



Filing Receipt

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Application Summary

Transferor: Texas Water Systems, Inc.

(selling entity)

CCN No.s: 12473

☒ Sale
 ☐ Transfer
 ☐ Merger
 ☐ Consolidation
 ☐ Lease/Rental

Transferee: Undine Development, LLC

(acquiring entity)

CCN No.s: 12407

☒ Water
 ☐ Sewer
 ☐ All CCN
 ☐ Portion CCN
 ☐ Facilities transfer

County(ies): Gregg, Henderson, Smith, and Upshur

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Please mark the items included in this filing

<input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
<input checked="" type="checkbox"/> Tariff including Rate Schedule	Part B: Question 4
<input checked="" type="checkbox"/> List of Customer Deposits	Part B: Question 5
<input checked="" type="checkbox"/> Partnership Agreement	Part C: Question 7
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input checked="" type="checkbox"/> Certificate of Account Status	Part C: Question 7
<input type="checkbox"/> Financial Audit	Part C: Question 10
<input type="checkbox"/> Application Attachment A & B	Part C: Question 10
<input type="checkbox"/> Disclosure of Affiliated Interests	Part C: Question 10
<input type="checkbox"/> Capital Improvement Plan	Part C: Question 10
<input 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 Development, LLC will purchase all utility assets listed in Attachment 'A' as defined in the Letter of Intent to Texas Water Systems, Inc.

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

For **Transferee** (Purchaser) CCN:

- ☐ Obtaining a NEW CCN for Purchaser
☐ Transfer all CCN into Purchaser's CCN (Merger)
☒ Transfer Portion of CCN into Purchaser's CCN
☐ Transfer all CCN to Purchaser and retain Seller CCN
☐ Uncertificated area added to Purchaser's CCN

For **Transferor** (Seller) CCN:

- ☐ Cancellation of Seller's CCN
☒ Transfer of a Portion of Seller's CCN to Purchaser
☐ Only Transfer of Facilities, No CCN or Customers
☐ Only Transfer of Customers, No CCN or Facilities
☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Texas Water Systems, Inc.
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other: _____

B. Mailing Address: 7891 Highway 271, Tyler, Texas 75708

Phone: (903) 521-2596

Email: red@texaspumpandwater.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: James K. Brown

Title: President

Mailing Address: 7891 Highway 271, Tyler, Texas 75708

Phone: (903) 521-2596

Email: red@texaspumpandwater.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: October 31, 2017

- 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: 47091

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 361

☒ # of customers with deposits held by the transferor* 837

*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 Development, 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.)

In accordance with HB 1484, rates will change to match those currently affected by the tariff enacted by Docket No. 46150 for CCN 12407.

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 additional rate changes to those described in 15.A. above 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 Development 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 Development 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 Smith

I, James K. Brown, Jr.

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).



AFFIANT

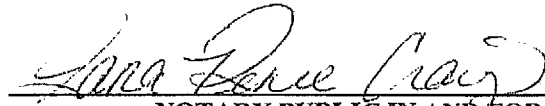
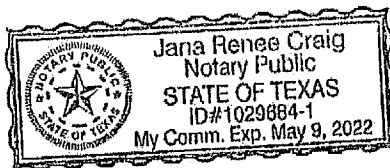
(Utility's Authorized Representative)

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.

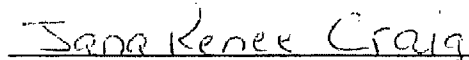
SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas

this day the 1 of September, 20 21

SEAL



**NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS**



PRINT OR TYPE NAME OF NOTARY

My commission expires: 5-09-2022

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 Senior Vice President
(owner, member of partnership, title as officer of corporation, or authorized representative)

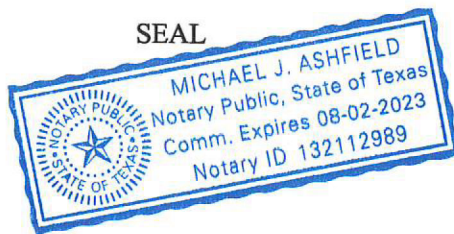
I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth 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 31st of August, 2021



Michael J. Ashfield

**NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS**

Michael J. Ashfield

PRINT OR TYPE NAME OF NOTARY

My commission expires: 08-02-2023

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

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

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

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

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

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

Appendix B: Projected Information

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

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

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

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

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

Attachment ‘A’	CCN Number, Subdivision Name(s), RN Number(s)
Attachment ‘B’ Part A: Question 1 Confidential	Letter of Intent
Attachment ‘C’ Part B: Question 4	Current Tariff
Attachment ‘D’ Part B: Question 5 Confidential	Customer Name, Address, and Deposit Information
Attachment ‘E’ Part C: Question 7 Confidential	Limited Liability Company Agreement Undine Development, 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 Development, LLC
Attachment ‘H’ Part D Confidential	Financial Information
Attachment ‘I’ Part E: Question 17	Evidence of Financial, Managerial and Technical, and Capabilities List of Currently Held Utilities
Attachment ‘J’ Part E: Question 21	Utilities Within 2 Miles

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Part F: Question 22

Inspection Reports for Each System

Attachment 'L'

Part F: Question 28

Confidential

Operators Information

Attachment 'M'

Part G

CCN Maps to be Transferred with this Application
(CD-Rs filed with PUC)

Attachment 'N'

Part H

CCN Descriptions

Attachment 'A'

CCN Number, Subdivision Name, RN Number

ATTACHMENT "A"

STM FILING UNDINE DEVELOPMENT, LLC AND TEXAS WATER SYSTEMS, INC

Brookshires Camp Joy Water System

CN	600629893
CCN	12473
RN	101376952
PWSID No	2300015
Subdivision	Camp Joy
County	Upshur
Connections	113

Cape Tranquility System

CN	600629893
CCN	12473
RN	101250405
PWSID No	1070176
Subdivision	Cape Tranquility
County	Henderson
Connections	72

Country Club Estates

CN	600629893
CCN	12473
RN	101440592
PWSID No	2300021
Subdivision	Country Club Estates
County	Upshur
Connections (TCEQ)	34

