



Control Number: 50961



Item Number: 1

Addendum StartPage: 0



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

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

Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
 - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
 - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
 - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.)

- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. **Application is not accepted for filing.**
 - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. **Application is accepted for filing.**

- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.

HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

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

Who is required to use this form?

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

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility



Application Summary

Transferor: Nerro Supply, LLC

(selling entity)

CCN No.s: 20366

- Sale
 Transfer
 Merger
 Consolidation
 Lease/Rental

Transferee: Undine Texas Environmental, LLC

(acquiring entity)

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

- Water
 Sewer
 All CCN
 Portion CCN
 Facilities transfer

County(ies): Chambers, Harris

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Please mark the items included in this filing

- | | |
|--|-----------------------------------|
| <input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement | Part A: Question 1 |
| <input checked="" type="checkbox"/> Tariff including Rate Schedule | Part B: Question 4 |
| <input checked="" type="checkbox"/> List of Customer Deposits | Part B: Question 5 |
| <input checked="" type="checkbox"/> Partnership Agreement | Part C: Question 7 |
| <input type="checkbox"/> Articles of Incorporation and By-Laws (WSC) | Part C: Question 7 |
| <input checked="" type="checkbox"/> Certificate of Account Status | Part C: Question 7 |
| <input type="checkbox"/> Financial Audit | Part C: Question 10 |
| <input type="checkbox"/> Application Attachment A & B | Part C: Question 10 |
| <input type="checkbox"/> Disclosure of Affiliated Interests | Part C: Question 10 |
| <input type="checkbox"/> Capital Improvement Plan | Part C: Question 10 |
| <input checked="" type="checkbox"/> List of Assets to be Transferred | Part D: 11.B |
| <input type="checkbox"/> Developer Contribution Contracts or Agreements | Part D: 11.D |
| <input type="checkbox"/> Enforcement Action Correspondence | Part E: Question 18 (Part D: Q12) |
| <input checked="" type="checkbox"/> TCEQ Compliance Correspondence | Part F: Question 22 |
| <input type="checkbox"/> TCEQ Engineering Approvals | Part F: Question 24 |
| <input type="checkbox"/> Purchased Water Supply or Treatment Agreement | Part F: Question 26 |
| <input checked="" type="checkbox"/> Detailed (large scale) Map | Part G: Question 29 |
| <input checked="" type="checkbox"/> General Location (small scale) Map | Part G: Question 29 |
| <input checked="" type="checkbox"/> Digital Mapping Data | Part G: Question 29 |
| <input checked="" type="checkbox"/> Signed & Notarized Oath | Page 13-14 |

Part A: General Information

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

Undine Texas Environmental, LLC will purchase all utility assets listed in Attachment 'A' as defined in the Letter of Intent to Nerro Supply, LLC and transfer them to CCN 20816.

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: November 12, 2013

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

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

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

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

- There are no customers that will be transferred
- # of customers without deposits held by the transferor _____
- # of customers with deposits held by the transferor* _____

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

Part C: Transferee Information

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

6. A. Name: Undine Texas Environmental, LLC
(individual, corporation, or other legal entity)
 Individual Corporation WSC Other: LLC

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

Phone: (713) 574-5953 Email: info@undinellc.com

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

Name: Carey A. Thomas Title: Senior Vice President

Address: 17681 Telge Road, Cypress, Texas 77429

Phone: (713) 574-5953 Email: cthomas@undinellc.com

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

- No Yes N/A

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

- No Yes N/A

7. The legal status of the transferee is:

- Individual or sole proprietorship
- Partnership or limited partnership (*attach* Partnership agreement)
- Corporation |
Charter number (as recorded with the Texas Secretary of State): _____

- Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____
 Articles of Incorporation and By-Laws established (*attach*)

- Municipally-owned utility
- District (MUD, SUD, WCID, FWSD, etc.)

County

Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)

Other (please explain): LLC, LLC Agreement attached

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

Name: _____

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

Name: Confidential - Please see Attachment 'C'

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

Address: _____

Phone: _____ Email: _____

Name: _____

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

Address: _____

Phone: _____ Email: _____

Name: _____

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

Address: _____

Phone: _____ Email: _____

Name: _____

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

Address: _____

Phone: _____ Email: _____

10. **Financial Information**

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

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

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

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

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

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: \$ _____

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

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

No Yes N/A

Total Original Cost of Plant in Service: \$ _____

Accumulated Depreciation: \$ _____

Net Book Value: \$ _____

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

No Yes

Total Customer CIAC: \$ _____

Accumulated Amortization: \$ _____

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

No Yes

Total developer CIAC: \$ _____

Accumulated Amortization: \$ _____

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

No Yes

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

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

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

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

Utility Plant in Service: \$ _____
Accumulated Depreciation of Plant: \$ _____
Cash: \$ _____
Notes Payable: \$ _____
Mortgage Payable: \$ _____
(Proposed) Acquisition Adjustment*: \$ _____
*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)
Other (NARUC account name & No.): _____
Other (NARUC account name & No.): _____

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

There will be no changes to billing rates.

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

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

Part E: CCN Obtain or Amend Criteria Considerations

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

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

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

Please see Attachment 'E'

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

No Yes

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

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

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

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

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

Please See Attachment 'E'

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

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

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

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

Name of PWS: _____

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

Subdivisions served: _____

B. For Sewer service:

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

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

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

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

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

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

No Yes

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

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

C. Is there a moratorium on new connections?

No Yes:

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

No Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

Capacity is purchased from: _____

Water: _____

Sewer: _____

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

No Yes

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

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

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

No Yes:

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

No Yes:

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

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

Part 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.

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

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

B. For applications that are requesting to include area not currently within a CCN, or for applications that require a CCN amendment (any change in a CCN boundary), such as the transfer of only a portion of a certificated service area, provide the following mapping information with each of the seven (7) copies of the application:

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

Part H: Notice Information

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

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

The total acreage of the requested area is approximately: _____

Number of customer connections in the requested area: _____

Affected subdivision : Please See Attachment 'H'

The closest city or town: _____

Approximate mileage to closest city or town center: _____

Direction to closest city or town: _____

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

on the East by: _____

on the South by: _____

on the West by: _____

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

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

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

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

higher monthly bill lower monthly bill

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

higher monthly bill lower monthly bill

Oath for Transferor (Transferring Entity)

STATE OF Texas
COUNTY OF Harris

I, GREGORY P. PAPPAS being duly sworn, file this application for sale, transfer,
merger, consolidation, acquisition, lease, or rental, as CHAIRMAN
(owner, member of partnership, title as officer of corporation, or authorized representative)

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

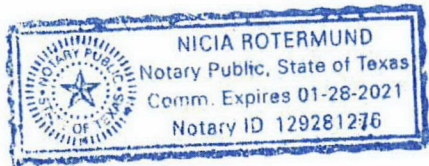
I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Texas Water Code § 13.301(j) and copies of any outstanding enforcement Orders of the Texas Commission on Environmental Quality, the Public Utility Commission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

[Signature]
AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas
this day the 17 of June, 20 20

SEAL



Nicia Rotermund
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS
Nicia Rotermund
PRINT OR TYPE NAME OF NOTARY

My commission expires: January 28, 2021

Oath for Transferee (Acquiring Entity)

STATE OF Texas

COUNTY OF Harris

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

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

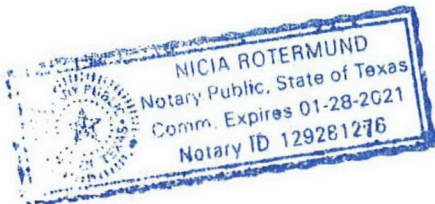
I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney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

Carcy A. Thomas
AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas
this day the 18th of June, 20 20

SEAL



Nicia Rotermund
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Nicia Rotermund
PRINT OR TYPE NAME OF NOTARY

My commission expires: January 28, 2021

Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)

(Audited financial statements may be substituted for this schedule – see Item 17 of the instructions)

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Other						
A. Total Current Assets						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
B. Total Fixed Assets						
C. TOTAL Assets (A + B)						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities						
LONG TERM LIABILITIES						
Notes Payable, Long-term						
Other						
E. Total Long Term Liabilities						
F. TOTAL LIABILITIES (D + E)						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
G. TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES+EQUITY (F + G) = C						
WORKING CAPITAL (A – D)						
CURRENT RATIO (A / D)						
DEBT TO EQUITY RATIO (E / G)						

