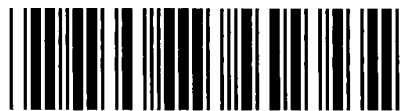




Control Number: 51632



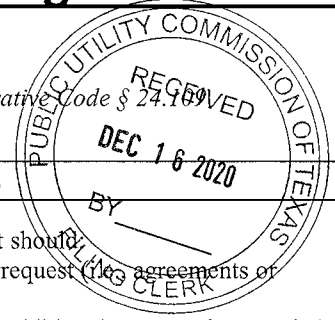
Item Number: 1

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: Terra Southwest, Inc

(selling entity)

CCN No.s: 11608

Sale
 Transfer
 Merger
 Consolidation
 Lease/Rental

Transferee: Undine Texas, LLC

(acquiring entity)

CCN No.s: 13260

Water
 Sewer
 All CCN
 Portion CCN
 Facilities transfer

County(ies): Denton

Table of Contents

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

Please mark the items included in this filing

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

Part A: General Information

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

Undine Texas, LLC will purchase all utility assets listed in Attachment 'A' as defined in the Letter of Intent to Terra Southwest, Inc.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

For **Transferor** (Seller) CCN:

- | | |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <input type="checkbox"/> Obtaining a NEW CCN for Purchaser | <input checked="" type="checkbox"/> Cancellation of Seller's CCN |
| <input checked="" type="checkbox"/> Transfer all CCN into Purchaser's CCN (Merger) | <input type="checkbox"/> Transfer of a Portion of Seller's CCN to Purchaser |
| <input type="checkbox"/> Transfer Portion of CCN into Purchaser's CCN | <input type="checkbox"/> Only Transfer of Facilities, No CCN or Customers |
| <input type="checkbox"/> Transfer all CCN to Purchaser and retain Seller CCN | <input type="checkbox"/> Only Transfer of Customers, No CCN or Facilities |
| <input type="checkbox"/> Uncertificated area added to Purchaser's CCN | <input type="checkbox"/> 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: Terra Southwest, Inc
(individual, corporation, or other legal entity)
 Individual Corporation WSC Other: Inc

B. Mailing Address: PO Box 140, Alford, TX 76225

Phone: (940) 427-7444 Email: terrasouthwest@yahoo.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: Jim Presley Title: President

Mailing Address: 3052 Houston St, Levelland, Texas 79336

Phone: (940) 427-7444 Email: terrasouthwest@yahoo.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: May 1, 2010

- 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: 36648-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 867

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, 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, 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 us. 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, 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 DENTON

I, JIM PRESLEY being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as 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.

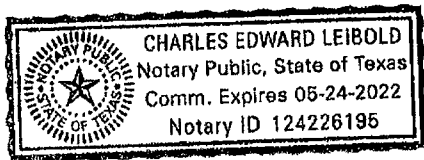
I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Texas Water Code § 13.301(j) and copies of any outstanding enforcement Orders of the Texas Commission on Environmental Quality, the Public Utility Commission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

Jim Presley
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 15 of Dec., 2020

SEAL



Charles E. Leibold
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

CHARLES E. LEIBOLD
PRINT OR TYPE NAME OF NOTARY

My commission expires: 5/24/2022

Oath for Transferee (Acquiring Entity)

STATE OF Texas

COUNTY OF Harris

I, Carey 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.

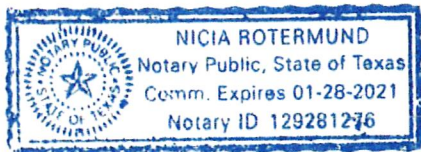
I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney 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.

Carey 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 15 of December, 2020

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) | | | | | | |

TABLE OF CONTENTS

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, 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, 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 |

TABLE OF CONTENTS

Attachment 'K'
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 'A'

CCN Number, Subdivision Name, RN Number

Terra Southwest - Water Company Information

East Ponder Estates

| | |
|-------------|---------------------|
| CN | 600627905 |
| CCN | 11068 |
| RN | 101265882 |
| PWSID No | TX0610161 |
| Subdivision | East Ponder Estates |
| County | Denton |

Active Connections

109

Hilltown Addition

| | |
|-------------|-------------------|
| CN | 603827353 |
| CCN | 11608 |
| RN | 101242915 |
| PWSID No | TX0610112 |
| Subdivision | Hilltown Addition |
| County | Denton |

Active Connections

758

Active Connections

867

Attachment 'B'

Part A: Question 1

Confidential

Letter of Intent

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Terra Southwest, Inc. and Undine Texas, LLC for Sale, Transfer or Merger of Retail Public Utility and Certificate Rights in Denton County

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Exhibit B – Letter of Intent

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 26 to 29

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: December 16, 2020

Attachment 'C'

Part B: Question 4

Current Tariff

WATER UTILITY TARIFF FOR

Terra Southwest, Inc.
(Utility Name)

P.O. Box 140
(Business Address)

Alvord, Texas 76225
(City, State, Zip Code)

(940) 391-2826
(Area Code/Telephone)

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

11608

This tariff is effective in the following county:

Denton

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

None

This tariff is effective in the following subdivisions and public water systems:

Hilltown Addition (PWS #0610112), East Ponder Estates (PWS #0610161)

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 POLICIES | 3 |
| SECTION 3.0 -- EXTENSION POLICY | 8 |
| SECTION 4.0 -- DROUGHT CONTINGENCY PLAN | 10 |
| APPENDIX A -- SAMPLE SERVICE AGREEMENT | |
| APPENDIX B -- APPLICATION FOR SERVICE | |

**TERRA SOUTHWEST, INC.
NOTICE TO CUSTOMERS OF RATES
EFFECTIVE MAY 1, 2010**

The Texas Commission on Environmental Quality did not receive protests from 10% of the customers during the statutory comment period for the recently noticed rate increase. This rate increase was effective as proposed without hearing according to Section 13.187 of the Texas Water Code.

The following rates were effective on May 1, 2010:

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>\$32.93</u> (Includes 3,000 gallons) | <u>\$2.50</u> for each additional 1000 gallons over the minimum |
| 1" | <u>\$71.08</u> | |
| 1 1/2" | <u>\$134.65</u> | |
| 2" | <u>\$210.94</u> | |
| 3" | <u>\$388.95</u> | |
| 4" | <u>\$643.25</u> | |

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.

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

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$750.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique Costs)..... Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISION OR RESIDENTIAL AREAS.

TAP FEE (Large meter)..... Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE..... Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

SECTION 1.0 – RATE SCHEDULE (Continued)

Section 1.01 - Rates

| <u>Meter Size</u> | <u>Monthly Minimum Charge</u> | <u>Gallage Charge</u> |
|-------------------|------------------------------------------------|---------------------------------|
| 5/8" or 3/4" | <u>\$32.93</u> (Includes <u>3,000</u> gallons) | <u>\$2.50</u> per 1,000 gallons |
| 1" | <u>\$71.08</u> | same for all meter sizes |
| 1 1/2" | <u>\$134.65</u> | |
| 2" | <u>\$210.04</u> | |
| 3" | <u>\$388.95</u> | |
| 4" | <u>\$643.25</u> | |

FORM OF PAYMENT: The utility will accept the following forms of payment:
 Cash X, Check X, Money Order X, Credit Card _____, 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.

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

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$750.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
 RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED
 IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs)Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL
 AREAS.

TAP FEE (Large meter).....Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE
 INSTALLED.

METER RELOCATION FEE.....Actual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE
 RELOCATED.

METER TEST FEE.....\$25.00
 THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER
 REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT
 THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

RATES LISTED ARE EFFECTIVE ONLY
 IF THIS PAGE HAS TCEQ APPROVAL STAMP

SECTION 1.0 -- RATE SCHEDULE (Continued)

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..... \$35.00

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

TCEQ 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.

RETURNED CHECK CHARGE \$25.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

RATES LISTED ARE EFFECTIVE ONLY
IF THIS PAGE HAS TCEQ APPROVAL STAMP

Attachment 'D'

Part B: Question 5

Confidential

Customer Name, Address and Deposit Information

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Terra Southwest, Inc. and Undine Texas, LLC for Sale, Transfer or Merger of Retail Public Utility and Certificate Rights in Denton County

SUBMITTING PARTY: Undine Texas, LLC

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

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 36 to 52

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: December 16, 2020

Attachment 'E'

Part C: Question 7

Confidential

Limited Liability Company Agreement Undine Texas, LLC and
Organizational Chart

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Terra Southwest, Inc. and Undine Texas, LLC for Sale, Transfer or Merger of Retail Public Utility and Certificate Rights in Denton County

SUBMITTING PARTY: Undine Texas, LLC

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

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 54 to 61

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: December 16, 2020

Attachment 'F'

Part C: Question 7

Certificates of Account Status

The legal name of the seller party is Terra Southwest, Inc. It does not conduct business under an assumed name.

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

The seller party, Terra Southwest Inc., operates as a domestic for-profit corporation. The business was formed on November 1, 1976.

The buyer party, Undine Texas, LLC, operates as a Delaware, USA, foreign limited liability company. The business was formed on November 25, 2015.

Terra Southwest Inc. is wholly owned by Jim and Rovana Presley. The Primary business of Terra Southwest Inc. is owning and operating water utilities.