Friendship Water System

CN	600629893
CCN	12473
RN	101210292
PWSID No	2300020
Subdivision	Friendship
County	Upshur
Connections (TCEQ)	93

Garden Acres System

CN	600629893
CCN	12473
RN	101376705
PWSID No	0920031
Subdivision	Garden Acres
County	Gregg
Connections (TCEQ)	83

Garden Valley Resort

CN	600629893
CCN	12473
RN	102665965
PWSID No	2120081
Subdivision	Garden Valley Resort
County	Smith
Connections (TCEQ)	147

Mount Sylvan Water System

CN	600629893
CCN	12473
RN	101195238
PWSID No	2120034
Subdivision	Mount Sylvan
County	Smith
Connections (TCEQ)	308

Rosewood Water System

CN	600629893
CCN	12473
RN	101182475
PWSID No	2300026
Subdivision	Rosewood & Harmony
County	Upshur
Connections (TCEQ)	210

Stallion Lake Ranch

CN	600629893
CCN	12473
RN	102321544
PWSID No	2120104
Subdivision	Stallion Lake Ranch
County	Smith
Connections (TCEQ)	138

Attachment 'B'

Part A: Question 1

Confidential

Letter of Intent

CONFIDENTIAL

DOCKET NO.:

STYLE: APPLICATION OF TEXAS WATER SYSTEMS, INC. AND UNDINE DEVELOPMENT, LLC FOR SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY IN GREGG, HENDERSON, SMITH AND UPSHUR COUNTIES

SUBMITTING PARTY: Undine Development, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment B – Letter of Intent

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 27 to 31

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: 9/2/21

Attachment 'C'

Part B: Question 4

Current Tariff



WATER UTILITY TARIFF

Docket Number: 46150

Undine Development, LLC
(Utility Name)

17681 Telge Road
(Business Address)

Cypress, Texas 77429
(City, State, Zip Code)

713/574-5953
(Area Code/Telephone)

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

12407

This tariff is effective in the following county:

Travis

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

City of Austin (portions under limited purpose annexation)

The rates set or approved by the city of the systems within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the City of Austin.

This tariff is effective in the following subdivisions or systems:

See attached chart.

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.....	4
SECTION 3.0 -- EXTENSION POLICY	10

APPENDIX A -- DROUGHT CONTINGENCY PLAN	
APPENDIX B -- SAMPLE SERVICE AGREEMENT	
APPENDIX C -- APPLICATION FOR SERVICE	

LIST OF SUBDIVISIONS OR SYSTEMS

SUBDIVISION	PWS ID NUMBER	COUNTY
Oak Shores	2270060	Travis
Oak Shores on Lake Austin	2270060	Travis
Briarpatch, Smokey Ridge Annex and three tracts south thereof	2270060	Travis
Pearce Annex	2270060	Travis
Skishores Restaurant and Marina,	2270060	Travis
West Greenshores and Pearce Road Area	2270060	Travis
Woods of Greenshores Subdivision	2270060	Travis
Greenshores on Lake Austin	2270060	Travis

Docket Number: 46150

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonage Charge</u>
5/8" x 3/4"	<u>\$40.00</u>	<u>\$5.00</u> per 1000 gallons from 0 to 10,000 gallons
3/4"	<u>\$60.00</u>	<u>\$8.00</u> per 1000 gallons from 10,001 to 25,000 gallons
1"	<u>\$100.00</u>	<u>\$12.00</u> per 1000 gallons from 25,001 to 50,000 gallons
1½"	<u>\$200.00</u>	<u>\$14.00</u> per 1000 gallons from 50,001 and above
2"	<u>\$320.00</u>	
3"	<u>\$600.00</u>	

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

Cash 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%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL
 MONTHLY BILL AND TO REMIT THE FEE TO THE TCEQ.

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 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

Docket Number: 46150

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) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected.....\$45.00

TRANSFER FEE\$45.00

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)..... 10%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE\$30.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)\$50.00COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

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.

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

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

Section 2.02 - Refusal of Service

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

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

(A) Customer Deposits

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

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

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

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

(B) Tap or Reconnect Fees

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 16 TAC § 24.163(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Development Quality (TCEQ) Rules and Regulations for Public Water Systems, 30 TAC § 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

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

Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility.

If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.10 - Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance.

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SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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

(B) Late Fees

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

(C) Information on Bill

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

(D) Prorated Bills

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

Section 2.11 - Payments

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

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

Section 2.12 - Service Disconnection

(A) With Notice

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

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

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the Commission Rules.

Section 2.13 - Reconnection of Service

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

Service will be reconnected within 36 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.16 - Customer Complaints and Disputes

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

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

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

Section 2.17 - Customer Liability

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

SECTION 3.0 -- EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

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

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

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

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

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

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

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

Unless an exception is granted by the Commission, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the PUC if:

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

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

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

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

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

Section 3.03 - Contributions in Aid of Construction

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

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

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.163(c). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.163(c)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- For purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

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

Section 3.05 - Applying for Service

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

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the Commission for resolution.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Section 3.06 - Qualified Service Applicant

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

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

Section 3.07 - Developer Requirements

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

APPENDIX A -- DROUGHT CONTINGENCY PLAN**Error! Bookmark not defined.**
(Utility must attach copy of TCEQ approved Drought Contingency Plan)

APPENDIX B -- SAMPLE SERVICE AGREEMENTError! Bookmark not defined.