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

HISTORICAL NET INCOME INFORMATION

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

HISTORICAL EXPENSE INFORMATION (ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries & Benefits–Office/Management						
Office (services, rentals, supplies, electricity)						
Contract Labor						
Transportation						
Insurance						
Telephone						
Utilities						
Property Taxes						
Professional Services/Fees (recurring)						
Regulatory- other						
Other (describe)						
Interest						
Other						
Total General Admin. Expenses (G&A)						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONS & MAINTENANCE EXPENSES						
Salaries & Benefits (Employee, Management)						
Materials & Supplies						
Utilities Expense-office						
Contract Labor						
Transportation Expense						
Depreciation Expense						
Other(describe)						
Total Operational Expenses (O&M)						
Total Expense (Total G&A + O&M)						
Historical % Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
Interest Rate/Terms						
Depreciation Schedule (attach)						
Other assumptions/information (List all)						

Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
A. Total Current Assets						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
B. Total Fixed Assets						
C. TOTAL Assets (A + B)						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities						
LONG TERM LIABILITIES						
Notes Payable, Long-term						
Other						
E. Total Long Term Liabilities						
F. TOTAL LIABILITIES (D + E)						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
G. TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES+EQUITY (F + G) = C						
WORKING CAPITAL (A – D)						
CURRENT RATIO (A / D)						
DEBT TO EQUITY RATIO (F / G)						

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

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

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

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

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

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Part F: Question 22

Inspection Reports for Each System

Attachment 'L'

Part F: Question 28

Confidential

Operators Information

Attachment 'M'

Part G

CCN Maps to be Transferred with this Application

Attachment 'N'

Part H

CCN Descriptions

Attachment 'O'

Wastewater Permits and Transfer Applications

Attachment 'A'

CCN Number, Subdivision Name, RN Number

Nerro Supply, LLC - Sewer Company Information

Maple Leaf Gardens

CN 603827353
CCN 20366
RN 102361458
EPA ID TX0085821
Discharge Permit No WQ0012342001
Subdivision Maple Leaf Gardens
County Harris

Active Connections

137

Woodland Acres

CN 603827353
CCN 20366
RN 101613479
EPA ID TX0068926
Discharge Permit No WQ0011720001
Subdivision Woodland Acres
County Chambers

Active Connections

222

359

Attachment 'B'

Part A: Question 1

Confidential

Letter of Intent

CONFIDENTIAL

DOCKET NO.:

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

SUBMITTING PARTY: Undine Texas Environmental, LLC

BRIEF DESCRIPTION OF CONTENTS: Exhibit B – Letter of Intent

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 26 to 30

ENVELOPE #: 1 OF 1

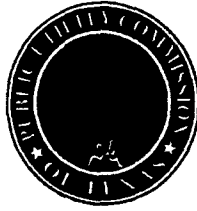
ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: June 19, 2020

Attachment 'C'

Part B: Question 4

Current Tariff



SEWER UTILITY TARIFF
Docket Number: 48532

Nerro Supply, LLC
(Utility Name)

5900 Westview Dr.
(Business Address)

Houston, Texas 77055-5418
(City, State, Zip Code)

(281) 355-1312
(Area Code/Telephone)

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

20366

This tariff is effective in the following counties:

Chambers, Harris, Liberty, and Walker

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

None

This tariff is effective in the following subdivision:

See attached list

TABLE OF CONTENTS

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

SECTION 1.0 - RATE SCHEDULE	2
SECTION 2.0 - SERVICE RULES AND POLICES	4
SECTION 3.0 - EXTENSION POLICY	9

APPENDIX A: SAMPLE SERVICE AGREEMENT

Nerro Supply, LLC		
*Bayridge Subdivision	WQ 0013643-001	Chambers
Greens Bayou Fabrication Yard	WQ 0003792-000	Harris
Maple Leaf Gardens	WQ 12342-001	Harris
*Oaks at Houston Point	WQ 0013643-001	Chambers
*Sunflower Subdivision	WQ 0013643-001	Chambers
Wildwood Shores	WQ 0014154-001	Walker
Woodland Acres	WQ 117250-001	Chambers

* Entirely within the City of Beach City

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$36.15</u> (Includes 0 gallons)	<u>\$2.00</u> per 1,000 gallons
1½"	<u>\$90.38</u>	
2"	<u>\$180.75</u>	
3"	<u>\$289.20</u>	
4"	<u>\$903.75</u>	

Gallage charges are determined based on average consumption for winter period which includes the following months: December, January, and February.

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

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

Phone Payment Fee*: A fee of five percent (5%) of the amount paid will be charged for all phone payments.

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

Section 1.02 - Miscellaneous Fees

TAP FEE (Residential).....Actual Cost
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION 5/8" or ¾" METER.

NON-RESIDENTIAL TAP FEE (Large Connection Tap).....Actual Cost
 TAP FEE IS THE BASED ON THE AVERAGE OF THE UTILITY'S COST FOR MATERIALS AND LABOR FOR NON-RESIDENTIAL CONNECTIONS.

RECONNECTION FEE

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

- a) Non-payment of bill (Maximum \$25.00)\$25.00
- b) Customer's request that service be disconnected.....\$50.00

TRANSFER FEE.....\$50.00
 THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

RETURNED CHECK CHARGE	<u>\$30.00</u>
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.	
CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....	<u>\$50.00</u>
COMMERCIAL & NON-RESIDENTIAL	<u>1/6TH OF ESTIMATED ANNUAL BILL</u>

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules relating to sewer utilities available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the commission rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with the commission rules.

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

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

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

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the commission or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property (ies) is (are) located.

Fees in addition to the regular tap fee may be charged to cover unique costs not normally incurred as permitted by § 24.163(a)(1)(C) if they are listed on this approved tariff. For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the tap location to the place of consumption. Customers will not be allowed to use the utility's cutoff.

Section 2.06 Access to Customer's Premises

All customers or service applicants shall provide access to utility cutoffs at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.07 - Back Flow Prevention Devices

No water connection shall be made to any establishment where an actual or potential contamination or system hazard exists without an approved air gap or mechanical backflow prevention assembly. The back flow assembly shall be tested upon installation by a recognized prevention assembly tester and certified to be operating within specifications. Back flow prevention assemblies which are installed to provide protection against high health hazards must be tested and certified to be operating within specifications at least annually by a recognized back flow prevention device tester. The maintenance and testing of the back flow assembly shall occur at the customer's expense.

Section 2.10 - Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill

Each bill will provide all information required by the commission rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

(D) Prorated Bills

If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.11- Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Section 2.12 - Service Disconnection

(A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the commission rules.

(B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the commission rules.

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

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

Section 2.14 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain and operate production, treatment, storage, transmission, and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the Texas Commission on Environmental Quality (TCEQ). Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ's rules.

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the commission's complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Section 2.17 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges: No Contributions in Aid of Construction may be required of any customer except as provided for in this approved extension policy.

SECTION 3.0 – EXTENSION POLICY

The utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the utility and the applicant, in compliance with commission rules and policies, and upon extension of the utility's certified service area boundaries by the commission.

The applicant for service will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility is not required to extend service to any applicant outside of its certificated service area and will only do so under terms and conditions mutually agreeable to the utility and the applicant, in compliance with commission rules and policies, and upon extension of the utility's certificated service area boundaries by the commission.

Section 3.02 – Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

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

Exceptions may be granted by the PUC if:

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within those corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

If an exception is granted, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

SECTION 3.0 – EXTENSION POLICY (Continued)

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

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

Section 3.03 – Contribution in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, collection, transmission, pumping, or treatment of sewage or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.163(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge will be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria.

As provided by 16 TAC § 24.161(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.

SECTION 3.0 – EXTENSION POLICY (Continued)

- For purposes of this section, a manufactured housing rental community can only be charged by standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 – Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 – Extension Policy of this tariff shall be subject to appeal as provided in this tariff, commission rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the commission or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property (ies) is (are) located.

Section 3.05 – Applying for Service

The utility will provide a written service application form to the applicant for each request for service received by the utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the utility's nearest service main with adequate capacity to service the applicant's full potential service demand.

Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the utility. If no agreement on location can be made, the applicant may refer the matter to the commission for resolution.

