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

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

Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
 - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
 - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
 - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. *Application is not accepted for filing.*
 - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. *Application is accepted for filing.*
- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.

HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).
- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.
- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

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

Who is required to use this form?

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

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

Application Summary

Transferor: Conroe Resort Utilities, LLC

(selling entity)

CCN No.s: 11942, 20638

Sale
 Transfer
 Merger
 Consolidation
 Lease/Rental

Transferee: Undine Development, LLC

(acquiring entity)

CCN No.s: 12407, 20948

Water
 Sewer
 All CCN
 Portion CCN
 Facilities transfer

County(ies): Montgomery

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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 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 Conroe Resort Utilities, LLC, Attachment 'B'.

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: Conroe Resort Utilities, LLC
(individual, corporation, or other legal entity)
 Individual Corporation WSC Other: LLC

B. Mailing Address: 600 Margaritaville Parkway, Montgomery, Texas 77356

Phone: (936) 582-2306 Email: tw@songyhighroads.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: Todd W. Nocerini Title: President & COO

Mailing Address: 600 Margaritaville Parkway, Montgomery, Texas 77356

Phone: (404) 995-8191 Email: tw@songyhighroads.com

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

A. Effective date for most recent rates: November 21, 2019

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: 49631, Attachment 'C'

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

- County
- Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- Other (please explain): LLC, Attachment 'E'

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 'G'

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 high level of sophistication 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*: \$ _____
Other (NARUC account name & No.): _____
Other (NARUC account name & No.): _____

*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

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

In accordance with HB 1484, rates will change to match those currently affected by the tariff enacted by Docket No. 46150 for CCNs 12407 and 20948.

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:

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 'I'

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 'J'

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 'K' (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
Attachment 'L'			

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 'N'

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 Georgia
COUNTY OF Gwinnet

I, Todd W. Nocerini, being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as Vice President, FQB GP, LLC

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

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

I further state that I have 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).

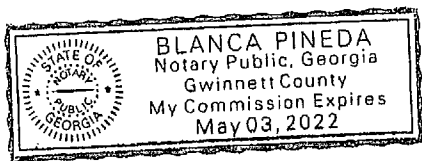
[Handwritten signature]

AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas
this day the 5 of November, 20 21

SEAL



[Handwritten signature]

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS Georgia
Blanca Pineda
PRINT OR TYPE NAME OF NOTARY

My commission expires: 05-03-2022

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.

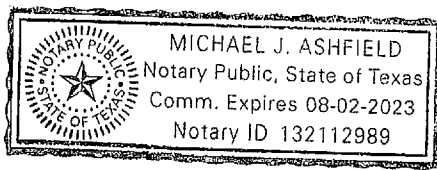
I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney 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 4th of November, 2021

SEAL



Michael J. Ashfield
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS
Michael J Ashfield
PRINT OR TYPE NAME OF NOTARY

My commission expires: 8-02-2023

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 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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Attachment 'K' Part F: Question 22	Inspection Reports for Each System
Attachment 'L' Part F: Question 28 Confidential	Operators Information
Attachment 'M' Part G	CCN Maps to be Transferred with this Application
Attachment 'N' Part H	CCN Descriptions
Attachment 'O'	Wastewater Permits and Transfer Applications

Attachment 'A'

CCN Number, Subdivision Name, RN Number

ATTACHMENT "A"

STM FILING UNDINE DEVELOPMENT, LLC AND CONROE RESORT UTILITIES, LLC

Conroe Resort

CN	603244377
CCN	11942
RN	101224491
PWSID No	TX1700416
Subdivision	Margaritaville Lake Resort, Inverness at Del Lago
County	Montgomery
Connections	294

Del Lago WWTP

CN	603244377
CCN	20638
RN	101608396
EPA ID	TX0089630
Discharge Permit	WQ0012493-001
Subdivision	Margaritaville Lake Resort, Inverness at Del Lago
County	Montgomery
Connections	289

Attachment 'B'

Part A: Question 1

Confidential

Letter of Intent

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Conroe Resort Utilities, LLC and Undine Development, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Montgomery County

SUBMITTING PARTY: Undine Development, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment B - Letter of Intent

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 25 to 28

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: 11/8/21

Attachment 'C'

Part B: Question 4

Current Tariff

A copy of the water and sewer tariffs for Undine Development, LLC (Docket No. 46150) can be viewed through our website:

<https://undinellc.com/Tariff/Undine%20Development%20Water%20Tariff.pdf>

<https://undinellc.com/Tariff/Undine%20Development%20Sewer%20Tariff.pdf>

Or requested through this email address:

info@undinellc.com

Or we can be contacted at 713-574-5953.



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>	\$5.00 per 1000 gallons from 0 to 10,000 gallons
3/4"	<u>\$60.00</u>	\$8.00 per 1000 gallons from 10,001 to 25,000 gallons
1"	<u>\$100.00</u>	\$12.00 per 1000 gallons from 25,001 to 50,000 gallons
1½"	<u>\$200.00</u>	\$14.00 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 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 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)\$50.00

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.



SEWER 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:

20948

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:

Greenshores on Lake Austin and Woods of Greenshores Subdivisions: WO0014286001

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 -- SAMPLE SERVICE AGREEMENT
APPENDIX B -- APPLICATION FOR SERVICE

Undine Development, LLC

Sewer Tariff Page No. 2

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallage Charge</u>
5/8" x 3/4"	<u>\$70.00</u>	<u>\$12.00</u> per 1000 gallons over the minimum
3/4"	<u>\$105.00</u>	
1"	<u>\$175.00</u>	
1½"	<u>\$350.00</u>	
2"	<u>\$560.00</u>	
3"	<u>\$1,050.00</u>	

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

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

Cash _____ 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 Fee

TAP FEE (Pressure System) \$3,750.00
THIS FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL SERVICE CONNECTION HAVING 5/8 x 3/4 INCH WATER METER OR SERVICE DEMAND OF 10 GPM OR LESS THAT ARE INSTALLED IN DIRT AND DO NOT REQUIRE THE USE OF ROCK SAW OR ANY OTHER SPECIAL EXCAVATION. THIS FEE WILL INCLUDE THE INITIAL INSTALLATION COST OF GRINDER PUMP, STORAGE TANKS, AND ELECTRICAL CONTROLS.