From 30 TAC Chapter 290.47(b), Appendix B
SERVICE AGREEMENT

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

CUSTOMER'S SIGNATURE: _____

DATE: _____

APPENDIX C -- APPLICATION FOR SERVICE
(Utility Must Attach Blank Copy)



Control Number: 48863



Item Number: 30

Addendum StartPage: 0

Public Utility Commission of Texas

Memorandum

2019 SEP 27 PM 2:25
PUBLIC UTILITY COMMISSION
FILING CLERK

TO: All Parties of Record

FROM: Nabaraj Pokharel, Engineering Specialist
Infrastructure Division

Richard Nemer, Attorney
Legal Division

DATE: September 27, 2019

RE: **Docket No. 48863**, *Application of Camp Joy Water and Texas Water Systems Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Upshur County*

CC: Henry A. Brookshire, Jr., Camp Joy Water Company
Belinda Tompkins, Texas Water Systems

In response to the Notice of Approval issued in Docket No. 48863, approving Texas Water System Inc.'s (TWS's) purchase of Camp Joy Water Company's (Camp Joy's) water system, the transfer of Camp Joy's water service area under CCN number 12960 to TWS's CCN number 12473, and the cancellation of Camp Joy's CCN number 12960, please find attached a clean copy of TWS's water utility tariff to be filed with Central Records. Staff requests that the attached tariff be marked as "Approved," and retained in the Commission tariff book. The attached water utility tariff supersedes TWS's current water utility tariff, which may be removed from the Commission tariff book.

All parties to Docket No. 48863 have been copied on this memo.



WATER UTILITY TARIFF
Docket Number 48863

Texas Water Systems, Inc.
(Utility Name)

7891 U.S. Highway 271
(Business Address)

Tyler, Texas 75708
(City, State, Zip Code)

(903) 595-2128
(Area Code/Telephone)

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

12473

This tariff is effective in the following county:

Gregg, Henderson, Limestone, Smith and Upshur

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

None

This tariff is effective in the following subdivisions or systems:

See attached list.

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	4
SECTION 2.20 -- SPECIFIC SERVICE RULES AND POLICIES	8
SECTION 3.0 -- EXTENSION POLICY	9
SECTION 3.02 -- SPECIFIC UTILITY EXTENSION POLICY	10

APPENDIX A -- DROUGHT CONTINGENCY PLAN
APPENDIX B -- APPLICATION FOR SERVICE

Texas Water Systems, Inc.

This tariff is effective in the following subdivisions or systems:

Subdivision	PWS ID Number	County
Cape Tranquility	1070176	Henderson
Country Club Estates	2300021	Upshur
Friendship Community	2300020	Upshur
Garden Acres Subdivision	0920031	Gregg
Garden Valley Water System	2120081	Smith
Mount Sylvan Community	2120034	Smith
Rosewood Community	2300026	Upshur
Stallion Lake	2120104	Smith
Tall Oaks Subdivision	1470037	Limestone

Formerly Camp Joy Water Company

Brookshires Camp Joy . Water System	230015	Upshur
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SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons)	<u>Gallonage Charge</u>
5/8"	<u>\$42.00</u>	<u>\$3.00</u> per 1,000 gallons
3/4"	<u>\$63.00</u>	
1"	<u>\$104.00</u>	
1½"	<u>\$205.00</u>	
2"	<u>\$325.00</u>	
3"	<u>\$600.00</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%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL
 AND TO REMIT TO THE TCEQ.

Section 1.02 – Miscellaneous Fees

TAP FEE 800.00
 TAP COVERS THE UTILITY'S COST FOR MATERIALS AND LABOR TO INSTALL STANDARD RESIDENTIAL 5/8"
 OR 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

METER TEST FEE (actual cost of testing the meter up to) \$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. THIS FEE MAY NOT EXCEED \$25.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS
 BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Nonpayment of bill (Maximum \$25.00) \$25.00
- b) Customer's request None
 or other reasons listed under Section 2.0 of this tariff

LATE CHARGE \$5.00
 PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY
 NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

SECTION 1.0 -- RATE SCHEDULE (Continued)

RETURNED CHECK CHARGE..... \$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 PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.21(b)(2)(F)]

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.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$19.00</u> (Includes 2000 gallons)	<u>\$2.00</u> per 1,000 gallons, 2001-8000 gallons
1"	<u>\$35.00</u>	<u>\$3.50</u> per 1,000 gallons, 8001-15,000 gallons
1½"	<u>\$65.00</u>	<u>\$4.00</u> per 1,000 gallons, 15,001-30,000 gallons
2"	<u>\$105.00</u>	<u>\$4.50</u> per 1,000 gallons thereafter

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

Cash ☒ Check ☒ Money Order ☒ 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%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT TO THE TCEQ.

Section 1.02 – Miscellaneous Fees

TAP FEE \$500.00
TAP COVERS THE UTILITY'S COST FOR MATERIALS AND LABOR TO INSTALL 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.

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 \$25.00.

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:

- a) Nonpayment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$10.00

TRANSFER FEE \$10.00

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

LATE CHARGE \$5.00

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE..... \$15.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$25.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

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.

SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 – Rules

The Utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, 16 TAC Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02 - Application for and Provision of Water Service

All applications for service will be made on the Utility's standard application or contract form (attached in the Appendix to this tariff) and will be signed by the applicant before water service is provided by the Utility. A separate application or contract will be made for each service location.

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

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

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Section 2.03 - Refusal of Service

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

Section 2.04 - Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the Utility, the applicant may be required to pay a deposit as provided for in Section 1.02 of this tariff. The Utility will keep records of the deposit and credit interest in accordance with PUC Rules.

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

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

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

Section 2.05 - Meter Requirements, Readings, and Testing

All water sold by the Utility will be billed based on meter measurements. The Utility will provide, install, own, and maintain meters to measure amounts of water consumed by its customers. One meter is required for each residential, commercial, or industrial facility in accordance with the PUC Rules.

Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The Utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the Utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the Utility's discretion, be made at the Utility's testing facility. If within a period of two years the customer requests a new test, the Utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the Utility will charge the customer a fee that reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the Utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.06 - Billing

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

A late penalty of either \$5.00 or 10% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The Utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the Utility will maintain and note on the monthly bill a telephone number (or numbers) which may be reached by a local call by customers. At the Utility's option, a toll-free telephone number or the equivalent may be provided.

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

Section 2.07 - Service Disconnection

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

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

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

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Section 2.08 - Reconnection of Service

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.09 - Service Interruptions

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

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

Section 2.10 - Quality of Service

The Utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the Utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.11 - Customer Complaints and Disputes

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

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

SECTION 2.20 – SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with PUC rules to be effective.