SECTION 3.0 – EXTENSION POLICY (Continued)

Section 3.06 – Qualified Service Applicant

A “qualified service applicant” is an applicant who has”: (1) met all of the utility’s requirements for service contained in this tariff, commission rules and/or order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by commission rules once the applicant has met all conditions precedent to achieving “qualified service applicant” status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The commission service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by commission rules.

Section 3.07 – Developer Requirements

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

APPENDIX A -- SAMPLE SERVICE AGREEMENT
From TCEQ Rules, 30 TAC Chapter 290.47(b), Appendix B
SERVICE AGREEMENT

- I. **PURPOSE.** The NAME OF SEWER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF SEWER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the sewer system will not re-establish service unless it has a signed copy of this agreement.
- II. **RESTRICTIONS.** The following unacceptable practices are prohibited by State regulations.
- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
 - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
 - C. No connection which allows water to be returned to the public drinking water supply is permitted.
 - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
 - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the NAME OF SEWER SYSTEM (the Sewer System) and NAME OF CUSTOMER (the Customer).
- A. The Sewer System will maintain a copy of this agreement as long as the Customer and/or the premises are connected to the Sewer System.
 - B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Sewer System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Sewer System's normal business hours.
 - C. The Sewer System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic re-inspection.
 - D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
 - E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Sewer System. Copies of all testing and maintenance records shall be provided to the Sewer System.
- IV. **ENFORCEMENT.** If the Customer fails to comply with the terms of the Service Agreement, the Sewer System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

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

Attachment 'D'

Part B: Question 5

Confidential

Customer Name, Address and Deposit Information

CONFIDENTIAL

DOCKET NO.:

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

SUBMITTING PARTY: Undine Texas Environmental, LLC

BRIEF DESCRIPTION OF CONTENTS: Exhibit D – Customer Name, Address and Deposit Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 48 to 54

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: June 19, 2020

Attachment 'E'

Part C: Question 7

Confidential

Limited Liability Company Agreement Undine Texas
Environmental, LLC and Organizational Chart

CONFIDENTIAL

DOCKET NO.:

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

SUBMITTING PARTY: Undine Texas Environmental, LLC

BRIEF DESCRIPTION OF CONTENTS: Exhibit E – Limited Liability Company Agreement Undine Texas Environmental, LLC and Organizational Chart

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 56 to 61

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: June 19, 2020

Attachment 'F'

Part C: Question 7

Certificates of Account Status

The legal name of the seller party is Nerro Supply, LLC. It does not conduct business under an assumed name.

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

The seller party, Nerro Supply, LLC, operates as a domestic limited liability company. The business was formed on February 7, 2011.

The buyer party, Undine Texas Environmental, LLC, operates as a domestic limited liability company. The business was formed on April 15, 2013.

Nerro Supply, LLC is wholly owned by BlackSwan Water Resources, LLC. The Primary business of BlackSwan Water Resources, LLC is owning and operating water and wastewater utilities.

Undine, LLC is the Sole Member of Undine Texas, LLC which is the Sole Member of buyer Undine Texas Environmental, LLC which was registered on November 25, 2015. The Primary business of Undine, LLC is owning and operating water and wastewater utilities.



Office of the Secretary of State

Certificate of Fact

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

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

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



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

David Whitley
Secretary of State

FILED

**In the Office of the
Secretary of State of Texas**

FEB 07 2011

CERTIFICATE OF FORMATION

Corporations Section

OF

NERRO SUPPLY, LLC

This Certificate of Formation of Nerro Supply, LLC (the "Company"), dated as of February 7, 2011, is filed pursuant to Section 3.001 of the Texas Business Organizations Code (the "Code") to form a limited liability company under the Code.

1. **Name.** The name of the Company is Nerro Supply, LLC.
2. **Type of Filing Entity.** The Company is a limited liability company.
3. **Purpose.** The purpose for which the Company is formed is the transaction of any or all lawful purposes for which a limited liability company may be organized under the Code.
4. **Duration.** The period of duration of the Company is perpetual, unless the Company dissolves earlier in accordance with the provisions of its limited liability company agreement.
5. **Registered Office and Registered Agent.** The street address of the initial registered office of the Company is 5900 Westview Drive, Houston, Texas 77055 and the name of the initial registered agent of the Company at such address is Gregory P. Pappas.
6. **Management.** The Company will be managed by a Board of Managers. The names and addresses of the initial Managers of the Company are as follows:

Gregory P. Pappas	5900 Westview Drive Houston, Texas 77055
Shawn O'Brien	5900 Westview Drive Houston, Texas 77055

7. **Actions Without a Meeting.** Any action permitted by the Code to be taken at any meeting of managers or members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the minimum number of managers or members entitled to vote on the action were present and voted. Prompt notice of the taking of any action by managers or members without a meeting by less than all the managers or members shall be given to those managers or members who did not consent in writing to the action.

8. **Liability of Managers and Members.**

(a) To the fullest extent permitted by applicable law, no manager or member of the Company shall be personally liable to the Company or its members for monetary

damages for an act or omission of such manager or member, except that this provision does not eliminate or limit the liability of a manager or member to the extent the manager or member is found liable for (a) a breach of such manager or member's duties to the Company or its members; (b) an act or omission not in good faith that constitutes a breach of duty of such manager or member to the Company or an act or omission that involves intentional misconduct that constitutes a breach of duty of such manager or member to the Company or an act or omission that involves intentional misconduct or a knowing violation of the law; (c) a transaction from which such manager or member received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such manager's or member's office; or (d) an act or omission for which the liability of a manager or member is expressly provided by an applicable statute.

(b) Notwithstanding the foregoing provisions of this Section 8, if the Code is amended after the date of the filing of this Certificate of Formation with the Secretary of State of Texas to authorize action further eliminating or limiting the personal liability of manager or members, then the liability of each manager or member of the Company shall be automatically eliminated or limited to the fullest extent permitted by the Code, as so amended.

(c) Any repeal or amendment of this Section 8, or the adoption of any other provision of this Certificate of Formation inconsistent with this Section 8, by the members of the Company shall be prospective only and shall not adversely affect any limitation on the liability of a manager or member of the Company existing at the time of such repeal, amendment or adoption of an inconsistent provision.

9. **Organizer.** The name and address of the organizer is Mark Hughes, 2211 Norfolk, Suite 1110, Houston, Texas 77098.

10. **Execution.** The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

IN WITNESS WHEREOF, this Certificate of Formation has been executed by the undersigned, as sole organizer of the Company, on February 7, 2011.



Mark Hughes

Attachment 'G'

Part C: Question 9

Confidential

List of the Officers of Undine Texas Environmental, LLC

CONFIDENTIAL

DOCKET NO.:

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

SUBMITTING PARTY: Undine Texas Environmental, LLC

BRIEF DESCRIPTION OF CONTENTS: Exhibit G – List of Officers of Undine Texas Environmental, LLC

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 69 to 69

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: June 19, 2020

Attachment 'H'

Part D

Confidential

Financial Information

CONFIDENTIAL

DOCKET NO.:

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

SUBMITTING PARTY: Undine Texas Environmental, LLC

BRIEF DESCRIPTION OF CONTENTS: Exhibit H – Financial Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 71 to 80

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: June 19, 2020

Attachment 'I'

Part E: Question 17

Evidence of Financial, Managerial and Technical Capabilities

List of Currently Held Utilities

ATTACHMENT "I"
STM FILING UNDINE TEXAS ENVIRONMENTAL, LLC.