TAP FEE (Gravity System) \$500.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

Docket Number: 46150

Undine Development, LLC

Sewer Tariff Page No. 3

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).....\$50.00

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.



Control Number: 49631



Item Number: 9

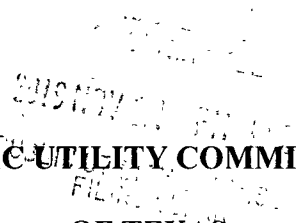
Addendum StartPage: 0

DOCKET NO. 49631

APPLICATION OF CONROE RESORT,
LLC FOR A PRICE INDEX RATE
ADJUSTMENT

§
§
§

PUBLIC UTILITY COMMISSION
OF TEXAS



NOTICE OF APPROVAL

This Notice of Approval addresses the application of Conroe Resort Utilities, LLC for a price index rate adjustment. The Commission adjusts Conroe Resort’s monthly meter charges based upon the Commission’s price index of 3.20%. The application is granted for the reasons discussed in this Notice of Approval.¹

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Conroe Resort is a foreign limited liability company registered with the Texas secretary of state on June 8, 2007, under file number 800827099.
2. Conroe Resort provides water service in Montgomery County under certificate of convenience and necessity (CCN) number 11942 which serves 358 active water connections, and sewer service in Montgomery County under CCN number 20638 which serves 345 active sewer connections.
3. Conroe Resort operates approved Texas Commission on Environmental Quality (TCEQ) approved public water system (PWS) number 1700416 and public sewer system number WQ0012439001.

Application

4. On June 14, 2019, Conroe Resort filed an application for a price index rate adjustment for its Conroe Resort water and sewer systems serving the Del Lago subdivision, West Palm Villas, Lakeview Marina, and LaToretta Resort.

¹ All citations to the Texas Water Code in this Notice of Approval are to the version of the statutes in effect prior to September 1, 2019, which are applicable to this application because it was filed prior to that date. See, Act of May 21, 2019, 86th Leg., R.S., S.B. 700, § 13.



5. In Order No. 2 filed July 17, 2019, the administrative law judge (ALJ) deemed the application administratively complete.

Rate Adjustment

6. Conroe Resort requested an adjustment to its water base rate and sewer base rate monthly meter charges as well as its water and sewer gallonage rates based on the Commission’s current price index of 3.20%.²

7. Conroe Resort proposed increasing the monthly water base rates as follows:

Meter Size	Approved Tariff Base Rate	Proposed Rate Adjustment
5/8” x 3/4”	\$ 17.71	\$ 18.28
3/4”	\$ 26.57	\$ 27.42
1”	\$ 44.28	\$ 45.70
1 1/2”	\$ 88.57	\$ 91.40
2”	\$ 141.71	\$ 146.24
3”	\$ 265.70	\$ 274.20
8”	\$ 1,062.80	\$ 1096.81

8. Conroe Resort proposed increasing the water gallonage rate from \$2.21 to \$2.28 per 1,000 gallons for usage over 1,000 gallons.

9. Conroe Resort proposed increasing the monthly sewer base rates as follows:

Meter Size	Approved Tariff Base Rate	Proposed Rate Adjustment
5/8”	\$ 23.85	\$ 24.61
3/4”	\$ 35.77	\$ 36.91
1”	\$ 59.63	\$ 61.54
1 1/2”	\$ 119.25	\$ 123.07
2”	\$ 190.81	\$ 196.92
3”	\$ 376.35	\$ 388.39
8”	\$ 1,431.10	\$ 1476.90

10. Conroe Resort proposed increasing the sewer gallonage rate from \$3.57 to \$3.68 per 1,000 gallons.

Filing Schedule

11. In accordance with 16 Texas Administrative Code (TAC) § 24.49(f)(2), a class C utility with a CCN number ending in 28-54 may file an application for a price index rate

² Proceeding to Establish the Calendar Year 2019 Price Index for Rate Adjustments Under Texas Water Code § 13.1872, Docket No. 45320, Order (Nov. 8, 2018).

adjustment in Quarter 2, April through June. Conroe Resort filed in June with a water CCN number ending in 42 and a sewer CCN number ending in 38.

12. This filing is the third price index adjustment for Conroe Resort.

Annual Report

13. Conroe Resort must file its annual service, financial, and normalized-earnings report on June 1 of each year as required by 16 TAC § 24.129.

Tariff

14. On July 15, 2019, Commission Staff filed the proposed water and sewer tariffs for this docket as an attachment to its recommendation.

Informal Disposition

15. More than 15 days have passed since the completion of notice provided in this docket.
16. No person filed a protest or motion to intervene.
17. Conroe Resort and Commission Staff are the only parties to this proceeding.
18. No party requested a hearing and no hearing is needed.
19. Commission Staff recommended approval of the application.
20. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over the application under Texas Water Code (TWC) § 13.1872.
2. Conroe Resort is a utility as defined in TWC § 13.002(23) and is a class C utility under TWC § 13.002(4-c).
3. Under TWC § 13.1872(f), Conroe Resort may adjust its rates not more than once each year and not more than four times between rate proceedings under TWC § 13.1871.
4. An increase in Conroe Resort's rates of 3.20% complies with 16 TAC § 24.49(c)(1).