SECTION 3.0 - EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES. No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the Utility and the customer, or sharing of costs between the customer and other applicants before beginning construction.

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

COST UTILITIES SHALL BEAR. Within its certificate area, the Utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the Utility, the Utility may charge for the first 200 feet. The Utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the Utility's facilities in accordance with the Utility's approved extension policy after receiving a written request from the Utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the PUC's Rules.

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

Attachment 'D'

Part B: Question 5

Confidential

Customer Name, Address and Deposit Information

CONFIDENTIAL

DOCKET NO.:

STYLE: APPLICATION OF TEXAS WATER SYSTEMS, INC. AND UNDINE DEVELOPMENT, LLC FOR SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY IN GREGG, HENDERSON, SMITH AND UPSHUR COUNTIES

SUBMITTING PARTY: Undine Development, LLC

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

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 66 to 84

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: 9/2/21

Attachment 'E'

Part C: Question 7

Confidential

Limited Liability Company Agreement Undine Texas, LLC and
Organizational Chart

CONFIDENTIAL

DOCKET NO.:

STYLE: APPLICATION OF TEXAS WATER SYSTEMS, INC. AND UNDINE DEVELOPMENT, LLC FOR SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY IN GREGG, HENDERSON, SMITH AND UPSHUR COUNTIES

SUBMITTING PARTY: Undine Development, LLC

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

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 86 to 93

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: 9/2/21

Attachment 'F'

Part C: Question 7

Certificates of Account Status

Party Information

The legal name of the seller party is Texas Water Systems, Inc. It does not conduct business under an assumed name.

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

The seller party, Texas Water Systems, Inc., operates as a Texas, USA corporation. The business was formed on October 19, 1998.

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

Texas Water Systems, Inc. and TWS Management, Inc. are owned by TWS Holdings Corporation. The primary business of TWS Holdings Corporation is owning and operating a management and water system.

Undine, LLC is the Sole Member of Undine Texas, LLC which is the Sole Member of buyer Undine Development, LLC. The Primary business of Undine, LLC is owning and operating water and wastewater utilities.



Franchise Tax Account Status

As of : 08/23/2021 14:09:08

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

TEXAS WATER SYSTEMS, INC.

Texas Taxpayer Number 17522535883

Mailing Address 7891 US HIGHWAY 271 TYLER, TX 75708-4002

? Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 10/19/1988

Texas SOS File Number 0109227500

Registered Agent Name JAMES BROWN

Registered Office Street Address 7891 HWY 271 TYLER, TX 75708



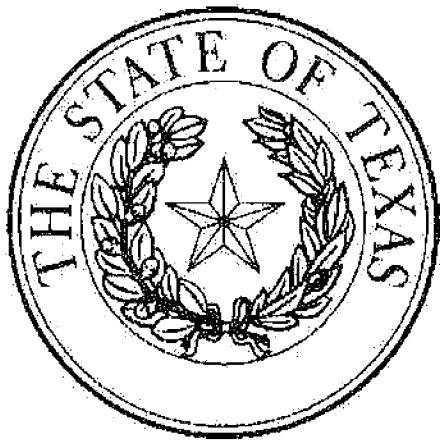
Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles Of Incorporation for TEXAS WATER SYSTEMS, INC. (file number 109227500), a Domestic For-Profit Corporation, was filed in this office on October 19, 1988.

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 March 07, 2019.



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

David Whitley
Secretary of State

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "UNDINE DEVELOPMENT, 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 SEVENTEENTH DAY OF APRIL, A.D. 2019.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "UNDINE DEVELOPMENT, LLC" WAS FORMED ON THE THIRTY-FIRST DAY OF MARCH, A.D. 2016.

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



6004595 8300

SR# 20192928581

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

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

Jeffrey W. Bullock, Secretary of State

Authentication: 202661237

Date: 04-17-19



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 Development, LLC (file number 802427793), a DELAWARE, USA, Foreign Limited Liability Company (LLC), was filed in this office on April 01, 2016.

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 April 17, 2019.



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

David Whitley
Secretary of State

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "UNDINE, 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, 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.



5831919 8300

SR# 20190989149

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

A handwritten signature of Jeffrey W. Bullock in black ink, written over a horizontal line.

Jeffrey W. Bullock, Secretary of State

Authentication: 202256272

Date: 02-13-19



Franchise Tax Account Status

As of : 08/23/2021 14:07:38

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

TWS MANAGEMENT, INC.

Texas Taxpayer Number 32020299072

Mailing Address 7891 US HIGHWAY 271 TYLER, TX 75708-4002

? Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 07/28/2006

Texas SOS File Number 0800686811

Registered Agent Name JAMES K BROWN

Registered Office Street Address 7891 HWY 271 TYLER, TX 75708



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, LLC (file number 802339315), 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

Attachment 'G'

Part C: Question 9

Confidential

List of the Officers of Undine Development, LLC

CONFIDENTIAL

DOCKET NO.:

STYLE: APPLICATION OF TEXAS WATER SYSTEMS, INC. AND UNDINE DEVELOPMENT, LLC FOR SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY IN GREGG, HENDERSON, SMITH AND UPSHUR COUNTIES

SUBMITTING PARTY: Undine Development, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment G – List of the Officers of Undine Development, LLC

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 104 to 104

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: 9/2/21

Attachment 'H'

Part D

Confidential

Financial Information

CONFIDENTIAL

DOCKET NO.:

STYLE: APPLICATION OF TEXAS WATER SYSTEMS, INC. AND UNDINE DEVELOPMENT, LLC FOR SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY IN GREGG, HENDERSON, SMITH AND UPSHUR COUNTIES

SUBMITTING PARTY: Undine Development, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment H – Financial Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 106 to 114

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: 9/2/21

Attachment 'I'