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

Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "UNDINE TEXAS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTEENTH DAY OF FEBRUARY, A.D. 2019.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "UNDINE TEXAS, LLC" WAS FORMED ON THE TWENTY-THIRD DAY OF OCTOBER, A.D. 2015.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



5860781 8300

SR# 20190989150

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Authentication: 202256273

Date: 02-13-19



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Application for Registration for Undine Texas, LLC (file number 802339329), a DELAWARE, USA, Foreign Limited Liability Company (LLC), was filed in this office on November 25, 2015.

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



Franchise Tax Account Status

As of : 12/14/2020 15:32:10

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

TERRA SOUTHWEST INC.

Texas Taxpayer Number 17515285827

Mailing Address 3052 HOUSTON ST LEVELLAND, TX 79336-7609

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 11/01/1976

Texas SOS File Number 0039190300

Registered Agent Name JIM PRESLEY

Registered Office Street Address 1125 G UNIVERSITY DR., DENTON, TX 76201

Attachment 'G'

Part C: Question 9

Confidential

List of the Officers of Undine Texas, LLC

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Terra Southwest, Inc. and Undine Texas, LLC for Sale, Transfer or Merger of Retail Public Utility and Certificate Rights in Denton County

SUBMITTING PARTY: Undine Texas, LLC

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

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 68 to 68

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: December 16, 2020

Attachment 'H'

Part D

Confidential

Financial Information

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Terra Southwest, Inc. and Undine Texas, LLC for Sale, Transfer or Merger of Retail Public Utility and Certificate Rights in Denton County

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Exhibit H – Financial Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 70 to 78

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: December 16, 2020

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: \$ 2,200,000

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: \$ 433,451

Accumulated Depreciation: \$ -336,223

Net Book Value: \$ 97,228

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: | \$ 433,451 |
| Accumulated Depreciation of Plant: | \$ -336,223 |
| Cash: | \$ -1,100,000 |
| Notes Payable: | \$ -1,100,000 |
| Mortgage Payable: | \$ |
| (Proposed) Acquisition Adjustment*: | \$ 2,102,772 |
| *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.

| HISTORICAL BALANCE SHEET | 12/31/2018 | 12/31/2017 | 12/31/2016 |
|-------------------------------------|----------------|----------------|----------------|
| | | A - 1 YEAR | A - 2 YEAR |
| CURRENT ASSETS | | | |
| Cash | 376,507 | 390,076 | 250,156 |
| Accounts Receivable | | | |
| Inventory | | | |
| Income Tax Receivable | | | |
| Other | 86,221 | 81,122 | 36,812 |
| Total | 462,728 | 471,198 | 286,968 |
| FIXED ASSETS | | | |
| Land | | | |
| Collection/Distribution System | | | |
| Buildings | | | |
| Equipment | 433,451 | 433,451 | 433,451 |
| Other | 40,850 | 40,850 | 40,850 |
| Less: Accum Depr or Reserves | (336,223) | (386,568) | (371,942) |
| Total | 138,078 | 87,733 | 102,359 |
| TOTAL ASSETS | 600,806 | 558,931 | 389,327 |
| CURRENT LIABILITIES | | | |
| Accounts Payable | | | |
| Notes Payable, Current | 22,683 | | |
| Accrued Expenses | | | |
| Other | | 22,985 | |
| Total | 22,683 | 22,985 | - |
| LONG-TERM LIABILITIES | | | |
| Notes Payable, Long-term | | - | |
| Other | | - | |
| TOTAL LIABILITIES | 22,683 | 22,985 | - |
| OWNERS' EQUITY | | | |
| Paid in Capital | 10,000 | 10,000 | 10,000 |
| Retained Equity | 568,123 | 525,946 | 379,327 |
| Other | | | |
| Current Period Profit or Loss | | | |
| TOTAL OWNERS' EQUITY | 578,123 | 535,946 | 389,327 |
| TOTAL LIABILITIES AND EQUITY | 600,806 | 558,931 | 389,327 |
| WORKING CAPITAL | 440,045 | 448,213 | 286,968 |
| CURRENT RATIO | 20.40 | 20.50 | #DIV/0! |
| DEBT TO EQUITY RATIO | 0.04 | 0.04 | 0.00 |
| EQUITY TO TOTAL ASSETS | 0.96 | 0.96 | 1.00 |

| HISTORICAL INCOME STATEMENT | 2018 | 2017 | 2016 |
|------------------------------------|------------|------------|------------|
| | | A - 1 YEAR | A - 2 YEAR |
| METER NUMBER | | | |
| Existing Number of Taps | 811 | 790 | 772 |
| New Taps Per Year | 21 | 21 | 18 |
| Total Meters at Year End | 832 | 811 | 790 |
| METER REVENUE | | | |
| Fees Per Meter | \$ 577.99 | \$ 566.92 | \$ 556.28 |
| Cost Per Meter | 488.28 | 442.07 | 443.80 |
| Operating Revenue Per Meter | \$ 89.71 | \$ 124.85 | \$ 112.48 |
| GROSS WATER REVENUE | | | |
| Fees | \$ 442,000 | \$ 459,773 | \$ 439,458 |
| Other | 38,887 | 23,500 | - |
| Gross Income | \$ 480,887 | \$ 483,273 | \$ 439,458 |
| OPERATING EXPENSES | | | |
| General & Administrative | \$ 144,131 | \$ 37,965 | \$ 43,109 |
| Operational Expense | 239,386 | 268,252 | 276,532 |
| Interest | \$ 2,891 | | \$ 1,607 |
| Other | | | |
| Taxes | \$ 19,841 | \$ 52,302 | \$ 29,352 |
| NET INCOME | \$ 74,638 | \$ 124,754 | \$ 88,858 |

| HISTORICAL EXPENSE DETAIL | 2018 | 2017 | 2016 |
|----------------------------------------|------------|------------|------------|
| | | A - 1 YEAR | A - 2 YEAR |
| GENERAL/ADMINISTRATIVE EXPENSES | | | |
| Salaries/Contract Labor | \$ 101,480 | | |
| Office Expense | | | \$ 5,251 |
| Computer Expense | | | |
| Auto Expense | | | |
| Insurance Expense | \$ 4,445 | \$ 7,025 | \$ 10,785 |
| Telephone Expense | \$ 4,225 | \$ 3,399 | \$ 4,243 |
| Utilities Expense | | | |
| Depreciation Expense | | | |
| Property Taxes | \$ 23,234 | \$ 15,717 | \$ 16,342 |
| Professional Fees | \$ 1,500 | \$ 4,238 | \$ 1,125 |
| Bank Fees/Credit Card Fees | \$ 9,247 | \$ 6,501 | \$ 4,012 |
| Other | | \$ 1,085 | \$ 1,351 |
| Total | 144,131 | 37,965 | 43,109 |
| % Increase Per Year | | | |
| OPERATIONAL EXPENSES | | | |
| Salaries/Contract Labor | \$ 135,957 | \$ 147,957 | \$ 176,713 |
| Auto Expense | | \$ 8,246 | \$ 2,769 |
| Utilities Expense | \$ 43,720 | \$ 56,152 | \$ 1,126 |
| Depreciation Expense | \$ 9,655 | \$ 14,595 | \$ 36,228 |
| Repairs & Maintenance | | \$ 15,370 | |
| Testing | \$ 540 | \$ 3,279 | \$ 2,798 |
| Chemicals | | | |
| Supplies | \$ 46,827 | \$ 22,653 | \$ 8,618 |
| Other | 2,687 | | 48,280 |
| Total | 239,386 | 268,252 | 276,532 |
| % Increase Per Year | -10.8% | -3.0% | #DIV/0! |

| | 12/31/2021 | 12/31/2022 | 12/31/2023 | 12/30/2024 | 12/31/2025 |
|-------------------------------------------------------|------------|------------|------------|------------|------------|
| PROJECTED BALANCE SHEET | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| CURRENT ASSETS | | | | | |
| Accounts Receivable | 40,457 | 41,418 | 42,379 | 43,340 | 44,301 |
| Total | 40,457 | 41,418 | 42,379 | 43,340 | 44,301 |
| FIXED ASSETS | | | | | |
| Buildings | 31,025 | 63,251 | 95,253 | 123,873 | 153,315 |
| Equipment | 433,451 | 433,451 | 433,451 | 433,451 | 433,451 |
| Less: Accum Depr or Reserves | (346,135) | (356,748) | (368,089) | (380,103) | (392,762) |
| Acquisition Adjustment | 2,102,772 | 2,102,772 | 2,102,772 | 2,102,772 | 2,102,772 |
| Total | 2,221,113 | 2,242,726 | 2,263,387 | 2,279,993 | 2,296,776 |
| TOTAL ASSETS | 2,261,570 | 2,284,144 | 2,305,766 | 2,323,333 | 2,341,077 |
| CURRENT LIABILITIES | | | | | |
| Accounts Payable | 28,698 | 29,476 | 30,267 | 31,064 | 31,870 |
| Notes Payable, Current | 55,000 | 55,000 | 55,000 | 55,000 | 55,000 |
| Total | 83,698 | 84,476 | 85,267 | 86,064 | 86,870 |
| LONG-TERM LIABILITIES | | | | | |
| Notes Payable, Long-term | 990,000 | 935,000 | 880,000 | 825,000 | 770,000 |
| TOTAL LIABILITIES | 1,073,698 | 1,019,476 | 965,267 | 911,064 | 856,870 |
| OWNERS' EQUITY | | | | | |
| Paid in Capital | 1,127,228 | 1,139,043 | 1,145,676 | 1,144,087 | 1,138,584 |
| Retained Equity | - | 60,645 | 125,625 | 194,823 | 268,181 |
| Current Period Profit or Loss | 60,645 | 64,980 | 69,198 | 73,358 | 77,443 |
| TOTAL OWNERS' EQUITY | 1,187,873 | 1,264,668 | 1,340,498 | 1,412,268 | 1,484,208 |
| TOTAL LIABILITIES AND EQUITY | 2,261,570 | 2,284,144 | 2,305,766 | 2,323,333 | 2,341,077 |
| WORKING CAPITAL | (43,240) | (43,058) | (42,888) | (42,724) | (42,568) |
| CURRENT RATIO | 0.48 | 0.49 | 0.50 | 0.50 | 0.51 |
| DEBT TO EQUITY RATIO | 0.90 | 0.81 | 0.72 | 0.65 | 0.58 |
| EQUITY TO TOTAL ASSETS | 0.53 | 0.55 | 0.58 | 0.61 | 0.63 |
| Debt Terms: 20 Year Amortization @ 6% Interest | | | | | |