- 5. The Commission processed the application in accordance with the requirements of the TWC, the Administrative Procedure Act,³ and Commission rules.
- 6. Conroe Resort has demonstrated that it has met the requirements of TWC § 13.1872 and 16 TAC § 24.49 for approval of the rate adjustments.
- 7. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.
- 8. Under 16 TAC § 24.49(e), Conroe Resort must provide notice after it receives a copy of this Notice of Approval and at least 30 days before the effective date of the proposed change.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

- 1. The Commission grants the application of Conroe Resort for a price index rate adjustment for the Conroe Resort public water and sewer systems in accordance with this Notice of Approval.
- 2. The Commission adjusts Conroe Resort’s monthly water base rate as follows:

Meter Size	Rate
5/8" x 3/4"	\$ 18.28
3/4"	\$ 27.42
1"	\$ 45.70
1 1/2"	\$ 91.40
2"	\$ 146.24
3"	\$ 274.20
8"	\$ 1,096.81

- 3. The Commission adjusts Conroe Resort’s water gallonage rate to \$2.28 per 1,000 gallons for usage over 1,000 gallons.

³ Tex. Gov’t Code ch. 2001

4. The Commission adjusts Conroe Resort’s monthly sewer base rate as follows:

Meter Size	Rate
5/8”	\$ 24.61
3/4”	\$ 36.91
1”	\$ 61.54
1 1/2”	\$ 123.07
2”	\$ 196.92
3”	\$ 388.39
8”	\$ 1,476.90

5. The Commission adjusts Conroe Resort’s sewer gallonage rate to \$3.68 per 1,000 gallons.

6. The Commission approves the tariff attached to Commission Staff’s recommendation filed in this docket on July 15, 2019, to be effective December 31, 2019.

7. Conroe Resort must, by December 1, 2019, provide by mail, or by electronic mail, if the ratepayer has agreed to receive communications electronically, the notice with the effective date and provide each ratepayer the proposed rate adjustment, which is 30 days before the effective date of December 31, 2019.

8. Within ten days after Conroe Resort files proof of notice, Commission Staff must file a clean copy of the water and sewer tariffs with Central Records to be marked *Approved* and kept in the Commission’s tariff book.

9. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the 21st day of November 2019.

PUBLIC UTILITY COMMISSION OF TEXAS



**CHRISTOPHER OAKLEY
ADMINISTRATIVE LAW JUDGE**

W2013
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WATER UTILITY TARIFF
Docket No: 45477

Conroe Resort Utilities, LLC.
(Utility Name)

P.O. Box 690269
(Business Address)

Houston, TX 77269
(City, State, Zip Code)

(281)897-8800
(Area Code/Telephone)

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

11942

This tariff is effective in the following county:

Montgomery

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

NA

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

Conroe Resort (PWS 1700416); Del Lago Subdivision, LaTorretta Resort, West Palm Villas and Lakeview Marina

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.....	11
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN.....	15

APPENDIX A -- SAMPLE SERVICE AGREEMENT
APPENDIX B -- APPLICATION FOR SERVICE

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED
FEB 24 '16
CONTROL # _____
DOCKET
45477

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge	Gallage Charge
5/8" x 3/4"	\$17.44 (Includes 1,000 gallons)	\$2.18 per 1000 gallons over the minimum
3/4"	\$26.16	
1"	\$43.60	
1 1/2"	\$87.20	
2"	\$139.52	
3"	\$261.59	
8"	\$1,046.37	

San Jacinto River Authority Fees..... \$2.48/1000 gallons
Approved charge for each 1,000 gallons (2.25) divided by 1 minus 9.17% line loss {AG = 2.25/(1-.0917)}

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 THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$450.00
THE TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" OR 3/4" METER.

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

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.

Docket No. 45477

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

FEB 24 '16 DOCKET 45477
CONTROL # _____

SECTION 1.0 - RATE SCHEDULE (CONT.)

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED 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..... \$30.00

TRANSFER FEE \$50.00

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

LATE CHARGE 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)..... \$50.00

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(K)(2)].

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

FEB 24 '16

DOCKET

45477

CONTROL # _____

Docket No. 45477



**SEWER UTILITY TARIFF
Docket No.: 45477**

Conroe Resort Utilities, LLC
(Utility Name)

P.O. Box 690269
(Business Address)

Houston, TX 77269
(City, State, Zip Code)

(281)897-8800
(Area Code/Telephone)

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

20638

This tariff is effective in the following counties:

Montgomery

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

N/A

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

Conroe Resort (WQ0012493001); Del Lago Subdivision, LaTorretta Resort, West Palm Villas and Lakeview Marina

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
SECTION A -- SAMPLE SERVICE AGREEMENT	15

**PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED**

FEB 24 '16
DOCKET
45477
CONTROL # _____

SECTION 1.0 - RATE SCHEDULE

Section 1.01--Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" x 3/4"	\$23.48 (Includes 0 gallons)	\$3.51 per 1,000 gallons over the minimum
3/4"	\$35.22	
1"	\$58.71	
1½"	\$117.41	
2"	\$187.86	
3"	\$370.53	
8"	\$1,408.98	

Volume charges are determined based on average consumption for winter period which includes the following months: December, January and February for meters under 1½-inch. Gallonage Charge for meters over 1½-inch are determined based on actual month water consumption.

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 ASSESSMENT1.0%
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\$450.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

Docket No. 45477

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

FEB 24 '16 DOCKET 45477
CONTROL # _____

SECTION 1.0 - RATE SCHEDULE (CONT.)