Who We Are – Proven Expertise

<u>Name and Title</u>	<u>W&WW Industry Exp.</u>	<u>Summary</u>
Ed Wallace President	<ul style="list-style-type: none"> ▪ 29 years of total experience 	<ul style="list-style-type: none"> ▪ Founded AquaSource in 1996 ▪ Founded Ni America in 2007 ▪ Eight year career with Coopers and Lybrand ▪ Director at Credit Suisse First Boston
Carey Thomas Sr. Vice President	<ul style="list-style-type: none"> ▪ 19 years of total experience 	<ul style="list-style-type: none"> ▪ One of 16 Original Investors at AquaSource ▪ One of 10 Original Investors at Ni America ▪ Former Sr. VP of Administration and HR for AquaSource and Ni America ▪ Overall responsibility for Transition and Administration
Andy Thomas Sr. Vice President	<ul style="list-style-type: none"> ▪ 24 years of total experience 	<ul style="list-style-type: none"> ▪ One of 16 Original Investors at AquaSource ▪ One of 10 Original Investors at Ni America ▪ Former Sr. VP of Capital Projects and Due Diligence for AquaSource and Ni America
Charlie Leibold Chief Accounting Officer	<ul style="list-style-type: none"> ▪ 19 years of total experience 	<ul style="list-style-type: none"> ▪ Director of Due Diligence at AquaSource ▪ 10 year career at Deloitte and Touche
Mike Ashfield Sr. Vice President Acquisitions	<ul style="list-style-type: none"> ▪ 13 years of total experience 	<ul style="list-style-type: none"> ▪ VP Transactions at Ni America ▪ Former Sr. VP of Transactions at AquaSource ▪ Nine year career with Coopers and Lybrand ▪ Coordinated due diligence protocol and administered definitive document negotiations at AquaSource and Ni America
Rick Melcher Manager of Public Relations	<ul style="list-style-type: none"> ▪ 16 years of total experience 	<ul style="list-style-type: none"> ▪ Former Public Relations Manager and Spokesperson for AquaSource and Ni America
Jeff Goebel Manager Business Development	<ul style="list-style-type: none"> ▪ 17 years of total experience 	<ul style="list-style-type: none"> ▪ Project Coordinator for AquaSource ▪ Business Development for Quadvest for 10 years

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

Utility Name	Connection Count
Country Vista	113
Grand Ranch	62
Mayfair	172
Sugartree	104
Angle Acres WWTP	45
Beechwood WWTP	133
Greenshores on Lake Austin	157
Oak Shores WWTP	
Southwood	506
Spring Crossing	1
Bolivar	793

Total Connection Count: 2,086

Attachment 'J'

Part E: Question 21

Utilities Within 2 Miles

SEWER 2-Mile Radius

Undine Texas Environmental, LLC Application to Transfer Nerro Supply, LLC, CCN No. 20366 and Amend to Include Existing Customers in Chambers, Harris and Liberty Counties

Maple Leaf Gardens

Notice List (2 miles):

Sunbelt FWSD (20347)
410 W Gulf Bank Rd
Houston, TX 77037

Aqua Texas Inc. (CCN 21065)
1106 Clayton Ln Suite 400W
Austin, TX 78723

HCMUD Inc. (CCN 20641)
363 N Belt Suite 190
Houston, TX 77060

Reid Road MUD 1 (CCN 20440)
1621 Milam St FL 3
Houston, TX 77002

Trinity @ Windfern LLC (CCN 21088)
31203 Edgewater Dr
Magnolia, TX 77354

City of Houston
PO Box 1562
Houston, TX 77251

Coastal Water Authority
1801 Main St Suite 800
Houston, TX 77002

Cy Fair Community ID – Inactive, No address

Gulf Coast Authority (previously Gulf Coast Waste Disposal Authority)
910 Bay Area Blvd
Texas City, TX 77058

Harris County FCD
9900 Northwest Fwy
Houston, TX 77092

North Harris County Regional Water Authority

c/o Radcliffe Bobbitt Adams Polley PLLC
2929 Allen Pkwy, Suite 3450
Houston, TX 77019

Port of Houston Authority
111 East Loop N
Houston, TX 77029

West Harris County MUD 11
c/o Young & Brooks
10000 Memorial Dr Suite 260
Houston, TX 77024

Emerald Forest UD
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Fwy Suite 2600
Houston, TX 77027

Harris County MUD 220
c/o Smith Murdaugh Little & Bonham LLP
2727 Allen Pkwy Suite 1100
Houston, TX 77019

Harris County MUD 23
c/o Michael A Cole PC
5120 Bayard Ln
Houston, TX 77006

Harris County MUD 25
c/o Young & Brooks
10000 Memorial Dr Suite 260
Houston, TX 77024

Harris County MUD 261
c/o Smith Murdaugh Little & Bonham LLP
2727 Allen Pkwy Suite 1100
Houston, TX 77019

Harris County MUD 366
c/o Smith Murdaugh Little & Bonham LLP
2727 Allen Pkwy Suite 1100
Houston, TX 77019

Harris County MUD 6
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Fwy Suite 2600
Houston, TX 77027

Harris County WCID 133 – Deleted/Dissolved

Northwest Harris County MUD 24
c/o Jonathan A Roach PLLC
2800 Post Oak Blvd Suite 4100
Houston, TX 77056

Northwest Park MUD
c/o Young & Brooks
10000 Memorial Dr Suite 260
Houston, TX 77024

Reid Road MUD 2
2800 Post Oak Blvd Suite 4100
Houston, TX 77056

Rolling Fork PUD
c/o Strawn and Richardson PC
6750 West Loop S Suite 250
Bellaire, TX 77401

West Harris County MUD 1
c/o Young & Brooks
10000 Memorial Dr Suite 260
Houston, TX 77024

West Harris County MUD 10
c/o Young & Brooks
10000 Memorial Dr Suite 260
Houston, TX 77024

West Harris County MUD 11
c/o Young & Brooks
10000 Memorial Dr Suite 260
Houston, TX 77024

West Harris County MUD 21
c/o Young & Brooks
10000 Memorial Dr Suite 260
Houston, TX 77024

West Harris County MUD 9
c/o Bacon & Wallace LLP
6363 Woodway Dr Suite 800
Houston, TX 77057

White Oak Bend MUD
c/o Radcliffe Bobbitt Adams Polley PLLC

2929 Allen Pkwy, Suite 3450
Houston, TX 77019

Windfern Forest UD
c/o Bracewell & Guilianni LLP
711 Louisiana St Suite 2300
Houston, TX 77002

Harris Galveston Coastal Subsidence District
1660 W Bay Area Blvd
Friendswood, TX 77546

Harris County Judge Lina Hidalgo
1001 Preston, Suite 911
Houston, TX 77002

Woodland Acres

Notice List (2 miles):

City of Old River-Winfree
PO Box 1169
Mont Belvieu, TX 77580

Baytown Area Water Authority
7425 Thompson Rd
Baytown, TX 77521

Chambers-Liberty Counties Navigation District
PO Box 518
Anahuac, TX 77514

Coastal Water Authority
1801 Main St Suite 800
Houston, TX 77002

Gulf Coast Authority
910 Bay Area Blvd
Texas City, TX 77058

Trinity River Authority of Texas
PO Box 60
Arlington, TX 76004

Chambers County Judge Jimmy Sylvia
PO Box 939
Anahuac, TX 77514

Liberty County Judge Jay H. Knight
1923 Sam Houston, Room201
Liberty, TX 77575

Attachment 'K'

Part F: Question 22

Inspection Reports for Each System

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

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

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

TCEQ PWS Identification Number: _____ (7 digit ID)

Name of PWS: _____

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

Subdivisions served: _____

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ 0012342-001 (8 digit ID)

Name of Wastewater Facility: Maple Leaf Gardens Wastewater Treatment Facility

Name of Permittee: Nerro Supply, LLC

Date of last TCEQ compliance inspection: 2/29/2020 (attach TCEQ letter)

Subdivisions served: Maple Leaf Gardens

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

Central Registry

The Customer Name displayed may be different than the Customer Name associated to the Additional IDs related to the customer. This name may be different due to ownership changes, legal name changes, or other administrative changes.