| | 12/31/2021 | 12/31/2022 | 12/31/2023 | 12/30/2024 | 12/31/2025 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| PROJECTED INCOME STATEMENT | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| METER NUMBER | | | | | |
| Existing Number of Taps | 832 | 852 | 872 | 892 | 912 |
| New Taps Per Year | 20 | 20 | 20 | 20 | 20 |
| Total Meters at Year End | 852 | 872 | 892 | 912 | 932 |
| METER REVENUE | | | | | |
| Fees Per Meter | \$ 569.82 | \$ 569.98 | \$ 570.12 | \$ 570.27 | \$ 570.40 |
| Cost Per Meter | 498.64 | 495.46 | 492.55 | 489.83 | 487.31 |
| Operating Revenue Per Meter | \$ 71.18 | \$ 74.52 | \$ 77.58 | \$ 80.44 | \$ 83.09 |
| GROSS WATER REVENUE | | | | | |
| Fees | 464,612 | 475,648 | 486,684 | 497,720 | 508,755 |
| Other | 20,875 | 21,371 | 21,867 | 22,363 | 22,859 |
| Gross Income | 485,487 | 497,019 | 508,551 | 520,082 | 531,614 |
| OPERATING EXPENSES | | | | | |
| General & Administrative | 105,423 | 107,995 | 110,590 | 113,214 | 115,859 |
| Operational Expense | 238,949 | 245,720 | 252,618 | 259,560 | 266,576 |
| Interest | 64,350 | 61,050 | 57,750 | 54,450 | 51,150 |
| Taxes | 16,121 | 17,273 | 18,394 | 19,500 | 20,586 |
| NET INCOME | 60,645 | 64,980 | 69,198 | 73,358 | 77,443 |

| | 12/31/2021 | 12/31/2022 | 12/31/2023 | 12/30/2024 | 12/31/2025 |
|----------------------------------------|----------------|----------------|----------------|----------------|----------------|
| PROJECTED EXPENSE DETAIL | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| GENERAL/ADMINISTRATIVE EXPENSES | | | | | |
| Salaries/Contract Operations | 69,356 | 71,315 | 73,291 | 75,286 | 77,298 |
| Office Expense | 17,168 | 17,527 | 17,892 | 18,263 | 18,640 |
| Insurance Expense | 4,517 | 4,562 | 4,608 | 4,654 | 4,701 |
| Property Taxes | 9,736 | 9,834 | 9,933 | 10,033 | 10,133 |
| Other | 4,646 | 4,757 | 4,866 | 4,978 | 5,087 |
| Total | 105,423 | 107,995 | 110,590 | 113,214 | 115,859 |
| % Increase Per Year | | | | | |
| OPERATIONAL EXPENSES | | | | | |
| Salaries/Contract Operations | 157,670 | 163,024 | 168,470 | 174,008 | 179,641 |
| Utilities Expense | 43,965 | 44,406 | 44,852 | 45,302 | 45,756 |
| Depreciation Expense | 9,912 | 10,613 | 11,341 | 12,014 | 12,659 |
| Repairs & Maintenance | 24,090 | 24,332 | 24,576 | 24,823 | 25,072 |
| Testing | 602 | 608 | 614 | 621 | 627 |
| Other | 2,710 | 2,737 | 2,765 | 2,793 | 2,821 |
| Total | 238,949 | 245,720 | 252,618 | 259,560 | 266,576 |

| | 12/31/2021 | 12/31/2022 | 12/31/2023 | 12/30/2024 | 12/31/2025 | TOTALS |
|-----------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| PROJECTED SOURCES AND USES OF CASH STATEMENTS | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | |
| SOURCES OF CASH | | | | | | |
| Net Income | 60,645 | 64,980 | 69,198 | 73,358 | 77,443 | 345,624 |
| Depreciation | 9,912 | 10,613 | 11,341 | 12,014 | 12,659 | 56,539 |
| Other | 27,228 | 11,815 | 6,632 | (1,589) | (5,504) | 38,584 |
| Total Sources | 97,785 | 87,408 | 87,171 | 83,784 | 84,598 | 440,747 |
| USES OF CASH | | | | | | |
| Net Working Capital | (11,760) | (182) | (170) | (164) | (156) | (12,432) |
| Principle Portion of Pmts | (55,000) | (55,000) | (55,000) | (55,000) | (55,000) | (275,000) |
| Fixed Asset Purchase | (31,025) | (32,226) | (32,002) | (28,620) | (29,443) | (153,315) |
| Total Uses | (97,785) | (87,408) | (87,171) | (83,784) | (84,598) | (440,747) |
| NET CASH FLOW | - | - | - | - | - | - |

Attachment 'I'

Part E: Question 17

Evidence of Financial, Managerial and Technical Capabilities

List of Currently Held Utilities

ATTACHMENT "I"
STM FILING UNDINE TEXAS, 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, LLC

| Utility Name | Connection Count |
|------------------------|------------------|
| Angle Acres | 34 |
| Bayou Colony | 40 |
| Beechwood | 131 |
| Bernard Oaks | 73 |
| Blue Sage Gardens | 48 |
| Brandi Estates | 39 |
| Briar Meadows | 34 |
| Colony Cove | 54 |
| Colony Trails | 75 |
| Coronado Country | 41 |
| Country Acres | 86 |
| Country Meadows | 52 |
| Crystal Lake | 45 |
| Demi John Island | 110 |
| Demi John Place | 85 |
| Larkspur | 9 |
| Lee Ridge | 25 |
| Los Robles/Brazos Oaks | 103 |
| Mark V | 105 |
| Mooreland | 57 |
| Quail Valley | 12 |
| River Ranch/723 | 81 |
| Riverside Estates | 61 |
| Rosharon Road | 77 |
| Ryan Long 1 | 30 |
| Ryan Long 2 | |
| San Bernard | 53 |
| Sandy Meadow | 66 |
| Snug Harbor | 41 |
| Spanish Bit | 31 |
| Tejas Lakes | 98 |
| Village Lakes | |
| Wilco | 61 |
| Wolf Glen | 35 |

| | |
|-----------------|-----|
| Beaumont Place | 572 |
| Castlewood | 343 |
| Cypress Bend | 240 |
| Reservoir Acres | 227 |

| Utility Name | Connection Count |
|-----------------|------------------|
| Forest Manor | 95 |
| Heathergate | 103 |
| Sweetgum Forest | 22 |

| | |
|-------------------------|-----|
| Greengate Acres | 98 |
| Highland Mobie Home Sub | 26 |
| Highland Ridge | 205 |
| Huffman Heights | 124 |
| Joy Village | 61 |
| Lakewood Colony | 49 |
| Meadowlake Estates | 238 |
| Peach Creek Oaks | 55 |
| Pioneer Trails | 119 |
| Porter Terrace | 116 |
| Spring Forest | 248 |
| Springmont | 162 |
| Tall Cedars | 50 |
| Urban Acres | 180 |

| | |
|----------------------------|-----|
| Oak Shores | 230 |
| Oak Shores on Lake Austin | |
| Briarpatch | |
| Woods of Greenshores | |
| Greenshores on Lake Austin | |
| Smokey Ridge Annes | |

| | |
|-----------------|-----|
| Southwood | 528 |
| Spring Crossing | 1 |
| Magnolia Bend | 49 |

| | |
|--------------------|-----|
| Bear Creek | 22 |
| Bell Manor | 24 |
| Buffalo Creek | 58 |
| Crowley II Acres | 102 |
| John Dame | 30 |
| John Dame II | 19 |
| Martin Creek | 25 |
| Rock Creek Estates | 42 |
| Sanders View | 32 |