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00)\$25.00
- b) Customer's request that service be disconnected\$30.00

TRANSFER FEE\$50.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)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).....\$50.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY THE COMMISSION AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.21(k)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

Docket No. 45477

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

FEB 24 '16

45477

CONTROL #

CONTROL # _____

Attachment 'D'

Part B: Question 5

Confidential

Customer Name, Address and Deposit Information

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Conroe Resort Utilities, LLC and Undine Development, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Montgomery County

SUBMITTING PARTY: Undine Development, LLC

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

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 51 to 54

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: 11/8/21

Attachment 'E'

Part C: Question 7

Confidential

Limited Liability Company Agreement Undine Texas, LLC and
Organizational Chart

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Conroe Resort Utilities, LLC and Undine Development, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Montgomery County

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: 56 to 63

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: 11/8/21

Attachment 'F'

Part C: Question 7

Certificates of Account Status

Party Information

The legal name of the seller party is Conroe Resort Utilities, LLC. 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, Conroe Resort Utilities, LLC, operates as a Delaware, USA, foreign limited liability company. The business was formed on May 10, 2007.

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

FQB GP, LLC, the general partner of FQB Master, LLLP, is the Sole Member of Conroe Resort Utilities, LLC. The primary business of FQB Master, LLLP is owning and operating a management and water and wastewater 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.

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "CONROE RESORT UTILITIES, 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 THIRTIETH DAY OF SEPTEMBER, A.D. 2021.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "CONROE RESORT UTILITIES, LLC" WAS FORMED ON THE TENTH DAY OF MAY, A.D. 2007.

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



4349801 8300

SR# 20213387103

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

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

Authentication: 204291086

Date: 09-30-21



Office of the Secretary of State

Certificate of Fact

The undersigned, as Deputy Secretary of State of Texas, does hereby certify that the document, Application for Registration for Conroe Resort Utilities, LLC (file number 800827099), a DELAWARE, USA, Foreign Limited Liability Company (LLC), was filed in this office on June 08, 2007.

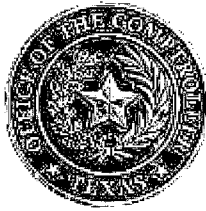
It is further certified that the entity status in Texas is in existence.

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 September 30, 2021.



A handwritten signature in black ink, appearing to read "Jose A. Esparza".

Jose A. Esparza
Deputy Secretary of State



Franchise Tax Account Status

As of : 09/30/2021 09:37:57

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

CONROE RESORT UTILITIES, LLC

Texas Taxpayer Number 32033102131

Mailing Address 11605 HAYNES BRIDGE RD STE 125 ALPHARETTA, GA
30009-8666

Right to Transact Business in Texas ACTIVE

State of Formation DE

Effective SOS Registration Date 06/08/2007

Texas SOS File Number 0800827099

Registered Agent Name C T CORPORATION SYSTEM

Registered Office Street Address 1999 BRYAN ST. SUITE 900 DALLAS, TX 75201

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

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

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.




Jeffrey W. Bullock, Secretary of State

5831919 8300

SR# 20190989149

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

Authentication: 202256272

Date: 02-13-19



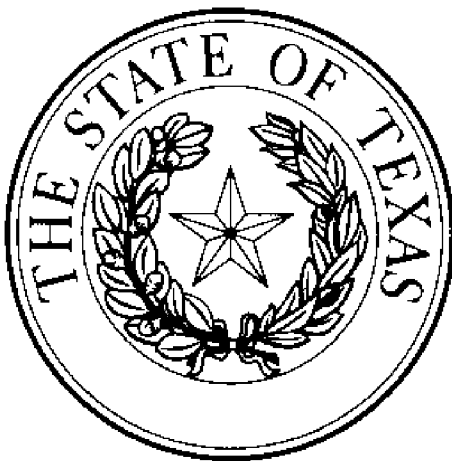
Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Application for Registration for Undine, 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 Conroe Resort Utilities, LLC and Undine Development, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Montgomery County

SUBMITTING PARTY: Undine Development, LLC

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

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 74 to 74

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: 11/8/21

Attachment 'H'

Part D

Confidential

Financial Information

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Conroe Resort Utilities, LLC and Undine Development, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Montgomery County

SUBMITTING PARTY: Undine Development, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment H – Financial Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 76 to 85

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: 11/8/21

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

Conroe Resort Water & Sewer STM	Utility Name- 2 mile Notice	Attorney	Street	City	State	Zip
	City of Conroe		300 W Davis	Conroe	TX	77301
	City of Montgomery		101 Plantersville Rd	Montgomery	TX	77316
	Aqua Texas Inc.		1106 Clayton Ln Ste 400W	Austin	TX	78723
	Del Lago Estates WSC		PO Box 1860	Conroe	TX	77305
	Havenshire Subdivision Water		25132 Oakhurst Dr Ste 220	Spring	TX	77386
	Pine Lake WSC Inc.		19909 Big Oak Dr	Montgomery	TX	77356
	Simply Aquatics Inc.		PO Box 849	Kirbyville	TX	75956
	Stanley Lake MUD		875 Lake View Dr	Montgomery	TX	77356
	T&W Water Service Co.		PO Box 2927	Conroe	TX	77305
	UA Holding 1994-5 LP aka SC Utilities		8765 Spring Cypress Rd Ste L #173	Spring	TX	77379
	Martin Creek MUD	Smith Murdaugh Little & Bonham LLP	2727 Allen Pkwy Ste 1100	Houston	TX	77019
	Montgomery County MUD 138		3200 Southwest Fwy Ste 2600	Houston	TX	77027
	Montgomery County MUD 166		3200 Southwest Fwy Ste 2600	Houston	TX	77027
	Montgomery County MUD 179	Inactive, no address				
	Montgomery County MUD 18	Young & Brooks	10000 Memorial Dr Ste 260	Houston	TX	77024
	Montgomery County MUD 8	Radcliffe Bobbitt Adams Polley PLLC	2929 Allen Pkwy Ste 3450	Houston	TX	77019
	Montgomery County MUD 9	Bracewell & Giuliana LLP	711 Louisiana St Ste 2300	Houston	TX	77002
	Montgomery County UD 3		1301 McKinney St Ste 5100	Houston	TX	77010
	Montgomery County UD 4	Coats Rose Yale Ryman & Lee PC	9 Greenway Plz Ste 1100	Houston	TX	77046
	San Jacinto River Authority		PO Box 329	Conroe	TX	77305
	Smith Ridge MUD		1100 Louisiana St Ste 400	Houston	TX	77002
	Lone Star GCD		655 Conroe Park North Dr	Conroe	TX	77303
	Montgomery County Judge Mark J. Keough		501 North Thompson	Conroe	TX	77301