Part E: Question 17

Evidence of Financial, Managerial and Technical Capabilities

List of Currently Held Utilities

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"> 35 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"> 25 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"> 30 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
Vance Tillman Chief Financial Officer	<ul style="list-style-type: none"> 33 years of total experience 	<ul style="list-style-type: none"> Former CFO of Big City Access Holdings, LLC Former CFO of Tideland Signal Corporation Twenty year progressively responsible career with Gulf States Toyota automotive conglomerate culminating as CFO of financial services business unit
Mike Ashfield Sr. Vice President Acquisitions	<ul style="list-style-type: none"> 19 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"> 22 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"> 23 years of total experience 	<ul style="list-style-type: none"> Project Coordinator for AquaSource Business Development for Quadvest for 10 years

Undine Development, LLC**CN 605236587**

Systems Acquired	Connection Count 6/30/2021	CCN	PWSID	RN Number	Tariff Control Number	County
Oak Shores	GS1	12407	2270060	102674264	46150	Travis
Oak Shores on Lake Austin	158					
Briarpatch	GS2					
Woods of Greenshores	26					
Greenshores on Lake Austin	GS3					
Smokey Ridge Annex	47					

Systems Acquired	Connection Count 6/30/2021	CCN	PWSID	RN Number	Discharge Permit Number	Tariff Control Number	County
Greenshores on Lake Austin	248	20948	n/a	102185998	WQ0014286-001	46150	Travis
Oak Shores WWTP			n/a				

Attachment 'J'

Part E: Question 21

Utilities Within 2 Miles

Texas Water Systems, Inc. CCN 12473 STM	Utility Name- 2 mile Notice	CCN#	Street	City	State	Zip
Camp Joy	Bi County WSC	10490	PO Box 848	Pittsburg	TX	75686
	City of Hughes Springs	10531	PO Box 805	Hughes Springs	TX	75656
	City of Ore City	10424	PO Box 327	Ore City	TX	75683
	Cypress Valley Navigation District		PO Box 8463	Marshall	TX	75683
	Diana SUD	10425	PO Box 74	Diana	TX	75640
	MIMS WSC	11650	RR1 Box 466	Avinger	TX	75630
	Notheast Texas Municipal Water District		PO Box 955	Hughes Springs	TX	75656
	Upper Sabine Valley SWMD		PO Box 82	Gilmer	TX	75644
	Upshur County Judge Todd Tefteller		PO Box 730	Gilmer	TX	75644
Cape Tranquility	City of Coffee City		7019 Pleasant Ridge Rd	Coffee City	TX	75763
	Aqua Texas, Inc.	13201	1106 Clayton Ln Ste 400W	Austin	TX	78723
	Monarch Utilities, LP	12983	12535 Reed Rd	Sugar Land	TX	77478
	Southern Utilities Co	10762	218 N Broadway	Tyler	TX	75702
	Neches & Trinity Valleys GCD		PO Box 1387	Jacksonville	TX	75766
	Henderson County Judge Wade McKinney		125 N Prairieville St Rm 100	Athens	TX	75751
Country Club	City of Gilmer	11264	PO Box 760	Gilmer	TX	75644
	Pritchett WSC	10478	3670 State Highway 155 S	Gilmer	TX	75645
	Sabine River Authority		PO Box 579	Orange	TX	77631
	Upper Sabine Valley SWMD		PO Box 82	Gilmer	TX	75644
	Upshur County Judge Todd Tefteller		PO Box 730	Gilmer	TX	75644
Friendship	City of Gilmer	11264	PO Box 760	Gilmer	TX	75644
	Pritchett WSC	10478	3670 State Highway 155 S	Gilmer	TX	75645
	Sharon WSC	10476	6175 N State Hwy 37	Winnsboro	TX	75494
	Upper Sabine Valley SWMD		PO Box 82	Gilmer	TX	75644
	Upshur County Judge Todd Tefteller		PO Box 730	Gilmer	TX	75644
Garden Acres	City of Longview	10361	PO Box 1952	Longview	TX	75606
	City of White Oak	10422	906 S White Oak Rd	White Oak	TX	75693
	Liberty City WSC	10408	6144 Gateway Ctr Ste 349	Kilgore	TX	75662
	Little Cypress Utility District		deleted/ dissolved per TCEQ		TX	
	Sabine River Authority		PO Box 579	Orange	TX	77631
	Gregg County Judge Bill Stoudt		PO Box 4147	Longview	TX	75606
Harmony and Rosewood	Pritchett WSC	10478	3670 State Highway 155 S	Gilmer	TX	75645
	Sharon WSC	10476	6175 N State Hwy 37	Winnsboro	TX	75494
	Sabine River Authority		PO Box 579	Orange	TX	77631
	Upper Sabine Valley SWMD		PO Box 82	Gilmer	TX	75644
	Upshur County Judge Todd Tefteller		PO Box 730	Gilmer	TX	75644

Mt. Sylvan

City of Lindale	12795	PO Box 130	Lindale	TX	75771
City of Tyler	10772	PO Box 2039	Tyler	TX	75710
Crystal Systems of Texas Inc.	10804	PO Box 1084	Tyler	TX	75710
Lindale Rural WSC	10758	PO Box 756	Lindale	TX	75771
RPM WSC	10787	5765 SH 64	Ben Wheeler	TX	75754
Southern Utilities Co	10762	218 N Broadway	Tyler	TX	75702
Carroll WSC	10765	PO Box 428	Van	TX	75790
Angelina & Neches River Authority		PO Box 387	Lufkin	TX	75902
Sabine River Authority		PO Box 579	Orange	TX	77631
Upper Sabine Valley SWMD		PO Box 82	Gilmer	TX	75644
Van Zandt County Waste Disposal District		PO Box 117	Canton	TX	75103
Smith County Judge Nathaniel Moran		200 E. Ferguson, Suite 100	Tyler	TX	75702

Stallion Lake and Garden Valley

Ben Wheeler WSC	10749	PO Box 104	Ben Wheeler	TX	75754
City of Van	10768	PO Box 487	Van	TX	75790
Crystal Systems of Texas Inc.	10804	PO Box 1084	Tyler	TX	75710
Lindale Rural WSC	10758	PO Box 756	Lindale	TX	75771
RPM WSC	10787	5765 SH 64	Ben Wheeler	TX	75754
Carroll WSC	10765	PO box 428	Van	TX	75790
Angelina & Neches River Authority		PO Box 387	Lufkin	TX	75902
Sabine River Authority		PO Box 579	Orange	TX	77631
Upper Sabine Valley SWMD		PO Box 82	Gilmer	TX	75644
Van Zandt County Waste Disposal District		PO Box 117	Canton	TX	75103
Smith County Judge Nathaniel Moran		200 E. Ferguson, Suite 100	Tyler	TX	75702