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

| Utility Name | Connection Count |
|-------------------------------|------------------|
| Allendale Water System | 55 |
| Hillgreen Subdivision | 44 |
| Loch Ness Cove | 82 |
| River Club Water | 79 |
| Woodhaven Estates | 56 |
| Lost Lakes | 47 |
| Bayridge Subdivision | 74 |
| Oaks at Houston Point | 49 |
| Benchley Oaks Subdivision | 168 |
| Lakewood Estates | 83 |
| Smetana Forest | 51 |
| Oak Forest Lakeway Manor | 49 |
| Apache Hills | 68 |
| Lakeview N Marshall Oaks | 50 |
| Little Oak Forest Subdivision | 40 |
| Somerville Place | 183 |
| Whispering Woods | 15 |
| Wildwood Shores | 201 |
| Hazy Hollow East Estates | 758 |
| Spring Creek Valley Estates | 185 |
| Shady Brook Acres | 57 |

| Utility Name | Connection Count |
|--------------------------|------------------|
| Bar-D | 41 |
| Barlow Lake | 15 |
| Bentwood Bend | 23 |
| Commodore Cape | 105 |
| Forest Springs | 156 |
| Lakeside Village | 130 |
| Mont Neches Lake* | 34 |
| Riverboat Bend TP | 42 |
| Six Lakes | 59 |
| Spring Creek | 135 |
| Tanglewood Forest | 25 |
| Taylor Lake | 151 |
| Texas Water Supply | 69 |
| Town Bluff/ Mont Neches* | |
| Whitetail Ridge | 73 |

Total Connection Count: 9,839

Attachment 'J'

Part E: Question 21

Utilities Within 2 Miles

Terra Southwest**Utility Name- 2 mile Notice****CCN#****Street****City****State****Zip****East Ponder Estates**

| | | | | | |
|---------------------------------------|-------|---------------------------|-------------|----|-------|
| City of Denton | 10195 | 901-A Texas St | Denton | TX | 76209 |
| Town of Northlake | 12915 | PO Box 729 | Justin | TX | 76247 |
| Town of Ponder | 13136 | PO Box 297 | Ponder | TX | 76259 |
| Town of Dish | | 5413 Tim Donald Rd | Dish | TX | 76247 |
| Ponder Enterprises | 12810 | 5772 Tim Donald Rd | Justin | TX | 76247 |
| Aqua Texas, Inc. | 13201 | 1106 Clayton Ln, Ste 400W | Austin | TX | 78723 |
| Upper Trinity Regional Water District | | PO Box 305 | Lewisville | TX | 75067 |
| North Texas GCD | | PO Box 508 | Gainesville | TX | 76241 |
| Denton County Judge Andy Eads | | 110 Hickory St | Denton | TX | 76201 |

Hilltown Addition

| | | | | | |
|---------------------------------------|-------|-----------------------------|------------------|----|-------|
| Community Water Service Inc. | 10019 | PO Box 850155 | Mesquite | TX | 75185 |
| City of Lakewood Village | 10201 | 100 Highridge Dr | Lakewood Village | | 75068 |
| Town of Little Elm | 11202 | PO Box 129 | Little Elm | TX | 75068 |
| Town of Hackberry | 12015 | 119 Maxwell Rd | Frisco | TX | 75034 |
| Lake Cities MUA | 10166 | 501 N. Shady Shores Dr | Lake Dallas | TX | 75065 |
| Aqua Texas, Inc. | 13201 | 1106 Clayton Ln, Ste 400W | Austin | TX | 78723 |
| Knob Hill Water System | 11414 | 2861 High Meadow | Little Elm | TX | 75068 |
| Mustang SUD | 11856 | 7985 FM 2931 | Aubrey | TX | 76227 |
| Last Resort Properties | 12503 | PO Box 162 | Little Elm | TX | 75068 |
| Denton County FWSD 8A | 13018 | 19 Briar Hollow Ln, Ste 245 | Houston | TX | 77027 |
| Denton County FWSD 11-B | | 19 Briar Hollow Ln, Ste 245 | Houston | TX | 77027 |
| City of Oak Point | | 100 Naylor Rd | Oak Point | TX | 75068 |
| City of Shady Shores | | 101 S. Shady Shores Rd | Shady Shores | TX | 76208 |
| City of Lake Dallas | | 212 Mam St | Lake Dallas | TX | 75065 |
| Denton County MUD 4 | | 1980 Post Oak Blvd Ste 1380 | Houston | TX | 77056 |
| Denton County MUD 5 | | 1980 Post Oak Blvd Ste 1380 | Houston | TX | 77056 |
| Denton County MUD 8 | | INACTIVE | | | |
| Oak Point WCID 1 | | 3100 McKinnon St, Ste 1100 | Dallas | TX | 75201 |
| Oak Point WCID 2 | | 3100 McKinnon St, Ste 1100 | Dallas | TX | 75201 |
| Oak Point WCID 3 | | 14755 Preston Rd, Ste 600 | Dallas | TX | 75254 |
| Oak Point WCID 4 | | 14755 Preston Rd, Ste 600 | Dallas | TX | 75254 |
| Valencia on the Lake WCID | | 201 Main St, Ste 2500 | Fort Worth | TX | 76102 |
| Upper Trinity Regional Water District | | PO Box 305 | Lewisville | TX | 75067 |
| North Texas GCD | | PO Box 508 | Gainesville | TX | 76241 |
| Denton County Judge Andy Eads | | 110 Hickory St | Denton | TX | 76201 |

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: TX0610161 (7 digit ID)

Name of PWS: East Ponder Estates

Date of last TCEQ compliance inspection: 07/01/2019 (attach TCEQ letter)

Subdivisions served: East Ponder Estates

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 |
| 106 | 5/8" or 3/4" | | 3" | | Commercial |
| 3 | 1" | | 4" | | Industrial |
| | 1 1/2" | | Other | | Other |
| Total Water Connections: | | | 109 | 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.

| | | |
|-------------------------------------------|---------------------|--------------------------------------|
| Texas Commission on Environmental Quality | Office of Water | Public Drinking Water Section |
| County Map of TX | Water System Search | Office of Compliance and Enforcement |

| <u>Water System Detail</u> | | | |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------------|
| Water System Facilities Source Water Assessment Results | Violations Enforcement Actions | TCR Sample Results | TTHM HAA5 Summaries |
| Sample Points | Assistance Actions | Recent Positive TCR Results | PBCU Summaries |
| Sample Schedules / FANLs / Plans | Compliance Schedules | Other Chemical Results | Chlorine Summaries |
| Site Visits Milestones | TOC/Alkalinity Results | Chemical Results: Sort by: Name Code | Turbidity Summaries |
| Operators All POC | LRAA (TTHM/HAA5) | Recent Non-TCR Sample Results | TCR Sample Summaries |
| Glossary | | DWW Instructions | |

| <u>Water System Detail Information</u> | | | |
|----------------------------------------|---------------------|-----------------|------------|
| Water System No.: | TX0610161 | Federal Type: | C |
| Water System Name: | EAST PONDER ESTATES | Federal Source: | GW |
| Principal County Served: | DENTON | System Status: | A |
| Principal City Served: | | Activity Date: | 01-01-1913 |

| <u>Group Violations</u> | | | | | |
|-------------------------|--------------|----------------|----------------|---------------|--------------------|
| Fed Fiscal Year | Determ. Date | Violation Type | Violation Name | Analyte Group | Analyte Group Name |

| <u>Individual Violations</u> | | | | | | | |
|-------------------------------|-----------------------|---------------------|----------------------------------------|--------------|--------------------------|---------------------------------------------------------------|-----------------------------------------------------------|
| Violation No. | Compliance Period | Violation Type Code | Violation Name | Analyte Code | Analyte Name | Has the Violation been Addressed? (On the Path to Compliance) | Has the Violation been Resolved? (Returned to Compliance) |
| 2019-70034636 | 07-01-2019-OPEN | 71 | CCR REPORT | 7000 | CONSUMER CONFIDENCE RULE | Yes - Informal | No |
| 2019-70034635 | 07-01-2017-12-31-2017 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Informal | No |
| 2019-70034634 | 07-01-2017-12-31-2017 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Informal | No |
| 2019-70034633 | 09-29-2018-03-05-2019 | 66 | LEAD CONSUMER NOTICE (LCR) | 5000 | LEAD & COPPER RULE | Yes - Informal | Yes |
| 2018- | 01-01-2017- | 75 | PUBLIC NOTICE RULE | 7500 | PUBLIC NOTICE | Yes - | No |

| | | | | | | | |
|----------------------|-----------------------|----|----------------------------------------|------|--------------------|-------------------------------|-----|
| <u>70034632</u> | 06-30-2017 | | LINKED TO VIOLATION | | | Informal | |
| <u>2018-70034631</u> | 01-01-2017-06-30-2017 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Informal | No |
| <u>2018-70034630</u> | 01-01-2017-06-30-2017 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Informal | No |
| <u>2018-70034629</u> | 04-01-2018-03-05-2019 | 66 | LEAD CONSUMER NOTICE (LCR) | 5000 | LEAD & COPPER RULE | Yes - Informal | Yes |
| <u>2018-70034627</u> | 07-01-2017-12-31-2017 | 53 | WATER QUALITY PARAMETER M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2018-70034626</u> | 07-01-2017-12-31-2017 | 53 | WATER QUALITY PARAMETER M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2017-70034624</u> | 01-01-2017-06-30-2017 | 53 | WATER QUALITY PARAMETER M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2017-70034625</u> | 01-01-2017-06-30-2017 | 53 | WATER QUALITY PARAMETER M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2017-70034623</u> | 01-01-2017-06-30-2017 | 52 | FOLLOW-UP OR ROUTINE TAP M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Informal | Yes |
| <u>2017-70034622</u> | 04-01-2014-06-30-2014 | 27 | MONITORING, ROUTINE (DBP), MAJOR | 0999 | CHLORINE | Not yet on path to compliance | Yes |
| <u>2017-70034621</u> | 07-01-2016-12-31-2016 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Formal and Informal | No |
| <u>2017-70034620</u> | 07-01-2016-12-31-2016 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Formal and Informal | No |
| <u>2017-70034617</u> | 01-01-2016-06-30-2016 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Formal and Informal | No |
| <u>2017-70034618</u> | 10-01-2016-OPEN | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Formal and Informal | No |
| <u>2017-70034615</u> | 07-01-2016-12-31-2016 | 53 | WATER QUALITY PARAMETER M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2017-70034616</u> | 07-01-2016-12-31-2016 | 53 | WATER QUALITY PARAMETER M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2017-70034611</u> | 04-01-2016-OPEN | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Formal and Informal | No |
| <u>2017-70034612</u> | 04-01-2016-OPEN | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Formal and Informal | No |
| <u>2017-</u> | 03-31-2016- | 75 | PUBLIC NOTICE RULE | 7500 | PUBLIC NOTICE | Yes - Formal | No |