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: TX1700416 (7 digit ID)

Name of PWS: Conroe Resort Utilities, LLC

Date of last TCEQ compliance inspection: 6/8/2021 (attach TCEQ letter)

Subdivisions served: Margaritaville Lake Resort, Inverness at Del Lago

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ 0012493-001 (8 digit ID)

Name of Wastewater Facility: Del Lago WWTP

Name of Permittee: Conroe Resort Utilities, LLC

Date of last TCEQ compliance inspection: 11/08/2018 (attach TCEQ letter)

Subdivisions served: Margaritaville Lake Resort, Inverness at Del Lago

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	8	2"	262	Residential
270	5/8" or 3/4"		3"	27	Commercial
8	1"		4"		Industrial
5	1 1/2"	3	Other		Other
Total Water Connections:			294	Total Sewer Connections:	289

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

No Yes

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

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

C. Is there a moratorium on new connections?

No Yes:

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

No Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

Capacity is purchased from: _____

Water: _____

Sewer: _____

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

No Yes

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

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

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

No Yes:

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

No Yes:

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

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

Part G: Mapping & Affidavits

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

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

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

Central Registry

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

Detail of: **Public Water System/Supply Registration 1700416**

For: **CONROE RESORT (RN101224491 ...)**

WELL 1 - DEL LAGO BLVD WELL 2 - MAINTENANCE SHOP K

Registration Status: **ACTIVE**

Held by: **Conroe Resort Utilities, LLC (CN603244377 ...)** View 'Issued To' History ...

RESPONSIBLE PARTY

Mailing Address: Not on file

Notice of Violations Current TCEQ Rules

NOV Date	Status	Citation/Requirement Provision	Allegation	Classification	Self Reporting Indicator
06/08/2021	RESOLVED	30 TAC Chapter 290, SubChapter D 290.46(m) (Not applicable to CH)	Failure to maintain the well sealing block.	MINOR	NO
06/08/2021	RESOLVED	30 TAC Chapter 290, SubChapter D 290.46(j) (Not applicable to CH)	Failure to have sufficient customer service inspection reports.	MINOR	NO
04/05/2017	RESOLVED	30 TAC Chapter 290, SubChapter D 290.42(e)(4)(A) (Not applicable to CH)	Failure to provide a full-face self-contained breathing apparatus or supplied air respirator that meets OSHA standards for construction and operation which must be located outside the chlorination room in an accessible location.	MODERATE	NO

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Texas Commission on Environmental Quality Investigation Report

The TCEQ is committed to accessibility. If you need assistance in accessing this document, please contact oce@tceq.texas.gov

Customer: Conroe Resort Utilities, LLC
Customer Number: CN603244377

Regulated Entity Name: DEL LAGO WWTP
Regulated Entity Number: RN101608396

Investigation # 1526804

Investigator: DUSTIN ROBERTS

Conducted: 11/08/2018 -- 11/08/2018

Program(s): WASTEWATER

Investigation Type: Compliance Investigation

Additional ID(s): TX0089630
WQ0012493001

Address: ,
, ,

Incident Numbers

Site Classification DOMESTIC MINOR

NAIC Code: 221320

SIC Code: 4952

Location: LOCATED APPROX 3.5 MI E OF THE
INTERSECTION OF FM 149 AND 1097 IN
MONTGOMERY COUNTY

Local Unit: REGION 12 - HOUSTON

Activity Type(s): WWCCIMNMOD - A modified
investigation of a TPDES minor
WWTF to determine compliance with
applicable regulations and is based on
CMS requirements, historical
information, compliance history, and
other factors. This activity code should
only be used at management direct

Principal(s):

Role

RESPONDENT

Name

CONROE RESORT UTILITIES LLC

Contact(s):

DEL LAGO WWTP - MONTGOMERY

11/8/2018 Inv. # - 1526804

Page 2 of 5

Role	Title	Name	Phone
PARTICIPATED IN	OPERATOR	MR CASEY R CONATSER	Cell (936) 242-7332
PARTICIPATED IN	OPERATIONS MANAGER	MR BRIAN LUCAS	Work (936) 588-1166
REGULATED ENTITY CONTACT	OPERATIONS MANAGER	MR BRIAN LUCAS	Work (936) 588-1166
REGULATED ENTITY MAIL CONTACT	OWNER	MR RONNIE BEN-ZUR	Work (404) 343-2034
PARTICIPATED IN	OPERATOR	MR CHARLES KARTZSCHMAR	Cell (832) 317-0765

Other Staff Member(s):

Role	Name
Investigator	BERNARD GARRETT
QA Reviewer	WHITNEY LINDER
Supervisor	WESTIN MASSEY
Investigator	ROSS EGLAND

Associated Check List

<u>Checklist Name</u>	<u>Unit Name</u>
WQ GENERIC VIOLATIONS	GEN
WQ INVESTIGATION - EQUIPMENT MONITORING AND SAMPLING revised 06/2013	EQUIP
WQ DOMESTIC FOCUSED CCI	FCCI

Investigation Comments:

INTRODUCTION

The Conroe Resort Utilitics, LLC – Del Lago Wastewater Treatment Plant (WWTP) was investigated by Mr. Dustin Roberts, Mr. Ross Eglan, and Mr. Bernard Garrett, Environmental Investigators with the Texas Commission on Environmental Quality (TCEQ) Houston Region Office, on November 8, 2018 to determine compliance with applicable wastewater treatment regulations. This investigation is considered a mandatory minor, focused Comprehensive Compliance Investigation (CCI).