Attachment 'K'

Part F: Question 22

Inspection Reports for Each System

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

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

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

TCEQ PWS Identification Number: TX2300015 (7 digit ID)

Name of PWS: Brookshires Camp Joy Water System

Date of last TCEQ compliance inspection: September 27, 2016 (attach TCEQ letter)

Subdivisions served: Camp Joy

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
113	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:		113	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

Water System Detail			
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	

Water System Detail Information			
Water System No.:	TX2300015	Federal Type:	C
Water System Name:	BROOKSHIRES CAMP JOY WATER SYSTEM	Federal Source:	GW
Principal County Served:	UPSHUR	System Status:	A
Principal City Served:		Activity Date:	01-01-1913

Group Violations					
Fed Fiscal Year	Determ. Date	Violation Type	Violation Name	Analyte Group	Analyte Group Name

Individual Violations							
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)
2014-100069401	07-01-2014-09-30-2014	27	MONITORING, ROUTINE (DBP), MAJOR	0999	CHLORINE	Yes - Informal	Yes
2011-100069395	06-01-2011-06-30-2011	24	MONITORING (TCR), ROUTINE MINOR	3100	COLIFORM (TCR)	Yes - Informal	Yes
2011-100069393	05-01-2011-05-31-2011	22	MCL (TCR), MONTHLY	3100	COLIFORM (TCR)	Yes - Informal	Yes
2010-100069391	07-01-2010-09-30-2010	27	MONITORING, ROUTINE (DBP), MAJOR	0999	CHLORINE	Not yet on path to compliance	Yes
2004-104	07-01-2004-03-31-2005	71	CCR REPORT	7000	CONSUMER CONFIDENCE RULE	Yes - Informal	Yes

Total Number of Records Fetched = 5

Texas Commission on Environmental Quality		Office of Water		Public Drinking Water Section	
County Map of TX		Water System Search		Office of Compliance and Enforcement	
Water System Detail					
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		
Water System Detail Information					
Water System No.:		TX2300015		Federal Type:	
C		Water System Name:		Federal Source:	
GW		Principal County Served:		System Status:	
A		Principal City Served:		Activity Date:	
01-01-1913					
Enforcement Actions					
EA Number	Action Type	PN Due/Proof PN Due PN Done/Proof PN Done	Action Name	Status	Date
2015-224	SOX		ST COMPLIANCE ACHIEVED	T	05-11-2015
2015-223	RTC		RETURN TO COMPLIANCE	T	04-07-2015
2015-222	RTC		RETURN TO COMPLIANCE	T	03-19-2015
2015-221	SIF		ST PUBLIC NOTIF RECEIVED	T	02-06-2015
2015-219	SIA		ST VIOLATION/REMINDER NOTICE	T	01-14-2015
2015-220	SIE	04-14-2015 / 04-24-2015 02-03-2015 / 02-06-2015	ST PUBLIC NOTIF REQUESTED	T	01-14-2015
2011-218	NOE		NOTICE OF ENFORCEMENT	T	09-23-2011
2011-217	SIF		ST PUBLIC NOTIF RECEIVED	T	09-09-2011
2011-215	SIA		ST VIOLATION/REMINDER NOTICE	T	07-25-2011
2011-216	SIE	10-09-2011 / 10-19-2011 09-02-2011 / 09-09-2011	ST PUBLIC NOTIF REQUESTED	T	07-25-2011
2011-211	SIF		ST PUBLIC NOTIF RECEIVED	T	06-09-2011
2011-209	SIA		ST VIOLATION/REMINDER NOTICE	T	05-25-2011
2011-210	SIE	07-11-2011 / 07-21-2011 06-06-2011 / 06-09-2011	ST PUBLIC NOTIF REQUESTED	T	05-25-2011
2011-208	SOX		ST COMPLIANCE ACHIEVED	T	02-16-2011
2005-205	SOX		ST COMPLIANCE ACHIEVED	T	03-31-2005
2005-105	SIA		ST VIOLATION/REMINDER NOTICE	T	01-26-2005

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: TX2300015 (7 digit ID)Name of PWS: Brookshires Camp Joy Water SystemDate of last TCEQ compliance inspection: September 27, 2016 (attach TCEQ letter)Subdivisions served: Camp Joy**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
113	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:		113	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.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 14, 2018

CERTIFIED MAIL 9171 9690 0935 0136 8024 07
RETURN RECEIPT REQUESTED

Mr. James K. Brown, President
Cape Tranquility Water System
7891 Highway 271
Tyler, Texas 75708-4002

Re: Unresolved Alleged Violations for the Comprehensive Compliance Investigation at:
Cape Tranquility WS, located on CR 4202, NW of Coffee City (Henderson County), Texas
RN101250405, TCEQ Additional ID No.: 1070176, Investigation No.: 1467197

Dear Mr. Brown:

The Texas Commission on Environmental Quality (TCEQ) Tyler Region Office has previously requested that you submit compliance documentation for the alleged violations noted during the investigation of the above-referenced public water supply conducted on May 29, 2017. We have received acceptable compliance documentation from you for all of the alleged violations except those listed in the enclosed summary.

Please submit to our office by **March 16, 2018** a written description of corrective action taken and the required compliance documentation demonstrating that this remaining alleged violation has been resolved by track no.: **648529**.

If you or members of your staff have any questions, please feel free to contact Ms. Jennifer Brewton in the Tyler Region Office at (903)535-5150.

Sincerely,

A handwritten signature in black ink, appearing to read "Cara C. Fisher".