| | | | | | | | |
|----------------------|-----------------------|----|------------------------------------------|------|--------------------|---------------------------|-----|
| <u>70034613</u> | OPEN | | LINKED TO VIOLATION | | | and Informal | |
| <u>2017-70034614</u> | 12-01-2015-OPEN | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Formal and Informal | No |
| <u>2017-70034609</u> | 01-01-2016-06-30-2016 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Formal and Informal | No |
| <u>2017-70034608</u> | 01-01-2016-03-31-2016 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Formal and Informal | No |
| <u>2017-70034607</u> | 10-01-2016-07-19-2018 | 57 | OCCT/SOWT RECOMMENDATION/STUDY (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2017-70034606</u> | 01-01-2016-06-30-2016 | 53 | WATER QUALITY PARAMETER M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2017-70034605</u> | 01-01-2016-06-30-2016 | 53 | WATER QUALITY PARAMETER M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2016-70034604</u> | 01-01-2016-06-30-2016 | 52 | FOLLOW-UP OR ROUTINE TAP M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2016-70034603</u> | 01-01-2016-03-31-2016 | 27 | MONITORING, ROUTINE (DBP), MAJOR | 0999 | CHLORINE | Yes - Formal and Informal | Yes |
| <u>2016-70034601</u> | 03-31-2016-07-19-2018 | 57 | OCCT/SOWT RECOMMENDATION/STUDY (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2016-70034602</u> | 04-01-2016-07-19-2018 | 57 | OCCT/SOWT RECOMMENDATION/STUDY (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2016-70034600</u> | 04-01-2016-OPEN | 56 | INITIAL/FOLLOW-UP/ROUTINE SOWT M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | No |
| <u>2016-70034598</u> | 12-30-2015-03-05-2019 | 66 | LEAD CONSUMER NOTICE (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2016-70034599</u> | 04-01-2015-06-30-2015 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Formal and Informal | No |
| <u>2016-70034597</u> | 12-01-2015-02-13-2019 | 65 | PUBLIC EDUCATION (LCR) | 5000 | LEAD & COPPER RULE | Yes - Formal and Informal | Yes |
| <u>2015-70034596</u> | 04-01-2015-06-30-2015 | 27 | MONITORING, ROUTINE (DBP), MAJOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2015-70034595</u> | 01-01-2012-12-31-2014 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Informal | No |
| <u>2015-</u> | 01-01-2012- | 52 | FOLLOW-UP OR ROUTINE | 5000 | LEAD & COPPER | Yes - | Yes |

| | | | | | | | |
|----------------------|-----------------------|----|----------------------------------------|------|--------------------------|-------------------------------|-----|
| <u>70034594</u> | 12-31-2014 | | TAP M/R (LCR) | | RULE | Informal | |
| <u>2013-70034590</u> | 07-01-2013-10-17-2014 | 71 | CCR REPORT | 7000 | CONSUMER CONFIDENCE RULE | Yes - Informal | Yes |
| <u>2005-70034583</u> | 04-01-2005-06-30-2005 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2005-70034581</u> | 01-01-2005-03-31-2005 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2005-70034580</u> | 10-01-2004-12-31-2004 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2004-70034579</u> | 07-01-2004-09-30-2004 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2004-70034578</u> | 04-01-2004-06-30-2004 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2004-70034577</u> | 01-01-2004-03-31-2004 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2006-70034574</u> | 04-01-2006-06-30-2006 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2006-70034575</u> | 01-01-2006-03-31-2006 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2006-70034576</u> | 07-01-2006-09-30-2006 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2006-70034584</u> | 10-01-2005-12-31-2005 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2007-70034585</u> | 10-01-2006-12-31-2006 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2005-70034582</u> | 07-01-2005-09-30-2005 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2007-70034586</u> | 01-01-2007-03-31-2007 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2007-207</u> | 08-01-2006-08-31-2006 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Not yet on path to compliance | Yes |
| <u>2006-106</u> | 08-01-2006-08-31-2006 | 23 | MONITORING (TCR), ROUTINE MAJOR | 3100 | COLIFORM (TCR) | Yes - Informal | Yes |

Total Number of Records Fetched = 56

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: TX0610112 (7 digit ID)

Name of PWS: Hilltown Addition

Date of last TCEQ compliance inspection: 07/01/2019 (attach TCEQ letter)

Subdivisions served: Hilltown Addition

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 |
| 715 | 5/8" or 3/4" | | 3" | | Commercial |
| 41 | 1" | | 4" | | Industrial |
| 2 | 1 1/2" | | Other | | Other |
| Total Water Connections: | | | 758 | 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.

| | | |
|-------------------------------------------|---------------------|--------------------------------------|
| Texas Commission on Environmental Quality | Office of Water | Public Drinking Water Section |
| County Map of TX | Water System Search | Office of Compliance and Enforcement |

| <u>Water System Detail</u> | | | |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------------|
| Water System Facilities Source Water Assessment Results | Violations Enforcement Actions | TCR Sample Results | TTHM HAA5 Summaries |
| Sample Points | Assistance Actions | Recent Positive TCR Results | PBCU Summaries |
| Sample Schedules / EANLs / Plans | Compliance Schedules | Other Chemical Results | Chlorine Summaries |
| Site Visits Milestones | TOC/Alkalinity Results | Chemical Results: Sort by: Name Code | Turbidity Summaries |
| Operators All POC | LRAA (TTHM/HAA5) | Recent Non-TCR Sample Results | TCR Sample Summaries |
| Glossary | | DWW Instructions | |

| <u>Water System Detail Information</u> | | | |
|----------------------------------------|-------------------|-----------------|------------|
| Water System No.: | TX0610112 | Federal Type: | C |
| Water System Name: | HILLTOWN ADDITION | Federal Source: | GW |
| Principal County Served: | DENTON | System Status: | A |
| Principal City Served: | | Activity Date: | 01-01-1913 |

| <u>Group Violations</u> | | | | | |
|-------------------------|--------------|----------------|----------------|---------------|--------------------|
| Fed Fiscal Year | Determ. Date | Violation Type | Violation Name | Analyte Group | Analyte Group Name |

| <u>Individual Violations</u> | | | | | | | |
|-------------------------------|-----------------------|---------------------|-----------------------------------------|--------------|--------------------------|---------------------------------------------------------------|-----------------------------------------------------------|
| Violation No. | Compliance Period | Violation Type Code | Violation Name | Analyte Code | Analyte Name | Has the Violation been Addressed? (On the Path to Compliance) | Has the Violation been Resolved? (Returned to Compliance) |
| 2019-70034580 | 07-01-2019-OPEN | 72 | CCR ADEQUACY/AVAILABILITY/CONTENT | 7000 | CONSUMER CONFIDENCE RULE | Yes - Informal | No |
| 2018-70034579 | 09-21-2017-10-05-2017 | 34 | MONITOR GWR TRIGGERED/ADDITIONAL, MAJOR | 3014 | E. COLI | Yes - Informal | No |
| 2018-70034577 | 12-30-2017-OPEN | 66 | LEAD CONSUMER NOTICE (LCR) | 5000 | LEAD & COPPER RULE | Yes - Informal | No |
| 2017-70034576 | 01-01-2016-12-31-2016 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Informal | No |

