

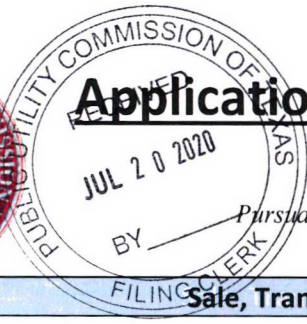


Control Number: 51031



Item Number: 9

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 § 24.239

## 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:** Council Creek Village, INC

*(selling entity)*

**CCN No.s:** 11118

Sale     
  Transfer     
  Merger     
  Consolidation     
  Lease/Rental

**Transferee:** CSWR-Texas Utility Operating Company, LLC

*(acquiring entity)*

**CCN No.s:** N/A

Water     
  Sewer     
  All CCN     
  Portion CCN     
  Facilities transfer

**County(ies):** Travis

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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 <b>LLC Agreement</b>	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 checked="" type="checkbox"/> Application Attachment A & B	Part C: Question 10
<input type="checkbox"/> Disclosure of Affiliated Interests	Part C: Question 10
<input checked="" type="checkbox"/> Capital Improvement Plan	Part C: Question 10
<input 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 checked="" 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 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:

CSWR-Texas Utility Operating Company, LLC ("CSWR Texas") will purchase all utility assets owned by Council Creek Village ("Council Creek") for purposes of operating its water system under CCN No. 11118 as identified in Attachment A, which is a copy of the purchase agreement between CSWR Texas' affiliate, Central States Water Resources, Inc. ("Central States") and Council Creek See Attachment B for a copy of the corporate organizational chart of CSWR Texas' upstream ownership.

CSWR Texas has requested approval of a new CCN in Docket No. 50276.

2. The proposed transaction will require (check all applicable): It seeks to merge Seller's CCN with its new CCN, which it anticipates will be approved prior to conclusion of this proceeding and will update its application accordingly at that time. Otherwise, it requests a new CCN.

For **Transferee** (Purchaser) CCN:

For **Transferor** (Seller) 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

- 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: Council Creek Village, INC  
(individual, corporation, or other legal entity)  
 Individual  Corporation  WSC  Other: \_\_\_\_\_

B. Mailing Address: PO Box 9500 Austin, TX 78766

Phone: (512) 751-2800 Email: jeowen@ohkslaw.com

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: Jack Owen Title: \_\_\_\_\_

Mailing Address: 10 Dovecote Court The Woodlands, TX 77382

Phone: (512) 751-2800 Email: jeowen@ohkslaw.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: **See Attachment C.**

A. Effective date for most recent rates: September 13, 2009

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: 36441-R

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

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

- There are *no* customers that will be transferred
- # of customers without deposits held by the transferor 175
- # 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: CSWR-Texas Utility Operating Company, LLC  
(individual, corporation, or other legal entity)  
 Individual  Corporation  WSC  Other: LLC

B. Mailing Address: 1650 Des Peres Rd., Suite 303 St. Louis, MO 63131

Phone: (314) 736-4672 Email: regulatory@cswrgroup.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: Evan D Johnson Title: Local Counsel

Address: Coffin Renner LLP, 1011 West 31st Street, Austin, Texas 78705

Phone: (512) 879-0972 Email: evan.johnson@crtxlaw.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): Limited Liability Company. A copy of the LLC Operating Agreement is attached as Attachment E. See also Attachment F

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

Name: The transferee does not operate under a d/b/a

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: CSWR-Texas Utility Operating Company, LLC (See Attachment B for a corporate organizational chart)

Position: Member Ownership % (if applicable): 100.00%

Address: 500 Northwest Plaza, Suite 500 St. Louis, MO 63074

Phone: (314) 736-4672 Email: regulatory@cswrgroup.com

Name: Josiah Cox

Position: President; CSWR, LLC Ownership % (if applicable): 0.00%

Address: 500 Northwest Plaza, Suite 500 St. Louis, MO 63074

Phone: (314) 736-4672 Email: jcox@cswrgroup.com

Name: Tom Rooney

Position: Chairman; CSWR, LLC Ownership % (if applicable): 0.00%

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Name: Dan Standen

Position: Board Member; CSWR, LLC 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.