Detail of: **Wastewater Permit WQ0012342001**

For: **MAPLE LEAF GARDENS WWTP (RN102361458)**

9530 RUSTLING MAPLE DR, HOUSTON

Permit Status: **ACTIVE**

Held by: **NERRO SUPPLY LLC (CN603827353)** View 'Issued To' History

OWNER Since 03/28/2019 View Compliance History

Mailing Address: 12337 JONES RD STE 320 HOUSTON, TX 77070 -4951

Notice of Violations Current TCEQ Rules

NOV Date	Status	Citation/Requirement Provision	Allegation	Classification	Self Reporting Indicator
02/29/2020	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
11/30/2019	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
09/30/2019	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
08/31/2019	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
09/07/2018	RESOLVED	30 TAC Chapter 319, SubChapter A 319.11(d)	Failed to install the flow measurement device in accordance with the Water Measurement Manual, United States Department of the Interior, Bureau of Reclamation. Specifically, the staff gauge was installed directly on the weir plate, approximately six inches from the v-notch.	MINOR	NO
04/14/2020	RESOLVED	30 TAC Chapter 319, SubChapter	Failed to install	MINOR	NO

		A 319.11(d)	the flow measurement device in accordance with the Water Measurement Manual, United States Department of the Interior, Bureau of Reclamation. Specifically, the staff gauge was installed directly on the weir plate, approximately six inches from the v-notch.		
09/07/2018	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(5)	Failed to ensure that the facility and all its systems of collection, treatment, and disposal are properly operated and maintained. Specifically, the chlorine contact chamber contained seven inches of settled sludge in a nine-foot water depth.	MINOR	NO
04/14/2020	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(5)	Failed to ensure that the facility and all its systems of collection, treatment, and disposal are properly operated and maintained. Specifically, the chlorine contact chamber contained seven inches of settled sludge in a nine-foot water depth.	MINOR	NO
09/07/2018	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(5)	Failed to ensure that the facility and all its systems of collection, treatment, and disposal are properly operated and maintained.	MINOR	NO

			Specifically, the odor control system was not operational.		
04/14/2020	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(5)	Failed to ensure that the facility and all its systems of collection, treatment, and disposal are properly operated and maintained. Specifically, the odor control system was not operational.	MINOR	NO
09/07/2018	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(5)	Failed to maintain the structural integrity of the wastewater treatment plant. Specifically, there is significant rust and corrosion throughout the plant; including but not limited to, holes in the exterior walls of basins.	MODERATE	NO
04/14/2020	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(5)	Failed to maintain the structural integrity of the wastewater treatment plant. Specifically, there is significant rust and corrosion throughout the plant; including but not limited to, holes in the exterior walls of basins.	MODERATE	NO
01/31/2018	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
07/31/2017	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
06/30/2017	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more	MODERATE	YES

			permit parameter		
05/31/2017	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
04/30/2017	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
03/31/2017	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
02/28/2017	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
05/31/2016	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
03/31/2016	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
03/31/2015	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
09/30/2014	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
09/07/2018	RESOLVED	; 2D TWC Chapter 26, SubChapter A 26.121(a)(1) ; 30 TAC Chapter 305, SubChapter F 305.125(1) ; PERMIT Permit Conditions Nos. 2.d and 2.g	Failed to prevent an unauthorized discharge of wastewater into or adjacent to water in the state.	MAJOR	NO
09/07/2018	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(1) ; 30 TAC Chapter 319, SubChapter A 319.7(c) ; PERMIT Monitoring Requirements No. 3.b	Failed to retain monitoring and reporting records at the Facility or make readily available for review by a TCEQ representative.	MINOR	NO
09/07/2018	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(1) ; 30 TAC Chapter 305, SubChapter F 305.125(5) ; PERMIT Operational Requirements No. 1	Failed to ensure that the Facility and all its systems of collection,	MODERATE	NO

			treatment, and disposal are properly operated and maintained.		
--	--	--	---	--	--

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Statewide Links: [Texas.gov](#) | [Texas Homeland Security](#) | [TRAIL Statewide Archive](#) | [Texas Veterans Portal](#)

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

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

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

TCEQ PWS Identification Number: _____ (7 digit ID)

Name of PWS: _____

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

Subdivisions served: _____

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ 0012342-001 (8 digit ID)

Name of Wastewater Facility: Maple Leaf Gardens Wastewater Treatment Facility

Name of Permittee: Nerro Supply, LLC

Date of last TCEQ compliance inspection: 2/29/2020 (attach TCEQ letter)

Subdivisions served: Maple Leaf Gardens

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

[Customer Search](#)[RE Search](#)[ID Search](#)[Document Search](#)[Search Results](#)[Permit Detail](#)[TCEQ Home](#)[Query Home](#)

Central Registry

The Customer Name displayed may be different than the Customer Name associated to the Additional IDs related to the customer. This name may be different due to ownership changes, legal name changes, or other administrative changes.

Detail of: **Wastewater Permit WQ0011720001**

For: **WOODLAND ACRES WWTP (RN101613479)**

LOCATED S OF WOODLAND LN APPROX 1000 FT W OF FM 14

Permit Status: **ACTIVE**

Held by: **NERRO SUPPLY LLC (CN603827353)** View 'Issued To' History

OWNER Since 03/28/2019 View Compliance History

Mailing Address: 12337 JONES RD STE 320 HOUSTON, TX 77070 -4951

Notice of Violations Current TCEQ Rules

NOV Date	Status	Citation/Requirement Provision	Allegation	Classification	Self Reporting Indicator
01/31/2020	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
12/31/2019	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
09/30/2019	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
07/31/2017	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
05/31/2017	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
04/30/2017	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
03/31/2017	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more	MODERATE	YES

			permit parameter		
05/31/2017	ACTIVE	30 TAC Chapter 305, SubChapter F 305.125(5) ; PERMIT WQ0011720001	Failed to maintain the structural integrity of the wastewater treatment plant. Specifically, the metal support beams at the top of the clarifier were deteriorated with rust.	MODERATE	NO
05/31/2017	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(5) ; PERMIT WQ0011720001	Failed to maintain the structural integrity of the wastewater treatment plant. Specifically, the metal steps to the wastewater treatment plant and the metal baffles in the chlorine contact basin were deteriorated with rust.	MODERATE	NO
05/31/2017	ACTIVE	30 TAC Chapter 305, SubChapter F 305.125(5) ; PERMIT WQ0011720001	Failed to maintain the required alarm system.	MODERATE	NO
05/31/2017	ACTIVE	30 TAC Chapter 305, SubChapter F 305.125(5) ; PERMIT WQ0011720001	Failed to properly operate and maintain the facility. Specifically, the chlorine contact basin contained two and a half feet of sludge in a total water depth of nine feet.	MODERATE	NO
05/31/2017	ACTIVE	30 TAC Chapter 305, SubChapter F 305.125(1) ; 30 TAC Chapter 305, SubChapter F 305.125(5) ; PERMIT WQ0011720001	Failure to maintain compliance with the permitted effluent limits. Specifically, the result of the chlorine	MODERATE	NO

			residual analysis was 5.6 mg/L.		
05/31/2017	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(5) ; PERMIT WQ0011720001	Failed to properly maintain the clarifier skimmer wiper.	MODERATE	NO
08/31/2016	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
03/31/2016	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
02/29/2016	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
08/31/2015	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
07/31/2015	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
05/31/2015	ACTIVE	2D TWC Chapter 26, SubChapter A 26.121(a) ; 30 TAC Chapter 305, SubChapter F 305.125(1)	Failure to meet the limit for one or more permit parameter	MODERATE	YES
09/29/2014	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(1) ; PERMIT Other Requirements	Failed to maintain compliance with the Other Requirements of the permit.	MODERATE	NO
09/29/2014	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(5)	Failed to maintain the required number of operational blowers.	MODERATE	NO

Attachment 'L'

Part F: Question 28

Confidential

Operators Information

CONFIDENTIAL

DOCKET NO.:

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

SUBMITTING PARTY: Undine Texas Environmental, LLC

BRIEF DESCRIPTION OF CONTENTS: Exhibit L – Operators Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 104 to 105