| | | | | | | | |
|----------------------|-----------------------|----|----------------------------------------|------|--------------------------|-------------------------------|-----|
| <u>2017-70034575</u> | 01-01-2016-03-31-2016 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Informal | No |
| <u>2017-70034574</u> | 01-01-2016-12-31-2016 | 52 | FOLLOW-UP OR ROUTINE TAP M/R (LCR) | 5000 | LEAD & COPPER RULE | Yes - Informal | Yes |
| <u>2016-70034568</u> | 01-01-2016-03-31-2016 | 27 | MONITORING, ROUTINE (DBP), MAJOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2016-70034565</u> | 12-30-2015-OPEN | 66 | LEAD CONSUMER NOTICE (LCR) | 5000 | LEAD & COPPER RULE | Yes - Informal | No |
| <u>2016-70034566</u> | 04-01-2015-06-30-2015 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Yes - Informal | No |
| <u>2015-70034564</u> | 04-01-2015-06-30-2015 | 27 | MONITORING, ROUTINE (DBP), MAJOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2016-70034563</u> | 07-01-2015-06-28-2016 | 72 | CCR ADEQUACY/AVAILABILITY/CONTENT | 7000 | CONSUMER CONFIDENCE RULE | Yes - Informal | Yes |
| <u>2015-70034560</u> | 12-30-2014-OPEN | 66 | LEAD CONSUMER NOTICE (LCR) | 5000 | LEAD & COPPER RULE | Yes - Informal | No |
| <u>2014-70034559</u> | 01-01-2013-12-31-2013 | 52 | FOLLOW-UP OR ROUTINE TAP M/R (LCR) | 5000 | LEAD & COPPER RULE | Not yet on path to compliance | Yes |
| <u>2013-70034557</u> | 01-01-2011-12-31-2011 | 52 | FOLLOW-UP OR ROUTINE TAP M/R (LCR) | 5000 | LEAD & COPPER RULE | Not yet on path to compliance | Yes |
| <u>2010-70034548</u> | 12-01-2009-12-31-2009 | 24 | MONITORING (TCR), ROUTINE MINOR | 3100 | COLIFORM (TCR) | Yes - Informal | Yes |
| <u>2006-70034535</u> | 04-01-2006-06-30-2006 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2005-70034544</u> | 04-01-2005-06-30-2005 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2006-70034537</u> | 07-01-2006-09-30-2006 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2006-70034545</u> | 10-01-2005-12-31-2005 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2007-70034546</u> | 10-01-2006-12-31-2006 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2007-70034547</u> | 01-01-2007-03-31-2007 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2005-70034543</u> | 07-01-2005-09-30-2005 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2005-70034542</u> | 01-01-2005-03-31-2005 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2006-70034536</u> | 01-01-2006-03-31-2006 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2004-70034538</u> | 01-01-2004-03-31-2004 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2005-70034541</u> | 10-01-2004-12-31-2004 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2004-</u> | 07-01-2004- | 27 | MONITORING, ROUTINE (DBP), | 0999 | CHLORINE | Yes - | Yes |

| | | | | | | | |
|--------------------------|-----------------------|----|----------------------------------------|------|----------------|-------------------------------|-----|
| <u>70034540</u> | 09-30-2004 | | MINOR | | | Informal | |
| 2004-70034539 | 04-01-2004-06-30-2004 | 27 | MONITORING, ROUTINE (DBP), MINOR | 0999 | CHLORINE | Yes - Informal | Yes |
| <u>2006-206</u> | 11-01-2005-11-30-2005 | 75 | PUBLIC NOTICE RULE LINKED TO VIOLATION | 7500 | PUBLIC NOTICE | Not yet on path to compliance | Yes |
| <u>2006-106</u> | 11-01-2005-11-30-2005 | 23 | MONITORING (TCR), ROUTINE MAJOR | 3100 | COLIFORM (TCR) | Yes - Informal | Yes |

Total Number of Records Fetched = 30

Attachment 'L'

Part F: Question 28

Confidential

Operators Information

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Terra Southwest, Inc. and Undine Texas, LLC for Sale, Transfer or Merger of Retail Public Utility and Certificate Rights in Denton County

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Exhibit L – Operators Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 97 to 98

ENVELOPE #: 1 OF 1

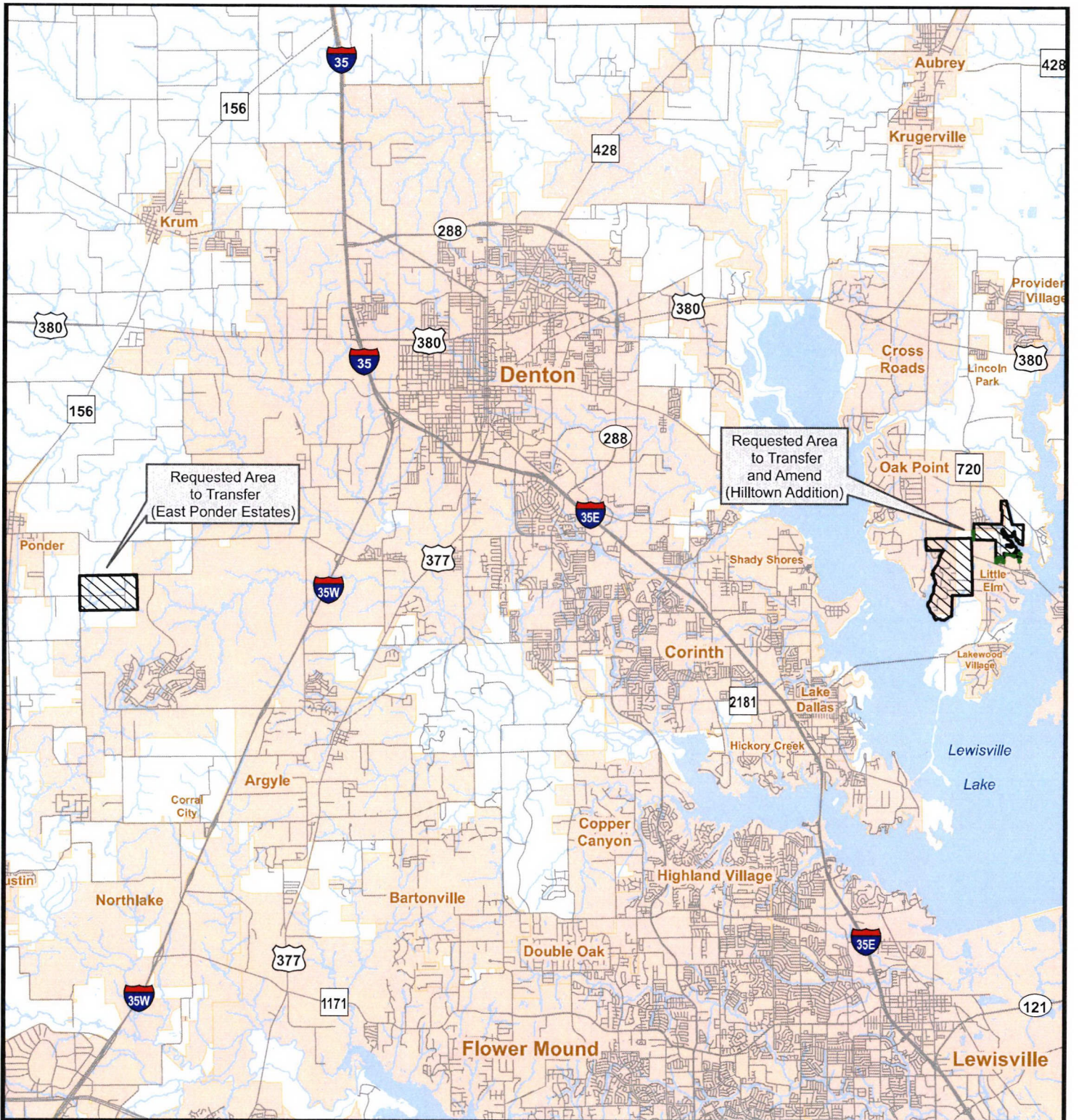
ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: December 16, 2020

Attachment 'M'