**See Attachment G.**

**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. **See Attachments G, G-1, H, I & J.**

**Part D: Proposed Transaction Details**

11. A. Proposed Purchase Price: \$ \_\_\_\_\_ **See Attachment A.**

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: \$ \_\_\_\_\_

**See Attachments K & K-1 for the requested financial information.**

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: \$ \_\_\_\_\_ 0.00

Accumulated Amortization: \$ \_\_\_\_\_ 0.00

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: \$ \_\_\_\_\_ 0.00

Accumulated Amortization: \$ \_\_\_\_\_ 0.00

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 **See Attachments H, I, J and K.**

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

To the extent it is determined that improvements need to be made to the system, funds will be provided by a mix of equity and debt financing. Equity financing will be provided through an infusion from CSWR Texas' ultimate parent company CSWR, LLC ("CSWR"), of which Central States is the sole manager. A copy of the corporate organizational chart is provided as Attachment B. The source of debt financing will be determined after acquisition of the system. The exact timeline for construction has not yet been determined as approval from TCEQ will be sought as necessary following acquisition, but CSWR Texas plans to move as quickly as possible to address any known issues on the system upon approval of the CCN and closing of the acquisition.

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

This system would benefit from the transition to a stable, long-term management team willing to make necessary investments to improve the system. See also Attachment K. For these reasons, the sale of assets promotes the interests of the public generally and benefits the transferring utility's customers.

**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:	\$ _____	<b>See Attachments K &amp; K-1 for the requested financial information.</b>
Accumulated Depreciation of Plant:	\$ _____	
Cash:	\$ _____	
Notes Payable:	\$ _____	
Mortgage Payable:	\$ _____	
(Proposed) Acquisition Adjustment*:	\$ _____	
Other (NARUC account name & No.):	<u>See Attachment K.</u>	
Other (NARUC account name & No.):	_____	

\* Acquisition Adjustments will be subject to review under 16 TAC § 24.41(d) and (e)

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

CSWR Texas will adopt existing rates of service, including any temporary rates and surcharges, as those best reflect the system's current cost of service and revenue requirement. CSWR Texas plans to continue the existing rates and surcharges until it files its next base rate proceeding. See Attachment C for a copy of the existing tariff.

**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:

CSWR Texas plans to file an application to change rates after the system is acquired if operating expenses exceed revenue from rates or if current rates fail to provide a reasonable rate of return.



**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:

See Attachment K.

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.

See Attachment K.

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:

CSWR Texas will operate the system to ensure it is in compliance with all environmental regulations. CSWR Texas is not aware of any negative impacts or disruptions to the environment or land that would result from the transaction.

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

See Attachment K.

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:

Corix Utilities Texas Inc (CCN 13227)

**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): **See Attachment N**

TCEQ PWS Identification Number: \_\_\_\_\_ (7 digit ID)

Name of PWS: \_\_\_\_\_

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

**See Attachment I.**

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	
26	Non-metered		2"		Residential
	5/8" or 3/4"		3"		Commercial
150	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			176	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:    **See Attachment J.**

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
Zachary King	C	WG-0010543	Water
Timothy Young	A	WO-0029245	Water
Professional General Management Services Inc		WC0000203	Water

**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: **See Attachments L & M**
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: 275 00

Number of customer connections in the requested area: 176

Affected subdivision : Council Creek

The closest city or town: Burnet

Approximate mileage to closest city or town center: 7

Direction to closest city or town: Southeast

The requested area is generally bounded on the North by: Hill Street

on the East by: Ranch Road 2341

on the South by: Lake Buchanan

on the West by: Lake Buchanan

31. A copy of the proposed map will be available at: At CSWR Texas' offices and upon request

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 MONTGOMERY

I, JACK E. OWEN, JR. being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as PRESIDENT OF COUNCIL CREEK VILLAGE, INC. (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.

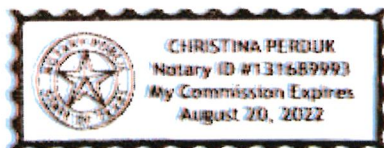
I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney 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.

J. E. Owen, Jr. PRESIDENT  
AFFIANT  
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas  
this day the 12th of MARCH, 2020

SEAL



Perduk  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS  
Christina Perduk  
PRINT OR TYPE NAME OF NOTARY

My commission expires: 8-20-22

**Oath for Transferee (Acquiring Entity)**

STATE OF MO

COUNTY OF St. Louis

I, Josiah Cox being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as Manager of CSWR-Texas Utility Operating Company, LLC  
(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 § 24.239 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.



**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 Missouri  
this day the 11th of March, 2020

SEAL



Brenda Eaves  
NOTARY PUBLIC IN AND FOR THE  
STATE OF MISSOURI

Brenda Eaves  
PRINT OR TYPE NAME OF NOTARY

My commission expires: 01/31/2021

See Attachment G.

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

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



See Attachment G.

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

See Attachment G.