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

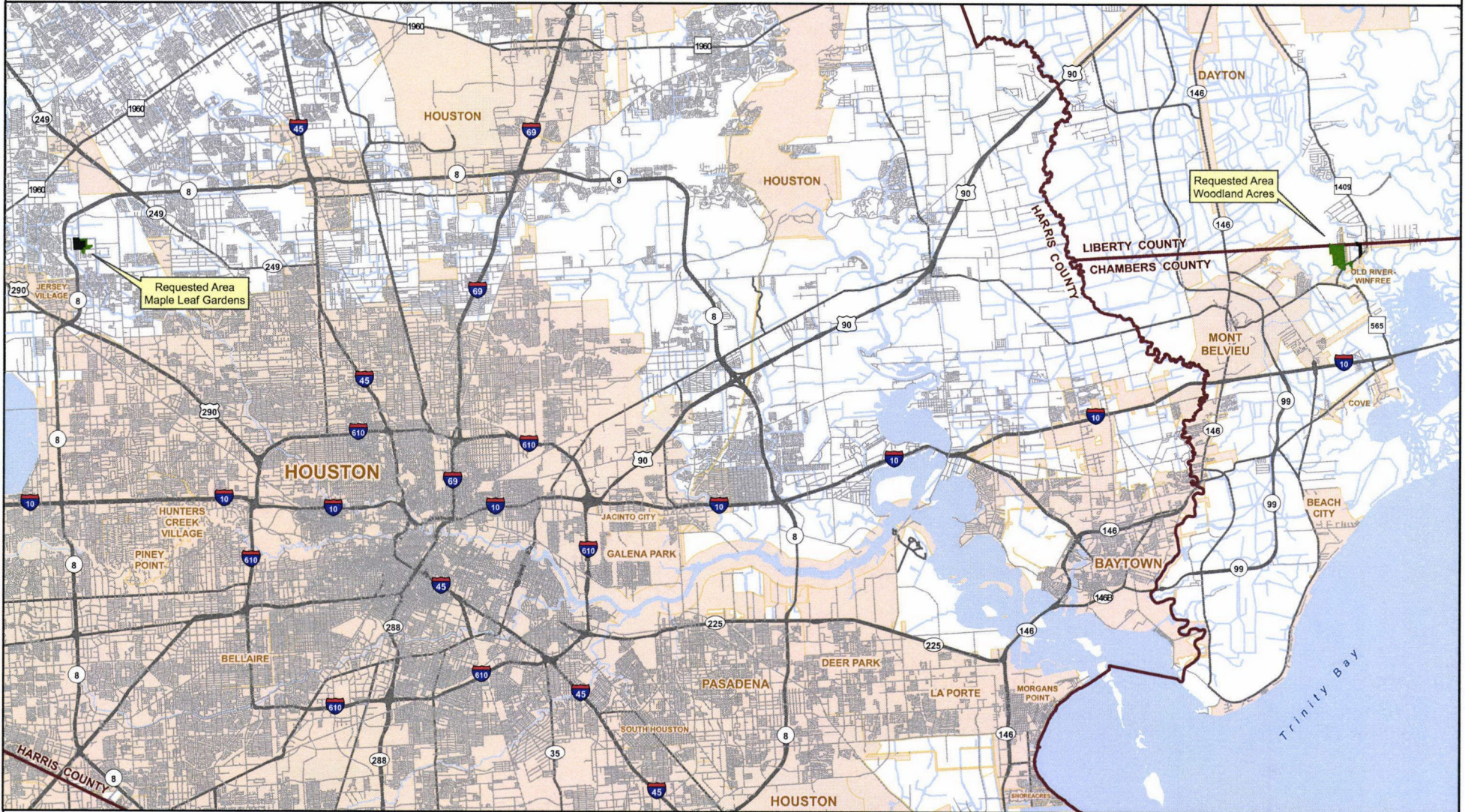
DATE SUBMITTED TO COMMISSION: June 19, 2020

Attachment 'M'

Part G

CCN Maps to be Transferred with this Application

Undine Texas Environmental, LLC
 Application to Transfer Nerro Supply, LLC, CCN No. 20366 to Undine Texas, LLC, CCN No. 20816
 and to Amend CCN to Include Existing Customers and Correct Service Areas
 in Chambers, Harris and Liberty Counties



General Location - Harris, Chambers and Liberty Counties



0 2.5 5
 Miles

1:300,000

Requested Sewer Service Areas to Transfer and Amend

■ CCN 20366 - Nerro Supply, LLC - Transfer Area

■ Area to Amend

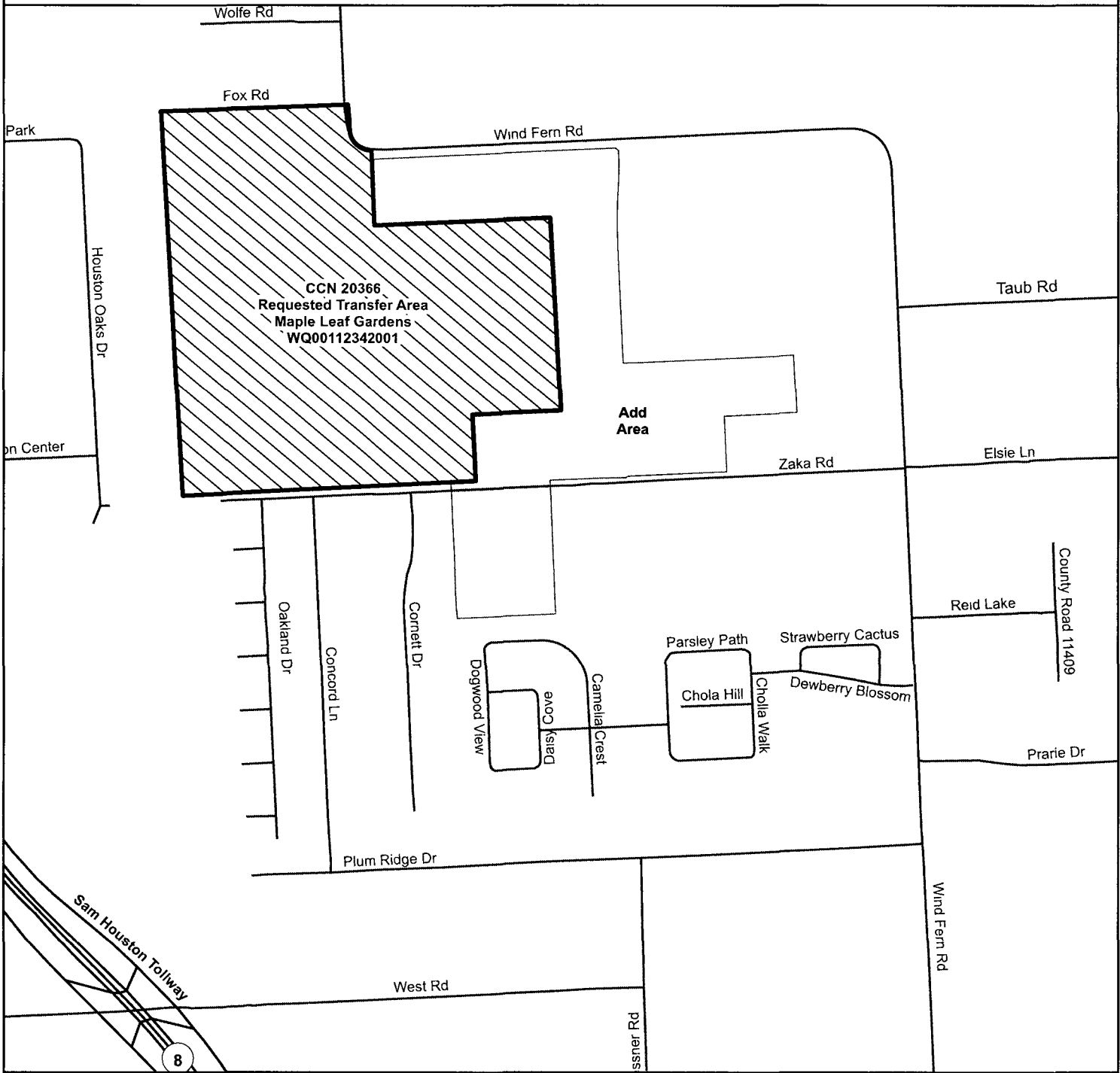
Map by: S. Burt, ASBGI

Date: June 3, 2020

Base: TxDOT Roadways 2015

Project: Sewer General Location Harris and Chambers Counties

Undine Texas Environmental, LLC
 Application to Transfer Nerro Supply, LLC, CCN No. 20366 to Undine Texas Environmental, LLC, CCN No. 20816
 and to Amend CCN to Include Existing Customers and Correct Service Area
 in Chambers, Harris and Liberty Counties