Part G

CCN Maps to be Transferred with this Application



General Location

Undine Texas, LLC

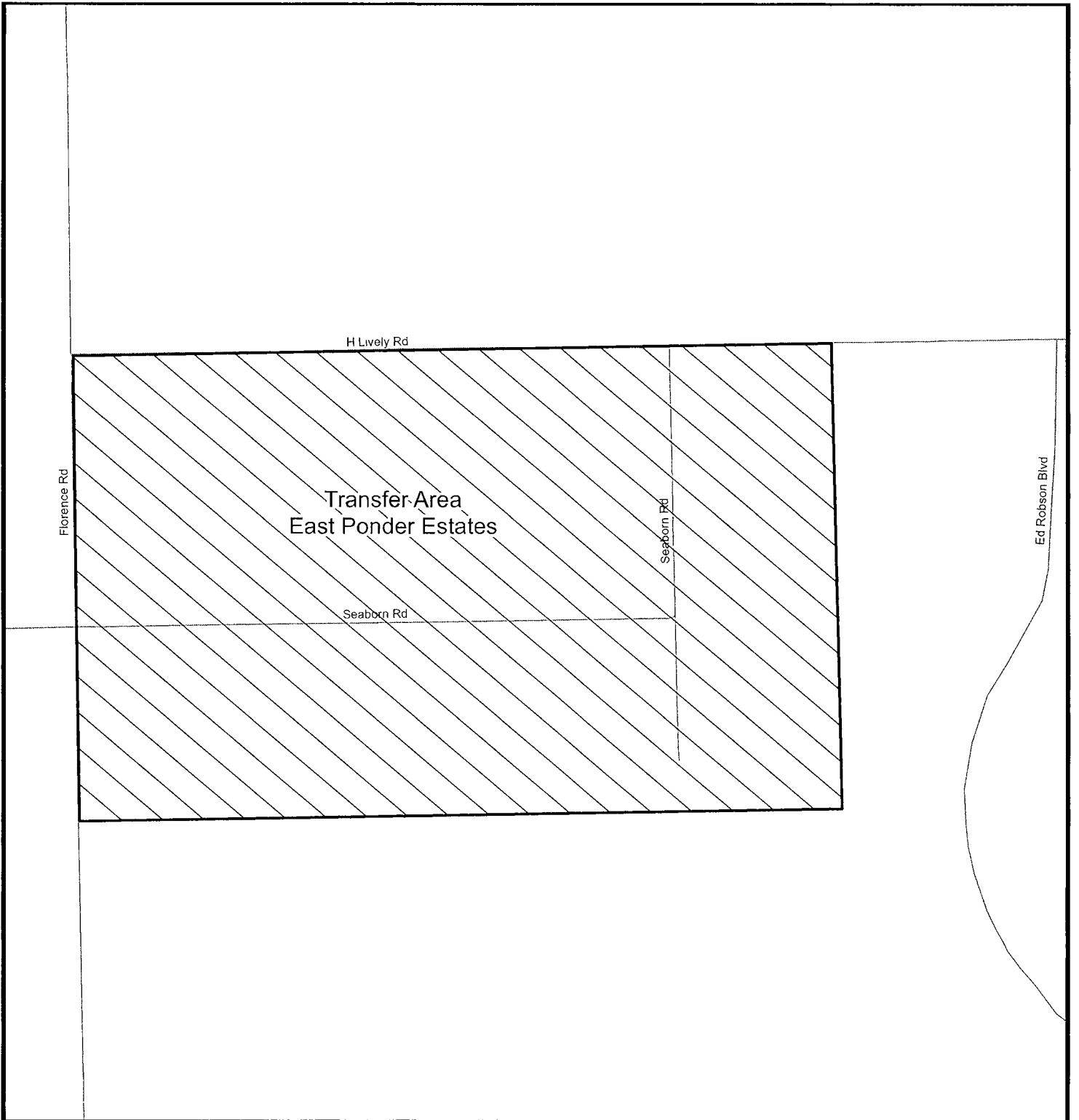
Application to Transfer Terra Southwest, Inc., CCN No. 11608 to Undine Texas, LLC, CCN No. 13260 and to Amend CCN to Include Existing Customers and Request Dual Certification with Town of Little Elm, CCN No. 11202 in Denton County



Requested Water Service Area to Transfer and Amend

-  CCN 11608 - Terra Southwest, Inc
-  Amend to Add Existing Customers within Hilltown Addition

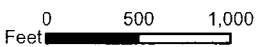
Map by: S. Burt, ASBGI
 Date: Feb 23, 2020
 Base: TxDOT Roadways 2015
 Project: General Location




Detail Map- East Ponder Estates

Undine Texas, LLC

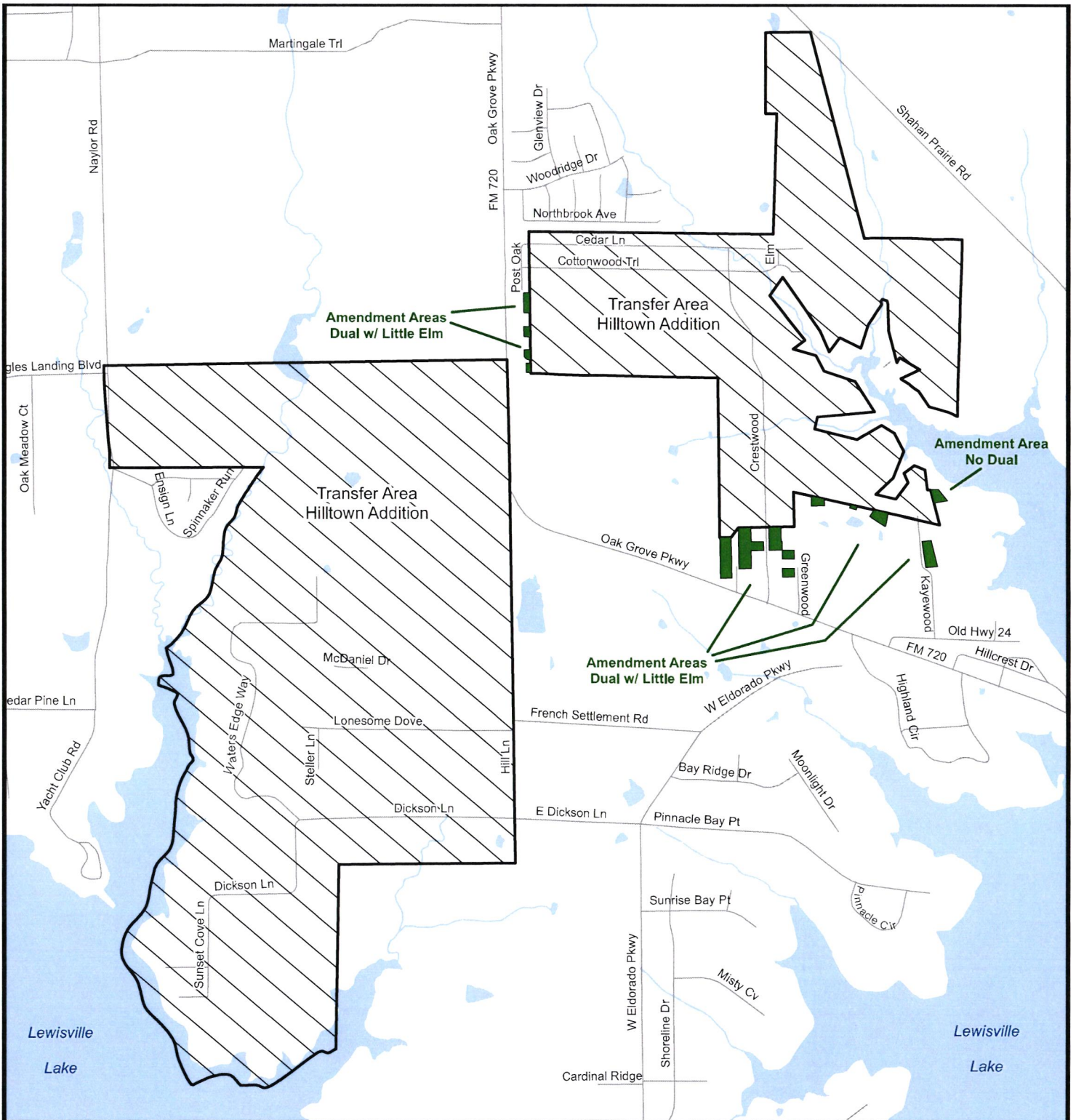
Application to Transfer Terra Southwest, Inc., CCN No. 11608 to Undine Texas, LLC, CCN No. 13260 and to Amend CCN to Include Existing Customers and Request Dual Certification with Town of Little Elm, CCN No. 11202 in Denton County



Requested Water Service Area to Transfer

 CCN 11608 - Terra Southwest, Inc.

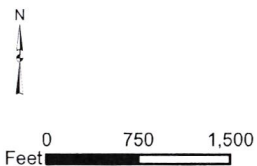
Map by S. Burt, ASBGI
Date: Feb 23, 2020
Base: TxDOT Roadways 2015
Project: Detail Map East Ponder



Detail Map - Hilltown Addition

Undine Texas, LLC

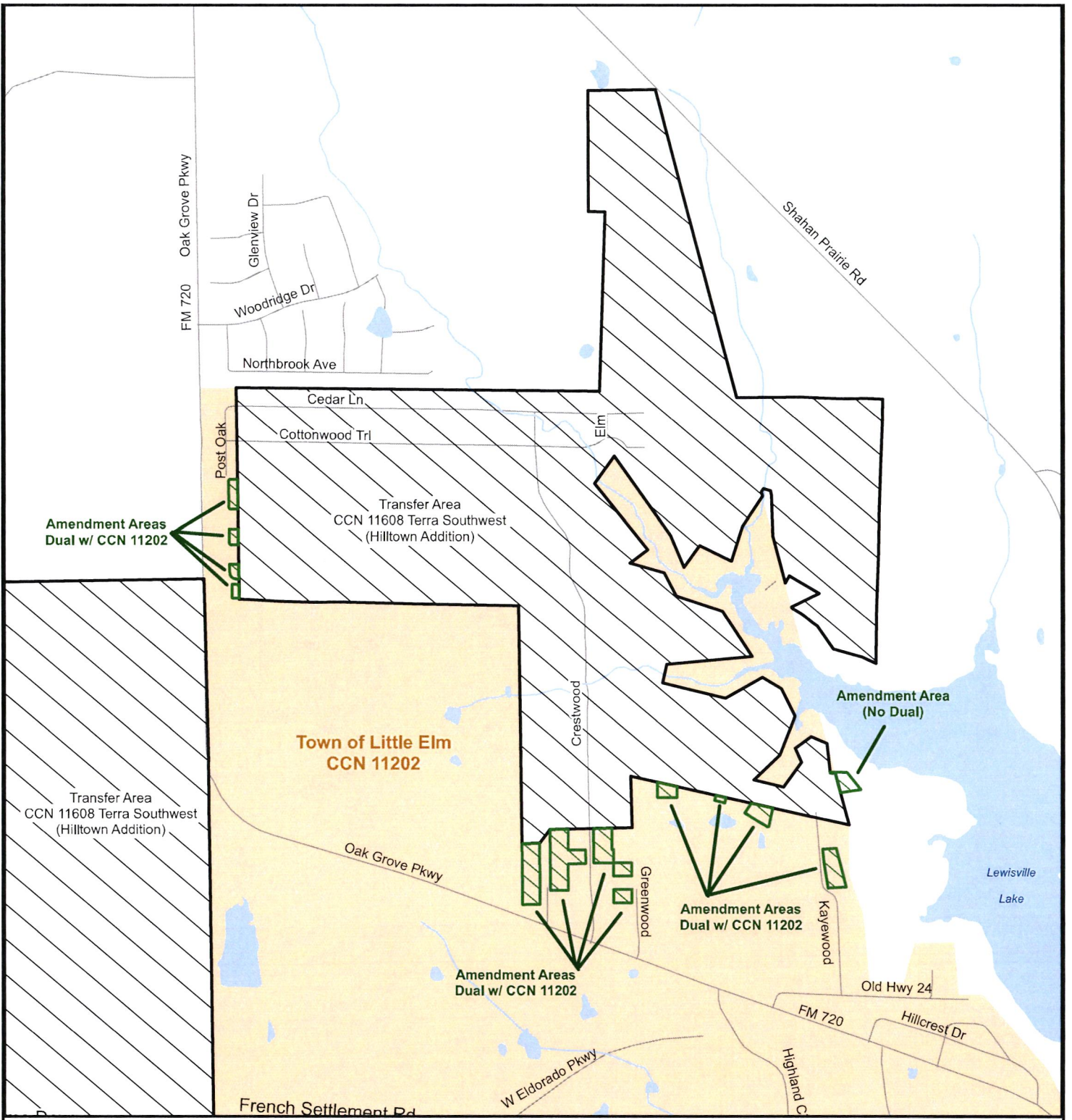
Application to Transfer Terra Southwest, Inc., CCN No. 11608 to Undine Texas, LLC, CCN No. 13260 and to Amend CCN to Include Existing Customers and Request Dual Certification with Town of Little Elm, CCN No. 11202 in Denton County



