead-end mains with valves  submitted to TCEQ 6/12/2020
RN101257301	HIGHLAND RIDGE SUBDIVISION	HARRIS	Failure to have an accurate and up-to-date map of the distribution system so that valves and mains can be easily located during emergencies.  Failure to collect a distribution residual at least every seven days.	Review mapping and dead-end mains with valves  Residuals scheduled for collection every seven days

RN101280105	JOHN DAME	JOHNSON	Failure to provide a minimum production capacity of 0.6 gallons per minute (gpm) per connection. EIC C7 Min(3)(D)	Capital Project
RN101230100	JOY VILLAGE	MONTGOMERY	Failure to comply with the site-specific requirements for a public water system which has been granted an exception to a regulatory requirement. Failure to provide water system operating records during inspections.	Raw samples scheduled for monthly collection Records available upon review
RN101225456	LEE RIDGE SUBDIVISION	BRAZORIA	Failure to maintain the well completion data for Well Number 1 (G0200506A) in violation of 30 TAC §290.46(n)(3). Failure to notify the executive director in writing of the addition of treatment chemicals. Failure to provide all pressure tanks with a pressure release device and an easily readable pressure gauge.	engineering and exception requests underway engineering as-builts underway, including polyphosphate scheduled construction August 2020
RN101231975	MEADOWLAKE ESTATES	HARRIS	Failure to comply with the site-specific requirements for a public water system which has been granted an exception to a regulatory requirement.	Collecting monthly raw samples as of April 2020
RN101236081	MOORELAND SUBDIVISION WATER SYSTEM	BRAZORIA	Failure to maintain an accurate and up-to-date map of the distribution system with mains and valves Failure to maintain copies of the well completion data as defined in §290.41(c)(3)(A) for as long as each well remains in service.	Review mapping and dead-end mains with valves engineering and exception requests underway
RN101209922	RESERVOIR ACRES SUBDIVISION	HARRIS	Failure to notify the executive director prior to making any significant changes to the storage facilities.	engineering plans submitted to TCEQ for approval
RN101256857	RIVERSIDE ESTATES	BRAZORIA	Failure to notify the executive director prior to making any significant changes in the pressure maintenance facilities.  Failure to maintain copies of all well completion data for each well for as long as the well remains in service. Failure to conduct interior and exterior inspections of the ground storage and pressure tanks.	approval letter received from TCEQ regarding booster pumps 4-24-2020 engineering and exception requests underway scheduled for capital project and after Covid-19 subsides as it requires an outage
RN101180693	ROSHARON ROAD ESTATES SUBDIVISION	BRAZORIA	Failure to develop and maintain an up to date system monitoring plan.	Monitoring Plan will be updated by 9/1/2020
RN101224541	SNUG HARBOR SUBDIVISION	BRAZORIA	Failure to inspect the interior of a pressure tank at least once every five years.	scheduled after Covid-19 subsides as it requires an outage
RN101252542	SPRING FOREST SUBDIVISION	MONTGOMERY	Failure to monitor the distribution chlorine residual daily. Failure to comply with the requirements established by the executive director in a granted exception.	Residuals scheduled for daily collection Raw samples scheduled for monthly collection
RN101217552	SPRINGMONT SUBDIVISION	HARRIS	Failure to comply with the requirements established by the executive director in a granted exception.	Raw samples scheduled for monthly collection
RN101279321	SWEETGUM FOREST	MONTGOMERY	Failure to obtain approval by the Executive Director for a physical connection between the distribution system of a public drinking water supply and that of any other water supply. Failure to provide a minimum production capacity of 0.6 gallons per minute (gpm) per connection for purchase water systems.	engineering and approval requests underway engineering and exception requests underway
RN101201127	URBAN ACRES SUBDIVISION	HARRIS	Failure to comply with the established site-specific operation, maintenance, and reporting requirements for systems that have been granted an exception.	Raw samples scheduled for monthly collection
RN101284453	WILCO WATER	BRAZORIA	Failure to provide a housed enclosure for the hypochlorination solution container, to protect it from the adverse weather conditions.	Resolved, new pump house installed

**ATTACHMENT 2**

**HCMUD MAP**



**Maple Leaf Gardens and Oakland Villages Customers' Points of Service  
Harris County**

- Customers Points of Service
- TCEQ PWS Wells
- CCN 12252 - Nerro Supply, LLC - Transfer Area
- Decertify CCN 12252 - Served by West Harris County MUD 11
- Area to Amend / Add
- Overlap - Dual Decertify Portion of HCMUD Inc., CCN 11952



**ATTACHMENT 3**  
**CITY OF OLD WIN-FREE LETTER**





August 6, 2020

City of Old River Winfree  
4818 N FM 565 Road  
Old River-Winfree, TX 77523

Re: Transfer of Water Utilities to Undine Texas, LLC

Dear Linda Murphy:

As we discussed, Undine Texas Environmental, LLC is in the process of acquiring certain wastewater utility assets from Nerro Supply, LLC. Because the sale involves wastewater utility assets, the Public Utility Commission of Texas has a regulatory oversight role in the transaction. One of the items the PUC has requested regarding the transaction is confirmation from the City of Old River-Winfree that it understands that the transfer involves a water utility service area that overlaps with a portion of the City, as reflected on the attached map, and that the City consents to the overlap. If you do consent to the overlap, please confirm with your signature below. We appreciate your assistance and cooperation in this matter, and please do not hesitate to contact me if you have any further questions.

Sincerely,

Carey Thomas  
Sr. Vice President

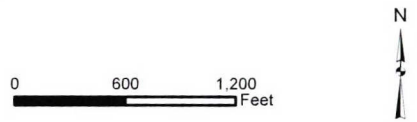
By my signature below, the City of Old River-Winfree hereby consents to the overlap reflected in the Application of Nerro Supply, LLC and Undine Texas Environmental, LLC for Sale, Transfer of Facilities and Certificate Rights in Chambers, Harris and Liberty Counties (PUC Docket No. 50961).

Signature:   
Name: Joe Landry  
Title: Mayor  
Date: 8-10-20



**Woodland Acres Customers' Points of Service in Chambers and Liberty Counties - Sewer**

- Customers Points of Service - Woodland Acres
- Area to Amend / Add
- Decertify Portion of CCN 12252 - incorrect location, no customers
- Overlap- Decertify Portion of Gulf Coast Waste Authority, CCN 20465



Map by: S. Burt, ASBGI  
 Date: June 3, 2020  
 Base: Chambers Land Parcels, Liberty Land Parcels  
 Project: Sewer Woodland Acres Customers POS