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 ( - - - )
<b>GENERAL//ADMINISTRATIVE EXPENSES</b>						
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						
<b>Total General Admin. Expenses (G&amp;A)</b>						
<b>% Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONS &amp; MAINTENANCE EXPENSES</b>						
Salaries & Benefits (Employee, Management)						
Materials & Supplies						
Utilities Expense-office						
Contract Labor						
Transportation Expense						
Depreciation Expense						
Other(describe)						
<b>Total Operational Expenses (O&amp;M)</b>						
<b>Total Expense (Total G&amp;A + O&amp;M)</b>						
<b>Historical % Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
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) (12-31-19)	A-1 YEAR (12-31-20)	A-2 YEAR (12-31-21)	A-3 YEAR (12-31-22)	A-4 YEAR (12-31-23)	A-5 YEAR (12-31-24)
<b>CURRENT ASSETS</b>						
Cash	\$0.00	\$351.15	\$79,218.10	\$156,055.50	\$231,317.46	\$304,456.73
Accounts Receivable		10,383.45	13,216.85	13,216.85	13,216.85	13,216.85
Inventories						
Income Tax Receivable						
Other						
<b>A. Total Current Assets</b>	\$0.00	\$10,734.60	\$92,434.95	\$169,272.35	\$244,534.31	\$317,673.58
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System	0.00	110,000.00	110,000.00	110,000.00	110,000.00	110,000.00
Buildings						
Equipment						
Other	10.00	9.75	9.50	9.25	9.00	8.75
Less: Accum. Depreciation or Reserves	0.00	-2,750.00	-5,500.00	-8,250.00	-11,000.00	-13,750.00
<b>B. Total Fixed Assets</b>	\$10.00	\$107,259.75	\$104,509.50	\$101,759.25	\$99,009.00	\$96,258.75
<b>C. TOTAL Assets (A+B)</b>	\$10.00	\$117,994.35	\$196,944.45	\$271,031.60	\$343,543.31	\$413,932.33
<b>CURRENT LIABILITIES</b>						
Accounts Payable		\$4,125.00	\$4,248.75	\$4,376.21	\$4,507.50	\$4,642.72
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>	\$0.00	\$4,125.00	\$4,248.75	\$4,376.21	\$4,507.50	\$4,642.72
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>E. Total Long Term Liabilities</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>F. TOTAL LIABILITIES (D+E)</b>	\$0.00	\$4,125.00	\$4,248.75	\$4,376.21	\$4,507.50	\$4,642.72
<b>OWNER'S EQUITY</b>						
Paid in Capital	10.00	58,510.00	53,010.00	47,010.00	41,010.00	34,510.00
Retained Equity	-7,218.00	6,258.20	58,068.75	139,557.99	219,513.85	297,890.34
Other						
Current Period Profit or Loss	7,218.00	49,101.15	81,616.95	80,087.40	78,511.96	76,889.26
<b>G. TOTAL OWNER'S EQUITY</b>	\$10.00	\$113,869.35	\$192,695.70	\$266,655.39	\$339,035.81	\$409,289.60
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>	\$10.00	\$117,994.35	\$196,944.45	\$271,031.60	\$343,543.31	\$413,932.33
<b>WORKING CAPITAL (A - D)</b>	\$0.00	\$6,609.60	\$88,186.20	\$164,896.14	\$240,026.81	\$313,030.85
<b>CURRENT RATIO (A / D)</b>	0.0000	2.6023	21.7558	38.6801	54.2506	68.4240
<b>DEBT TO EQUITY RATIO (F / G)</b>	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

**PROJECTED NET INCOME INFORMATION**

(ENTER DATE OF YEAR END)	CURRENT(A) (12-31-19)	A-1 YEAR (12-31-20)	A-2 YEAR (12-31-21)	A-3 YEAR (12-31-22)	A-4 YEAR (12-31-23)	A-5 YEAR (12-31-24)
<b>METER NUMBER</b>						
Existing Number of Taps	155	155	155	155	155	155
New Taps Per Year	0	0	0	0	0	0
<b>Total Meters at Year End</b>	155	155	155	155	155	155
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)	\$ 249.97	\$ 803.88	\$ 1,023.24	\$ 1,023.24	\$ 1,023.24	\$ 1,023.24
Expense per Meter (use for projections)	203.40	487.10	496.68	506.55	516.71	527.18
<b>Operating Revenue per Meter</b>	\$ 46.57	\$ 316.78	\$ 526.56	\$ 516.69	\$ 506.53	\$ 496.06
<b>GROSS WATER REVENUE</b>						
Revenues - Base Rate & Gallonage Fees	38,745.00	124,601.40	158,602.20	158,602.20	158,602.20	158,602.20
Other (Tap, reconnect, transfer fees, etc)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Gross Income</b>	\$ 38,745.00	\$ 124,601.40	\$ 158,602.20	\$ 158,602.20	\$ 158,602.20	\$ 158,602.20
<b>EXPENSES</b>						
General & Administrative (see schedule)	2,082.00	23,250.25	23,250.25	23,250.25	23,250.25	23,250.25
Operating (see schedule)	29,445.00	52,250.00	53,735.00	55,264.55	56,839.99	58,462.69
Interest						
Other (list)						
<b>NET INCOME</b>	\$ 7,218.00	\$ 49,101.15	\$ 81,616.95	\$ 80,087.40	\$ 78,511.96	\$ 76,889.26