Requested Water Service Area to Transfer and Amend

- CCN 11608 - Terra Southwest, Inc.
- Amend to Add Existing Customers within Hilltown Addition

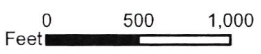
Map by: S. Burt, ASBGI
 Date: Feb 23, 2020
 Base: TxDOT Roadways 2015
 Project: Hilltown Addition





Hilltown Addition Amendment Areas

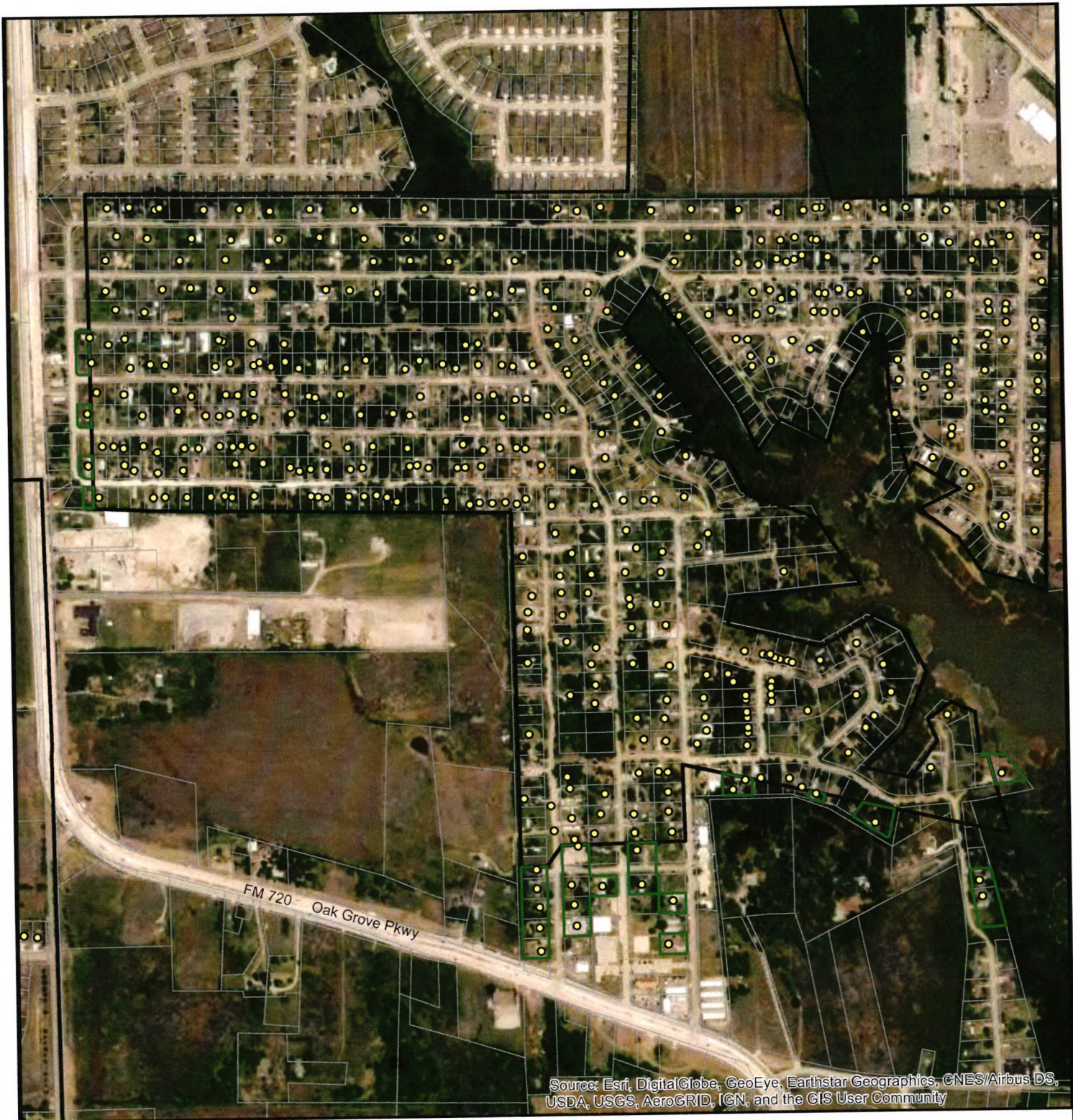
Undine Texas, LLC

Application to Transfer Terra Southwest, Inc., CCN No. 11608 to Undine Texas, LLC, CCN No. 13260 and to Amend CCN to Include Existing Customers and Request Dual Certification with Town of Little Elm, CCN No. 11202 in Denton County



-  Amend to Add Existing Customers within Hilltown Addition
-  CCN 11608 - Terra Southwest, Inc.

Map by: S. Burt, ASBGI
 Date: Feb 24, 2020
 Base: TxDOT roadays 2015
 Project: Hilltown Addition Amend



Customers' "Points of Service" in Hilltown Addition

Undine Texas, LLC

Application to Transfer Terra Southwest, Inc., CCN No. 11608 to Undine Texas, LLC, CCN No. 13260 and to Amend CCN to Include Existing Customers and Request Dual Certification with Town of Little Elm, CCN No. 11202 in Denton County



- Customers
- Amend to Add Existing Customers within Hilltown Addition
- CCN 11608 - Terra Southwest, Inc.

Map by: S. Burt, ASBGI
 Date: Feb 24, 2020
 Base: ESRI World Imagery, Denton CAD Parcels
 Project: 104 Farmers Points of Service

Attachment 'N'

Part H

CCN Descriptions

Undine Texas, LLC, CCN 13260

Application to Transfer Terra Southwest, CCN No. 11608 and Amend to Include Existing Customers in Denton County

Transfer Areas – East Ponder Estates, approx. 451 acres

Hilltown Addition, approx. 866 acres

Amendment Areas – Existing Customers in Hilltown Addition, approx. 8 acres

Proposed Water CCN area for transfer and Amend is **within**:

County – Denton

City Limits – Denton (East Ponder Estates)

Little Elm and Oak Point (Hilltown Addition)

ETJ - Denton and Ponder (East Ponder Estates)

Little Elm and Oak Point (Hilltown Addition)

CCN – City of Denton, CCN 10195 (East Ponder Estates-dual)

Town of Little Elm, CCN 11202 (Hilltown Addition transfer area-dual and amend areas-overlap)

Districts –Upper Trinity Regional Water District (all areas)

Oak Point WCID 1 – Hilltown Transfer Area Only

Oak Point WCID 2 – Hilltown Transfer Area only

GCD – North Texas GCD (all areas)

Written Description

The East Ponder Estates area subject to this transaction is located approximately 7.4 miles southwest of downtown Denton, TX, and is generally bounded on the north by H Lively Road; on the east by Ed Robson Blvd.; on the south by 0.26 mile south of Seaborn Road; and on the west by Florance Road.

The Hilltown Addition areas subject to this transaction are located approximately 8.6 miles southeast of downtown Denton, TX, and is generally bounded on the north by Martingale Trail and Shahan Prairie Road; on the east by Shahan Prairie Road and Lewisville Lake; on the south by Lewisville Lake; and on the west by Lewisville Lake and Yacht Club Road.

Transfer Areas = approx. 1,308 acres

Amend Areas = approx. 8 acres

Total area being requested includes approximately 1,316 acres and serves 867 current customers.

CD ATTACHED

TO VIEW PLEASE CONTACT
CENTRAL RECORDS
512-936-7180