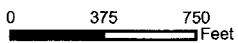


Detail Map - Maple Leaf Gardens in Harris County

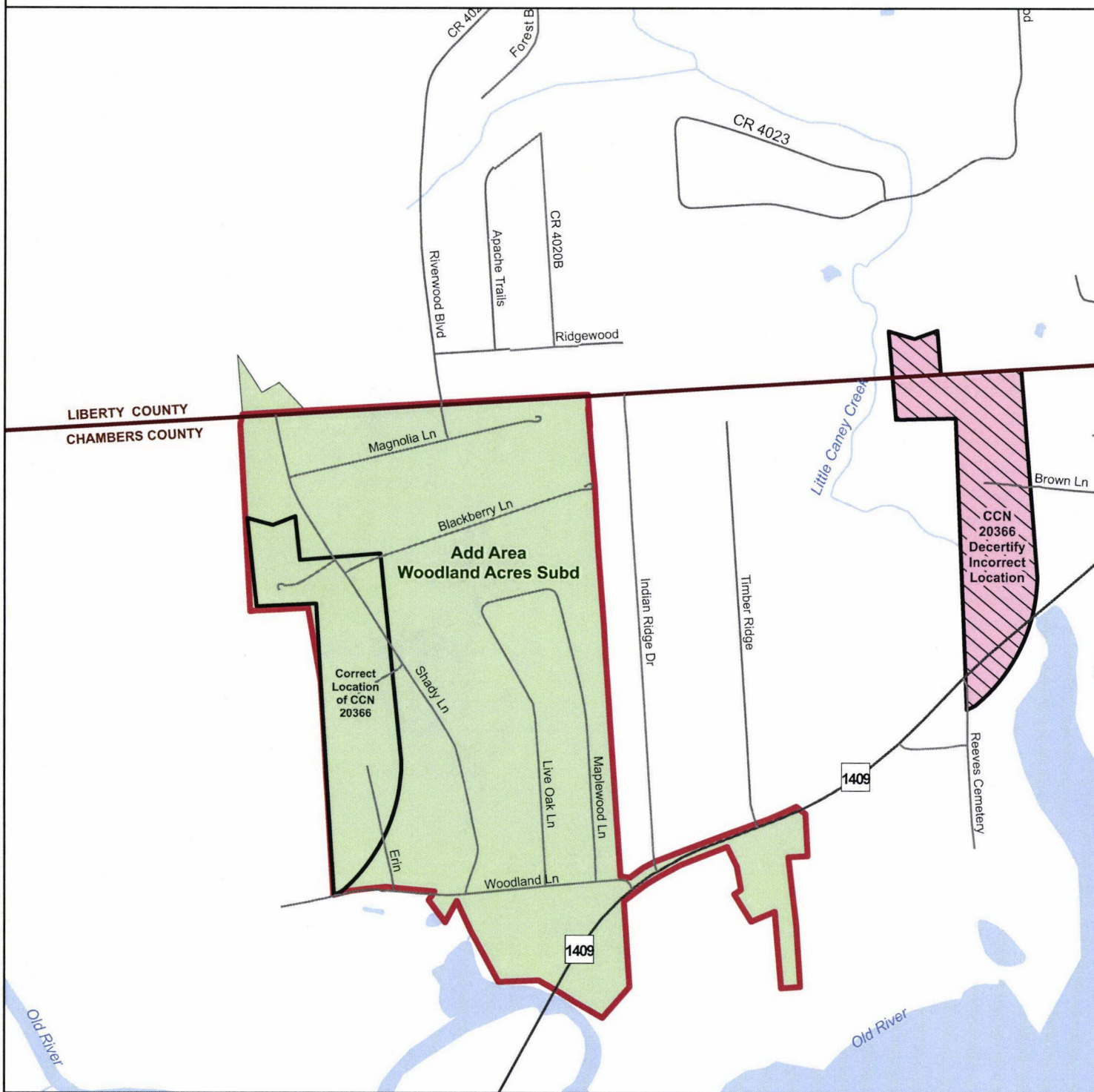


Requested Sewer Service Area to Transfer and Amend

- CCN 20366 - Nerro Supply, LLC - Transfer Area
- Area to Amend / Add



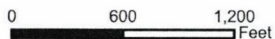
Undine Texas Environmental, LLC
 Application to Transfer Nerro Supply, LLC, CCN No. 20366 to Undine Texas Environmental, LLC, CCN No. 20816
 and to Amend CCN to Include Existing Customers and Correct Service Area
 in Chambers, Harris and Liberty Counties



Detail Map - Woodland Acres in Chambers and Liberty Counties

Requested Water Service Area to Transfer and Amend

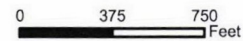
- CCN 20366 - Nerro Supply, LLC
- Decertify Portion of CCN 20366 - incorrect location
- Correct Location of CCN 20366
- Area to Amend / Add
- Overlap - Decertify Portion of Gulf Coast Waste Disposal Authority





**Maple Leaf Gardens Customers' Points of Service - Sewer
Harris County**

- Customers Points' of Service - Maple Leaf Gardens
- CCN 20366 - Nerro Supply, LLC - Transfer Area
- Area to Amend / Add



Map by: S. Burt, ASBGI
 Date: June 3, 2020
 Base: Harris CAD Land Parcels
 Project: Maple Leaf Customers' POS



LIBERTY COUNTY
CHAMBERS COUNTY

Overlap with
Gulf Coast Waste Disposal Authority,
CCN 20465
Request to Decertify CCN 20465

20366
CCN
12252
Decertify
Incorrect
Location

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

Attachment 'N'

Part H

CCN Descriptions

SEWER

Undine Texas Environmental, LLC Application to Transfer Nerro Supply, LLC, CCN No. 20366 and Amend to Include Existing Customers in Chambers, Harris and Liberty Counties

Maple Leaf Gardens

Counties: Harris
City Limits within: None
ETJ within: Houston
CCN overlaps: None
Groundwater Conservation Districts within: Harris Galveston Coastal Subsidence District
Districts overlaps: Coastal Water Authority
Cy Fair Community ID
Gulf Coast Waste Disposal Authority/Gulf Coast Authority
Harris County FCD
North Harris County Regional Water Authority
Port of Houston Authority
West Harris County MUD 11

Notice Description (old format which PUC mapping prefers):

Maple Leaf Gardens– Harris County

The proposed utility service area is located approximately 1.8 miles northeast of downtown Jersey Village, TX, and is generally bounded on the north by Fox Road and Wind Fern Road; on the east by Wind Fern Road; and on the south by Camelia Crest; and on the west by Houston Oaks Drive.

The total are being requested includes approximately 124 acres and 188 current customers.

Transfer Area = approx. 79 acres

Amend Area = approx. 46 acres

Woodland Acres

Counties: Liberty and Chambers
City Limits within: Old River Winfree
ETJ within: Old River Winfree
CCN overlaps: Gulf Coast Waste Disposal Authority (CCN 20465)
Groundwater Conservation Districts within: None
Districts overlaps: Chambers Liberty Counties Navigation District
Coastal Water Authority
Gulf Coast Authority/Gulf Coast Waste Disposal Authority
Trinity River Authority of Texas

Notice Description (old format which PUC mapping prefers):

Woodland Acres – Liberty and Chambers Counties

The proposed utility service area is located approximately within and surrounding Old River Winfree, TX, and is generally bounded on the north by Ridgewood Road; on the east by FM 1409 and Harmon Estates Rd; and on the south by Old River and on the west by 1,500 feet west of Shady Lane.

The total are being requested includes approximately 253 acres and 219 current customers.

Transfer Area = approx. 32 acres

Amend Area = approx. 220 acres

Attachment 'O'

Wastewater Permits and Transfer Applications



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
**APPLICATION TO TRANSFER A WASTEWATER PERMIT
OR CAFO PERMIT**

If you have questions about completing this form please contact the Applications Review and Processing Team at 512-239-4671.

SECTION 1. CURRENT PERMIT INFORMATION

What is the Permit Number? WQ0012342001

What is the EPA I.D. Number? TX 0085821

What is the Current Name on the Permit?

Nerro Supply, LLC

What is the Customer Number (CN) for the current permittee? CN 603827353

What is the Regulated Entity Reference Number (RN): RN 102361458

For Publicly Owned Treatment Works (POTWs) Only:

- a) Does this permit require implementation of an approved pretreatment program by the POTW? Yes No
- b) Does this permit have a domestic reclaimed water authorization associated with it?
NOTE: **The domestic reclaimed water authorization associated with this permit will be cancelled on the same date the transfer took place.** See instructions for more information.
Yes No

SECTION 2. FACILITY OWNER (APPLICANT) INFORMATION

A. What is the Legal Name of the facility owner?

Undine Texas Environmental, LLC

B. What is the Customer Number (CN) issued to this entity? CN 604519330

C. Complete and attach a Core Data Form (TCEQ-10400) for this customer.

SECTION 3. CO-APPLICANT INFORMATION

Complete this section only if another person or entity is required to apply as a co-permittee.