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL//ADMINISTRATIVE EXPENSES</b>						
Salaries	\$12,584.45	\$12,584.45	\$12,584.45	\$12,584.45	\$12,584.45	\$62,922.25
Office	2,830.30	2,830.30	2,830.30	2,830.30	2,830.30	14,151.50
Computer	0.00	0.00	0.00	0.00	0.00	0.00
Auto	314.65	314.65	314.65	314.65	314.65	1,573.25
Insurance	3,761.85	3,761.85	3,761.85	3,761.85	3,761.85	18,809.25
Telephone	471.20	471.20	471.20	471.20	471.20	2,356.00
Utilities	471.20	471.20	471.20	471.20	471.20	2,356.00
Depreciation	0.00					0.00
Property Taxes	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees	953.25	953.25	953.25	953.25	953.25	4,766.25
Interest	0.00	0.00	0.00	0.00	0.00	0.00
Other	1,863.35	1,863.35	1,863.35	1,863.35	1,863.35	9,316.75
<b>Total</b>	\$23,250.25	\$23,250.25	\$23,250.25	\$23,250.25	\$23,250.25	\$116,251.25
<b>% Increase Per projected Year</b>		0.00%	0.00%	0.00%	0.00%	
<b>OPERATIONAL EXPENSES</b>						
Salaries	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Auto	0.00	0.00	0.00	0.00	0.00	0.00
Utilities	2,500.00	2,575.00	2,652.25	2,731.82	2,813.77	13,272.84
Depreciation	2,750.00	2,750.00	2,750.00	2,750.00	2,750.00	13,750.00
Repair & Maintenance	45,000.00	46,350.00	47,740.50	49,172.72	50,647.90	238,911.11
Supplies	2,000.00	2,060.00	2,121.80	2,185.45	2,251.02	10,618.27
Interest	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	\$52,250.00	\$53,735.00	\$55,264.55	\$56,839.99	\$58,462.69	\$276,552.22

<b>PROJECTED SOURCES AND USES OF CASH STATEMENTS</b>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income	\$49,101 15	\$81,616 95	\$80,087 40	\$78,511 96	\$76,889 26	\$366,206 73
Depreciation (If funded by revenues of system)	2,750.00	2,750 00	2,750 00	2,750 00	2,750 00	13,750 00
Loan Proceeds						0 00
Other	58,500 00	-5,500 00	-6,000 00	-6,000 00	-6,500 00	34,500 00
<b>Total Sources</b>	<b>\$110,351 15</b>	<b>\$78,866.95</b>	<b>\$76,837 40</b>	<b>\$75,261 96</b>	<b>\$73,139.26</b>	<b>\$414,456 73</b>
<b>USES OF CASH</b>						
Net Loss	\$0 00	\$0 00	\$0.00	\$0.00	\$0 00	\$0 00
Principle Portion of Pmts						0 00
Fixed Asset Purchase	110,000.00	0 00	0 00	0 00	0 00	110,000 00
Reserve						0.00
Other						0 00
<b>Total Uses</b>	<b>\$110,000 00</b>	<b>\$0 00</b>	<b>\$0 00</b>	<b>\$0 00</b>	<b>\$0 00</b>	<b>\$110,000 00</b>
<b>NET CASH FLOW</b>	<b>\$351 15</b>	<b>\$78,866 95</b>	<b>\$76,837 40</b>	<b>\$75,261 96</b>	<b>\$73,139 26</b>	<b>\$304,456 73</b>
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt Service (CADS)						
A. Net Income (Loss)	\$49,101 15	\$81,616 95	\$80,087 40	\$78,511 96	\$76,889 26	\$366,206 73
B. Depreciation, or Reserve Interest	2,750 25	2,750 25	2,750 25	2,750 25	2,750 25	13,751 25
<b>C: Total CADS (A + B = C)</b>	<b>\$51,851 40</b>	<b>\$84,367 20</b>	<b>\$82,837 65</b>	<b>\$81,262 21</b>	<b>\$79,639 51</b>	<b>\$379,957 98</b>
<b>D: DEBT SERVICE (DS)</b>						
Principle Plus Interest						\$0 00
<b>E: DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by DS (E = C / D)	0 0000	0 0000	0 0000	0.0000	0 0000	0.0000