The regulated entity compliance history was verified prior to the investigation. Notification of the investigation was given upon arrival to Hays Utility North (the contracted operations company). A verbal exit interview, explaining the results of the investigation, was conducted on the same day of the investigation with Hays Utility North personnel Mr. Brian Lucas, Operations Manager, and Mr. Charlie Kartzschmar, Operator. A copy of the TCEQ Exit Interview Form, explaining the results of the investigation, was received by Mr. Kartzschmar (Attachment 1). Based on the findings of this investigation, a Notice of Violation letter was issued to facilitate compliance.

BACKGROUND

There have been no unauthorized discharges reported in the 18 months preceding this investigation.

There have been two effluent violations reported in the 12 months preceding this investigation. See the attached effluent violations table (Attachment 2). This is further addressed in the Summary of Investigation Findings section of this report.

The previous compliance investigation was conducted on September 25, 2013. The following two alleged

violations were noted and subsequently resolved: (1) total chlorine residual grab sample exceedance (5.5 mg/L); and (2) failure to collect effluent samples at the minimum frequency specified in the permit. Sampling was not conducted for E. coli from October 2012 through March 2013.

There have been no complaints against this facility in the previous five years.

There are no active enforcement cases associated to this facility.

GENERAL FACILITY AND PROCESS INFORMATION

The WWTP is permitted to discharge 0.22 million gallons per day (MGD). The water quality permit for this facility is in the interim phase of the permit. Under the final phase, the facility will be permitted to discharge 0.50 MGD. This is a Category C WWTP. The major treatment units consist of: an on-site lift station, a manual barscreen, an aeration basin, a clarifier, two digesters, and a chlorine contact chamber. The WWTP is operated in the single stage nitrification mode. An aerial map and plant flow schematic are attached to this report (Attachment 3). The WWTP serves a residential area and a recreational resort with two hotels. The WWTP is enclosed in a metal dome. The collection system consists of one off-site and one on-site lift station. The facility has had no significant plant modifications and/or collection system upgrades since the last compliance investigation.

Operator Status

The Operator for this facility and collection system is Mr. Charles (Charlie) Kartzschmar, and he currently holds a "B" level of certification, which is appropriate for this Category "C" plant and collection system.

Disinfection and Process Control

During the investigation, process control tests were performed. The thirty minute settleable solids concentration (SV30) in the aeration basin was 95%. The mixed liquor total suspended solids (MLTSS) concentration from the aeration basin was 5,126.7 mg/L (Attachment 4). Compliance documentation was received on November 20, 2018 (Attachment 5). This is further addressed in the Summary of Investigation Findings section of this report. The dissolved oxygen concentration in the aeration basin ranged from 3.36 mg/L at the head, 3.41 mg/L in the middle, and 5.40 mg/L at the end of the basin. The sludge blanket in the clarifier was 12 inches, in a 10-foot water depth. The chlorine contact basin contained no sludge in a 10-foot water depth. The facility utilizes gaseous chlorine to disinfect the effluent prior to discharge.

Flow Measuring Device

The primary effluent flow measuring devices for the outfall include a 60-degree v-notch weir and staff gauge. A secondary flow measuring device is not required in the facility's current Interim permit phase.

Backflow Prevention Device

There is no potable water line installed at this facility.

Investigator Sampling/Testing

Due to low flow conditions, the facility was not discharging at the time of the investigation.

The receiving stream is Lake Conroe in Segment No. 1012 of the San Jacinto River Basin. At the time of the investigation, the receiving stream appeared naturally turbid green. There was no sewage debris or sludge noted. Aquatic life was not observed (Photograph 1 of Attachment 6).

Publicly Owned Treatment Works Only

The facility is not required to have an approved pretreatment program.

ADDITIONAL INFORMATION

At the time of the investigation, the audible alarm at the on-site lift station was non-functional. Compliance documentation was received on December 11, 2018 (Attachment 5). This is further addressed in the Summary of Investigation Findings section of this report. The mixed liquor in the aeration basin was dark brown with tan and dark brown foam, and a surface accumulation of solids near the end of the basin was present (Photographs 2 - 4 of Attachment 6). This is further discussed in the Summary of Investigation Findings section of this report. Aeration to one digester was turned off for decanting purposes. The mixed liquor in the other digester was dark brown with a minimal amount of brown foam (Photographs 5 - 6 of Attachment 6). There was adequate freeboard present in both the aeration and digester basins (Photographs 2 - 6 of Attachment 6). The clarifier had minimal rising solids, a clean weir trough, and a functional rake and skimmer. There was no flow over the weir teeth at the

time of the investigation (Photographs 5 & 7 of Attachment 6). The required number of standby and backup units (lift station pumps and blowers for aeration) were provided and operational.

Emergency Power Requirements

The facility is compliant with the emergency power requirements. Standby generators are available for use at the facility, and they have the capacity to power the entire plant.

CONCLUSION

Alleged violations of the wastewater treatment regulations were observed during this investigation and are addressed in the Summary of Investigation Findings section of this report. A Notice of Violation letter was issued to facilitate compliance.

SUMMARY OF INVESTIGATION FINDINGS

OUTSTANDING ALLEGED VIOLATION(S)

Track Number: 700143

Compliance Due Date: To Be Determined

Violation Start Date: Unknown

30 TAC Chapter 305.125(1)

30 TAC Chapter 305.125(5)

PERMIT WQ0012493001, Operational Requirements No. 1

Operational Requirements No. 1

Alleged Violation:

Investigation: 1526804

Comment Date: 12/11/2018

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) installed or used by the permittee to achieve compliance with the permit conditions.