A. What is the Legal Name of the co-applicant applying for this permit?

N/A

B. What is the Customer Number (CN) issued to this entity? CN N/A

C. Complete and attach a Core Data Form (TCEQ-10400) for this customer.

SECTION 4. APPLICATION CONTACT INFORMATION

This is the person TCEQ will contact if additional information is needed about this application.

Application Contact First and Last Name: Jeff Goebel

Title: Mr. Business Development Credentials:

Company Name: Undine Texas Environmental, LLC

Mailing Address: 17681 Telge Rd

City, State, and Zip Code: Cypress, Texas, 77429

Phone Number: 713-574-5953 Fax Number: 713-647-0277

E-mail Address: jgoebel@undinellc.com

SECTION 5. PERMIT CONTACT INFORMATION

This is the person TCEQ will contact if additional information is needed during the term of the permit.

Permit Contact First and Last Name: Carey A Thomas

Title: Sr. Vice President Credentials:

Company Name: Undine Texas Environmental, LLC

Mailing Address: 17681 Telge Rd

City, State, and Zip Code: Cypress, Texas, 77429

Phone Number: 713-574-5953 Fax Number: 713-647-0277

E-mail Address: cthomas@undinellc.com

SECTION 6. SITE INFORMATION

Site Name: Maple Leaf Gardens Wastewater Treatment Facility

SECTION 7. LEASE AND EASEMENT REQUIREMENTS

A. Landowner where the facility is or will be located:

Landowner Name: Undine Texas Environmental, LLC

If this individual is not the same person as the facility owner or co-applicant, attach one of the following documents:

- A lease agreement or deed recorded easement, if the facility is NOT a fixture of the land, or
- A deed recorded easement if the facility IS a fixture of the land.

B. Landowner of the effluent disposal site:

Landowner Name: N/A

If this individual is not the same person as the facility owner or co-applicant, attach a lease agreement.

C. For CAFOs: Attach the following records:

- Warranty Deed or Property Tax Records
- Lease Agreement (for land management units that are not owned by the facility owner or co-applicant)

Facility Size on the proof of ownership, in acres: n/A

SECTION 8. TRANSFER DATE

What is the date that the transfer of operator or ownership will occur? Upon PUC Approval of STM Application

SECTION 9. REPORTING AND BILLING INFORMATION

A. Please identify the individual for receiving the reporting forms.

First and Last Name: Carey A Thomas

Title: Sr. Vice President Credentials:

Company Name: Undine Texas Environmental, LLC

Mailing Address: 17681 Telge Rd

City, State, and Zip Code: Cypress, Texas 77429

Phone Number: 713-574-5953 Fax Number: 713-647-0277

E-mail Address: cthomas@undinellc.com

B. Please identify the individual for receiving the annual fee invoices.

First and Last Name: Carey A Thomas

Title: Sr. Vice President Credentials:

Company Name: Undine Texas Environmental, LLC

Mailing Address: 17681 Telge Rd.

City, State, and Zip Code: Cypress Texas 77429

Phone Number: 713-574-5953 Fax Number: 713-647-0277

E-mail Address: cthomas@undinellc.com

SECTION 10. DELINQUENT FEES OR PENALTIES

Do you owe fees to the TCEQ? Yes No

Do you owe any penalties to the TCEQ? Yes No

If you answered yes to either of the above questions, provide the amount owed, the type of fee or penalty, and an identifying number.

Maple Leaf Gardens

TRANSFEROR SIGNATURE (Current Facility Owner)

I consent to the transfer of the permit and I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. I further certify that I am authorized under 30 Texas Administrative Code Section 305.44 to sign this document and can provide documentation in proof of such authorization upon request.

Facility Owner Name: WEARD SUPPLY, LLC

Title: CHAIRMAN

Signature: [Handwritten Signature] Date: 6/17/2020

SUBSCRIBED AND SWORN to before me by the said Gregory Pappas on this 17 day of June, 20 20

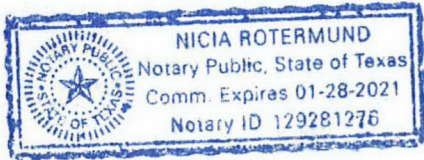
My commission expires on the 28 day of January, 20 21

[Handwritten Signature]

Notary Public
Harris,

County, Texas

(Seal)



TRANSFEROR SIGNATURE (Current Facility Co-Applicant)

Complete if a co-applicant is on the current permit.

I consent to the transfer of the permit and I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. I further certify that I am authorized under 30 Texas Administrative Code Section 305.44 to sign this document and can provide documentation in proof of such authorization upon request.

Facility Co-Applicant Name:

Title:

Signature: _____ Date: _____

SUBSCRIBED AND SWORN to before me by the said _____ on

this _____ day of _____, 20_____

My commission expires on the _____ day of _____, 20_____

(Seal)

Notary Public

County, Texas

TRANSFeree SIGNATURE (New Facility Owner)

I certify that a change of ownership of the facility for the subject permit has been issued will occur as indicated in the application. As a condition of the transfer, I do hereby declare that:

The transferee will be the owner of the existing treatment facility from which wastewater is discharged, deposited or disposed or the facilities required to comply with the permit will be constructed as described in the application considered by the TCEQ prior to the issuance of the permit.

The transferee possesses a copy of the permit, understands the terms and conditions therein, and does accept and assume all obligations of the permit.

The transferee assumes financial responsibility for the proper maintenance and operation of all waste treatment and disposal facilities required by the permit or which may be required to comply with the permit terms and conditions. The transferee certifies that the transfer is not made for the purpose of avoiding liability for improper actions carried out prior to the date of transfer. Neither is the transfer made for the purpose of transferring responsibility for improper operations to an insolvent entity.

The transferee certifies under penalty of law that this document is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for known violations and revocation of this permit.

New Facility Owner: Undine Texas Environmental, LLC

Title: Carey A Thomas, Sr. Vice President

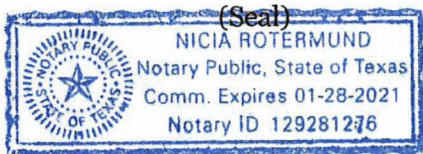
Signature: Carey A. Thomas Date: 6-18-2020

SUBSCRIBED AND SWORN to before me by the said Carey A Thomas on

this 18th day of June, 20 20

My commission expires on the 28th day of January, 20 21

Nicia Rotermund
Notary Public



Harris
County, Texas

TRANSFeree SIGNATURE (New Facility Co-Applicant)

Complete if a co-applicant is required.

I certify that a change of ownership of the facility for the subject permit has been issued will occur as indicated in the application. As a condition of the transfer, I do hereby declare that:

The transferee will be the operator of the existing treatment facility from which wastewater is discharged, deposited or disposed or the facilities required to comply with the permit will be constructed as described in the application considered by the TCEQ prior to the issuance of the permit.

The transferee possesses a copy of the permit, understands the terms and conditions therein, and does accept and assume all obligations of the permit.

The transferee assumes financial responsibility for the proper maintenance and operation of all waste treatment and disposal facilities required by the permit or which may be required to comply with the permit terms and conditions. The transferee certifies that the transfer is not made for the purpose of avoiding liability for improper actions carried out prior to the date of transfer. Neither is the transfer made for the purpose of transferring responsibility for improper operations to an insolvent entity.

The transferee certifies under penalty of law that this document is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for known violations and revocation of this permit.

New Facility Co-Applicant:

Title:

Signature: _____ Date: _____

SUBSCRIBED AND SWORN to before me by the said _____ on

this _____ day of _____, 20_____

My commission expires on the _____ day of _____, 20_____

(Seal)

Notary Public

County, Texas

SITE OPERATOR SIGNATURE

Complete only for permits that include composting facilities, land application and/or disposal of sewage sludge **AND** the transferee does not own the land where the disposal activity is conducted.

I understand that I am responsible for operating the site described in the legal description in accordance with the Texas Commission on Environmental Quality requirements in 30 TAC, Chapter 332 and/or 312, the conditions set forth in the permit, and any additional conditions as required by the Texas Commission on Environmental Quality. I also certify under penalty of law that all information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine, imprisonment for violations, and revocation of this permit.

Site Operator Name:

Title:

Signature: _____ Date: _____

SUBSCRIBED AND SWORN to before me by the said _____ on

this _____ day of _____, 20 _____

My commission expires on the _____ day of _____, 20 _____

(Seal)

Notary Public

County, Texas