Ms. Cara C. Fisher
Water Work Leader, Tyler Region Office

CCF/jcb

Enclosures: Summary of Investigation Findings

Answer move down tank frame! 16'x21 Ground storage TANK

Summary of Investigation Findings

CAPE TRANQUILITY SYSTEM

Investigation #

, HENDERSON COUNTY,

1467197
Investigation Date: 02/02/2018

Additional ID(s): 1070176

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 648529 Compliance Due Date: 03/16/2018

30 TAC Chapter 291.93(3)(A)

Alleged Violation:

Investigation: 1425079

Comment Date: 07/17/2017

Failure to submit a Capacity Planning Report.

During the investigation, the investigator documented the water system failed to submit a Capacity Planning Report after exceeding 85% total storage capacity. At the time of the current investigation the system capacities are as follows:

Well: Required—0.6 gpm x 71 con. = 43 gpm; Provided—53 gpm (80%)

Pressure Storage: Required—20 gal. x 71 con. = 0.00142 MG; Provided—0.0025 MG (57%)

Ground/Total Storage: Required—200 gal. x 71 con. = 0.014; Provided—0.0152 (95%)

Service Pump: Required—2.0 gpm x 71 con. = 142 gpm; Provided—180 gpm (79%)

Investigation: 1438803

Comment Date: 09/25/2017

Failure to submit a Capacity Planning Report.

During the file review, the investigator reviewed a letter from Mr. Dave Odle stating the water system plans to apply for an Alternative Capacity Requirement. The average time to complete this process once required documentation has been submitted is 90 days.

Therefore, a compliance due date will be set at 120 days from the date of this letter.

Investigation: 1467197

Comment Date: 02/02/2018

Failure to submit a Capacity Planning Report.

During the file review, the investigator reviewed a letter from Mr. Dave Odle stating the water system still plans to apply for an Alternative Capacity Requirement. No further information was submitted for this alleged violation.

Recommended Corrective Action: Please submit compliance documentation by March 16, 2018. The documentation should demonstrate what actions have been taken and may include photographs, purchase orders, results of analyses, etc.

ALLEGED VIOLATION(S) NOTED AND RESOLVED ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 548023

30 TAC Chapter 290.46(s)(2)(C)(i)

Alleged Violation:

Investigation: 1193744

Comment Date: 09/10/2014

Failure to verify accuracy of the manual disinfectant analyzer.

During the investigation, the investigator documented that the water system was not verifying the accuracy of the Hach colorimeter.

Investigation: 1425079

Comment Date: 07/17/2017

Failure to verify the accuracy of the manual disinfectant analyzer.

During the investigation, the investigator documented the water system gel standards for calibrating the handheld colorimeter were expired. Additionally, water system personnel were unable to provide calibration records showing accuracy checks every 90 days as required.

Investigation: 1438803

Comment Date: 09/25/2017

Failure to verify the accuracy of the manual disinfectant analyzer.

During the file review, the water system submitted a receipt for the purchase of new gel standards to be used for verification. However, the system did not submit any records showing the verifications had been performed. Therefore, this alleged violation cannot be resolved without further documentation.

Investigation: 1467197

Comment Date: 02/02/2018

See previous comments.

Resolution: During the file review, the investigator reviewed documentation of the verification of the manual disinfectant analyzer. This alleged violation will be resolved.

Track No: 648523**30 TAC Chapter 290.46(m)(1)(B)****Alleged Violation:**

Investigation: 1425079

Comment Date: 07/25/2017

Failure to conduct interior pressure tank inspections.

During the investigation, the investigator documented the water system had not conducted an interior inspection for the pressure tank within the last five years.

Investigation: 1438803

Comment Date: 09/25/2017

Failure to conduct interior pressure tank inspections.

During the file review, the investigator reviewed a letter from Mr. Dave Odle stating the water system anticipates having the tank inspection completed by November 30, 2017.

Investigation: 1467197

Comment Date: 02/02/2018

See previous comments.

Resolution: During the file review, the investigator reviewed a copy of the tank inspection completed on November 9, 2017. This alleged violation will be resolved.

Track No: 648524**30 TAC Chapter 290.46(l)****Alleged Violation:**

Investigation: 1425079

Comment Date: 07/17/2017

Failure to provide adequate flushing logs.

During the investigation, the investigator documented the water system was unable to provide complete flushing logs for the previous twelve months.

Investigation: 1438803

Comment Date: 09/25/2017

Failure to provide adequate flushing logs.

This alleged violation currently has a compliance due date of February 1, 2018.

Investigation: 1467197

Comment Date: 02/02/2018

See previous comments.

Resolution: During the file review, the investigator reviewed flushing logs for the previous months. This alleged violation will be resolved.

Track No: 648526

30 TAC Chapter 290.46(m)

Alleged Violation:

Investigation: 1425079

Comment Date: 07/17/2017

Failure to maintain intruder resistant fencing.

During the investigation, the investigator documented that the fencing at the plant had numerous holes located near the bottom of the fencing.

Investigation: 1438803

Comment Date: 09/25/2017

Failure to maintain intruder resistant fencing.

During the file review, the investigator reviewed a letter from Mr. Dave Odle stating the water system anticipates having the fence repairs completed by October 30, 2017.

Investigation: 1467197

Comment Date: 02/02/2018

See previous comments.

Resolution: During the file review, the investigator reviewed photographic documentation of the repairs made to the fencing at the well site. This alleged violation will be resolved.

Track No: 648528

30 TAC Chapter 290.41(c)(3)(M)

Alleged Violation:

Investigation: 1425079

Comment Date: 07/17/2017

Failure to provide a suitable sampling cock on discharge pipe.

During the investigation, the investigator observed the sampling cock for Well 1 was inoperable.

Investigation: 1438803

Comment Date: 09/25/2017

Failure to provide a suitable sampling cock on discharge pipe.

During the file review, the investigator reviewed a letter from Mr. Dave Odle stating the water system anticipates having the fence repairs completed by October 30, 2017.

Investigation: 1467197

Comment Date: 02/02/2018

See previous comments.

Resolution: During the file review, the investigator reviewed photographic documentation of the installation of a sampling cock on the discharge pipe. This alleged violation will be resolved.