The facility failed to properly operate and maintain the facility. Specifically, the thirty minute settleable solids concentration in the aeration basin was 95%. A mixed liquor total suspended solids (MLTSS) sample was collected from the aeration basin, yielding a laboratory result of 5,126.7 mg/L. The MLTSS should be maintained according to the facility's sludge management plan. Additionally, there was a surface accumulation of solids near the end of the aeration basin.

Recommended Corrective Action: The wastewater treatment plant must be operated in a manner which minimizes the risk of untreated or inadequately treated wastewater from being discharged to the receiving stream. Submit documentation to the Houston Region Office indicating the actions taken to properly maintain the solids level in the wastewater treatment plant and that the surface accumulation of solids has been removed from the aeration basin.

ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track Number: 700146

Resolution Status Date: 12/11/2018

Violation Start Date: Unknown

Violation End Date: 12/11/2018

30 TAC Chapter 305.125(5)

Alleged Violation:

Investigation: 1526804

Comment Date: 12/11/2018

An audiovisual alarm system (red flashing light and horn) shall be provided for all lift stations. The alarm

system shall be activated in case of power outage, pump failure, or a specified high-water level.

The facility failed to maintain the audiovisual alarm system (red flashing light and horn) at the on-site lift station. Specifically, the horn was non-functional.

Recommended Corrective Action: Submit documentation to the TCEQ Houston Region Office indicating that the audiovisual alarm horn at the on-site lift station has been repaired or replaced.

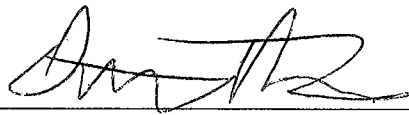
Resolution: This alleged violation was resolved on December 11, 2018 based on documentation submitted to the TCEQ Houston Region Office which indicated that the audiovisual alarm horn at the on-site lift station has been installed.

Additional Issues


Description Was the permittee compliant with the self-monitored effluent limits?

Additional Comments

Two effluent violations were reported during the record review period of November 2017 to October 2018. Self-reported effluent violations may be subject to enforcement, including penalties, upon review by the Enforcement Division. Steps should be taken to ensure compliance with the permitted effluent limitations.

Signed 
Environmental Investigator

Date 12/13/18

Signed 
Supervisor

Date 12/13/18

Attachments: (in order of final report submittal)

- Enforcement Action Request (EAR)
- Letter to Facility (specify type) : NOV
- Investigation Report
- Sample Analysis Results
- Manifests
- Notice of Registration

- Maps, Plans, Sketches
 - Photographs
 - Correspondence from the facility
 - Other (specify) :
-
-

Summary of Investigation Findings

DEL LAGO WWTP	Investigation # 1526804
, MONTGOMERY COUNTY,	Investigation Date: 11/08/2018
Additional ID(s): TX0089630 WQ0012493001	

OUTSTANDING ALLEGED VIOLATION(S)

Track No: 700143 Compliance Due Date: To Be Determined

30 TAC Chapter 305.125(1)

30 TAC Chapter 305.125(5)

PERMIT WQ0012493001, Operational Requirements No. 1

Operational Requirements No. 1

Alleged Violation:

Investigation: 1526804

Comment Date: 12/11/2018

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The facility failed to properly operate and maintain the facility. Specifically, the thirty minute settleable solids concentration in the aeration basin was 95%. A mixed liquor total suspended solids (MLTSS) sample was collected from the aeration basin, yielding a laboratory result of 5,126.7 mg/L. The MLTSS should be maintained according to the facility's sludge management plan. Additionally, there was a surface accumulation of solids near the end of the aeration basin.

Recommended Corrective Action: The wastewater treatment plant must be operated in a manner which minimizes the risk of untreated or inadequately treated wastewater from being discharged to the receiving stream. Submit documentation to the Houston Region Office indicating the actions taken to properly maintain the solids level in the wastewater treatment plant and that the surface accumulation of solids has been removed from the aeration basin.

ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 700146

30 TAC Chapter 305.125(5)

Alleged Violation:

Investigation: 1526804

Comment Date: 12/11/2018

An audiovisual alarm system (red flashing light and horn) shall be provided for all lift stations. The alarm system shall be activated in case of power outage, pump failure, or a specified high-water level.

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Recommended Corrective Action: Submit documentation to the TCEQ Houston Region Office indicating that the audiovisual alarm horn at the on-site lift station has been repaired or replaced.

Resolution: This alleged violation was resolved on December 11, 2018 based on documentation submitted to the TCEQ Houston Region Office which indicated that the audiovisual alarm horn at the on-site lift station has been installed.

ADDITIONAL ISSUES

Description

Was the permittee compliant with the self-monitored effluent limits?

Additional Comments

Two effluent violations were reported during the record review period of November 2017 to October 2018. Self-reported effluent violations may be subject to enforcement, including penalties, upon review by the Enforcement Division. Steps should be taken to ensure compliance with the permitted effluent limitations.

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Toby Baker, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 14, 2018

CERTIFIED MAIL # 91 7199 9991 7038 7273 4317
RETURN RECEIPT REQUESTED

Mr. Ronnie Ben-Zur
Owner
3443 Kingsboro Road North East., Suite 2104
Atlanta, Georgia 30326-3323

Re: Notice of Violation for Compliance Investigation at:
Conroe Resort Utilities, LLC
Del Lago Wastewater Treatment Facility
Montgomery, Montgomery County, Texas 77356
Regulated Entity No.: RN101608396, TCEQ ID No.: WQ0012493001, EPA ID No.:
TX0089630, Investigation No.: 1526804

Dear Mr. Ben-Zur:

On November 8, 2018, Mr. Dustin Roberts, Mr. Ross Eglund, and Mr. Bernard Garrett, Environmental Investigators of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for wastewater treatment. During the investigation, a concern was noted which was an alleged noncompliance that has been resolved based on subsequent corrective action. In addition, a certain outstanding alleged violation was identified for which compliance documentation is required. Please submit to this office within 30 days of receipt of this letter a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violation. Also, please see the Additional Issue.