COPY

TEXAS WATER SYSTEMS Inc

An Investor Owned Utility

7891 Hwy. 271

Tyler, TX 75708

Phone: 903-597-5788 Fax: 903-526-0076

Ms. Cara C. Fisher
Work Leader, Water Program
Tyler Region 5 Office
2916 Teague Drive
Tyler, Texas 75701

Nov.28, 2017

Re: Cape Tranquility PWS ID No. 1070176, Investigation No. 1425079 (Letter of July 28 & October 10, 2017)

Dear Ms. Fisher:

We submit this up dated compliance plan for the Cape Tranquility system on the tracks at issue:

1. Track # 548023: We purchased a current set of standards--copy enclosed-- added test preformed to certificate of standards (enclosed)
2. Track # 648523: We will have the inspection preformed by November 30, 2017 and documents to follow --preformed Nov. 9, 2017 (copy enclosed)
3. Track # 648526: We will make corrected adjustments and send proof by Oct. 30, 2017 including picture -- (repaired and photo's enclosed)
4. Track # 648528: New sample cock will be installed and a picture sent by Oct. 30, 2017 (replaced and photo enclosed)
5. Track # 648524: Enclosed you will find a copy of flush records since investigation-- a better system of filing has been established to find same-- please consider
6. Concerning track 648529 we will probably apply for waiver due to no growth potential in subdivision and have enough water with well work.

David L. Odle
TWS Management
Operating Company

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: TX2300015 (7 digit ID)

Name of PWS: Brookshires Camp Joy Water System

Date of last TCEQ compliance inspection: September 27, 2016 (attach TCEQ letter)

Subdivisions served: Camp Joy

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
113	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:		113	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.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
 Toby Baker, *Commissioner*
 Jon Niermann, *Commissioner*
 Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 14, 2016

CERTIFIED MAIL 91 7199 9991 7031 8332 8182
RETURN RECEIPT REQUESTED

Mr. James K. Brown, President
 Texas Water Systems, Inc.
 7891 Highway 271
 Tyler, Texas 75708-4002

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
 Country Club Estates, Located on Fairway Dr. off FM 2685, S of Gilmer, adj. to Country
 Club (Upshur Co.), Texas
 RN101440592, PWS ID: 2300021, Investigation No: 1323280

Dear Mr. Brown:

On March 22, 2016, Ms. Jennifer Brewton of the Texas Commission on Environmental Quality (TCEQ) Tyler Regional Office conducted an investigation of the above-referenced system to evaluate compliance with applicable requirements for public water supply systems. Enclosed is a summary which lists the investigation findings. During the investigation, certain outstanding alleged violations were identified for which compliance documentation is required.

Please submit compliance documentation, such as a photograph, purchase order, etc., demonstrating what actions were taken by **October 11, 2016**, for the following outstanding alleged violations: **494799 and 600090**.

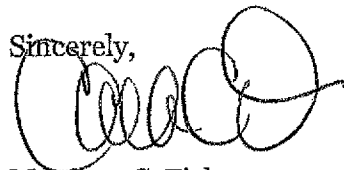
In the listing of the alleged violation(s), we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.texas.gov> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Tyler Region Office at 903-535-5100 or the Central Office Publications Ordering Team at 512-239-0028.

Mr. James K. Brown, President
April 14, 2016
Page 2

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation(s) documented in this notice. Should you choose to do so, you must notify the Tyler Region Office within 10 days from the date of this letter. At that time, Mr. Ross Morgan, Water Section Manager, will schedule a violation review meeting to be conducted *within 21 days from the date of this letter*. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Ms. Jennifer Brewton in the Region 5-Tyler Office at (903) 535-5150.

Sincerely,



Ms. Cara C. Fisher
Work Leader, Water Program
Tyler Region Office

CCF/JCB

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings

COUNTRY CLUB ESTATES

Investigation #

1323280

Investigation Date: 03/22/2016

, UPSHUR COUNTY,

Additional ID(s): 2300021

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 600090

Compliance Due Date: To Be Determined

30 TAC Chapter 291.93(3)

Alleged Violation:

Investigation: 1323280

Comment Date: 04/04/2016

Failure to submit a capacity planning report. 30-TAC §291.93(3) states that a retail public utility that possesses a certificate of public convenience and necessity that has reached 85% of its capacity as compared to the most restrictive criteria of the commission's minimum capacity requirements in 30 TAC 290 to submit to the executive director a planning report that clearly explains how the retail public utility will provide the expected service demands to the remaining areas within the boundaries of its certificated area.

During the investigation, the investigator calculated the water system's storage capacity as follows: 200 gallons x 34 connections = 0.0068 MG storage required. The water system currently provides 0.0075 MG ground storage, which places the water system at 91% capacity for storage. This was noted during the previous CCI as an Additional Issue.

Recommended Corrective Action: Please submit compliance documentation by 10/11/2016. The documentation should demonstrate what actions have been taken and may include photographs, purchase orders, results of analyses, etc.

ALLEGED VIOLATION(S) NOTED AND RESOLVED ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 494797

30 TAC Chapter 290.41(c)(1)(F)

Alleged Violation:

Investigation: 1075223

Comment Date: 03/17/2013

Failure to make available sanitary control easements for the wells at the time of inspection, or executive director approval for a substitute authorized in §290.41(c)(1)(F)(iv). A sanitary easement covering all property within 150 feet each well location must be secured from adjacent landowners and recorded at the county courthouse to ensure that hazards will not develop in the well area. Residential type wells within the easement must be constructed to public water well standards. An approved substitute, such as a copy of the recorded deed and map demonstrating that the public water system owns all real property within 150 feet of the well, may qualify as an exception to obtaining the easement.

The water system may request an exception to this requirement by contacting the Water Supply Division, Public Drinking Water Section, Surveillance and Technical Assistance at 512-239-6020 or 903-535-5104. Please be reminded that all requests for exceptions must be in writing and supported with adequate documentation.

During the investigation on 02/05/2013, the investigator documented through conversation with the Field Supervisor, that the system failed to have a sanitary control easement on the west side of the well, and the system could not provide documentation that a substitute had been approved.