In the listing of the alleged violation, 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.state.tx.us> 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 Houston Region Office at 713-767-3500 or the Central Office Publications Ordering Team at 512-239-0028.

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 violations documented in this notice. Should you choose to do so, you must notify the Houston Region Office within 10 days from the date of this letter. At that time, Mr. Westin Massey will schedule

Mr. Ronnie Ben-Zur, Owner

Page 2

December 14, 2018

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 enclosed 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 Mr. Dustin Roberts in the Houston Region Office at (713) 767-3631.

Sincerely,



Westin Massey
Water Section Manager
Houston Region Office
Texas Commission on Environmental Quality

WM/DAR/tj

cc: Mr. Brian Lucas, Operations Manager, Hays Utility North, P.O. Box 1268, Montgomery, Texas 77356

Enclosure: Summary of Investigation Findings

Attachment 'L'

Part F: Question 28

Confidential

Operators Information

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Conroe Resort Utilities, LLC and Undine Development, LLC for Sale, Transfer, or Merger of a Retail Public Utility in Montgomery County

SUBMITTING PARTY: Undine Development, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment L – Operators Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 105 to 107

ENVELOPE #: 1 OF 1

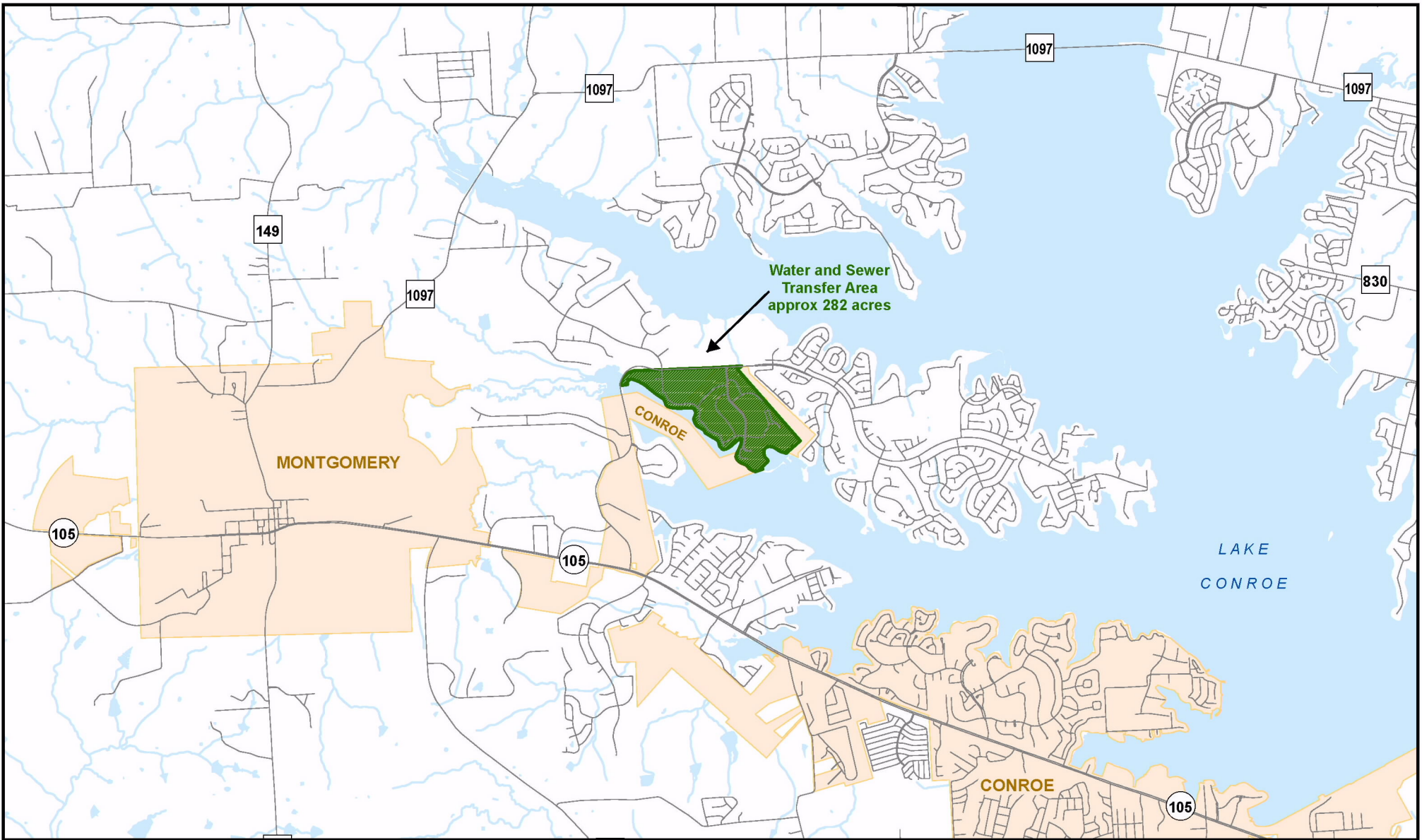
ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: 11/8/21

Attachment 'M'

Part G


CCN Maps to be Transferred with this Application

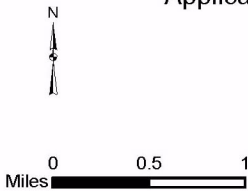


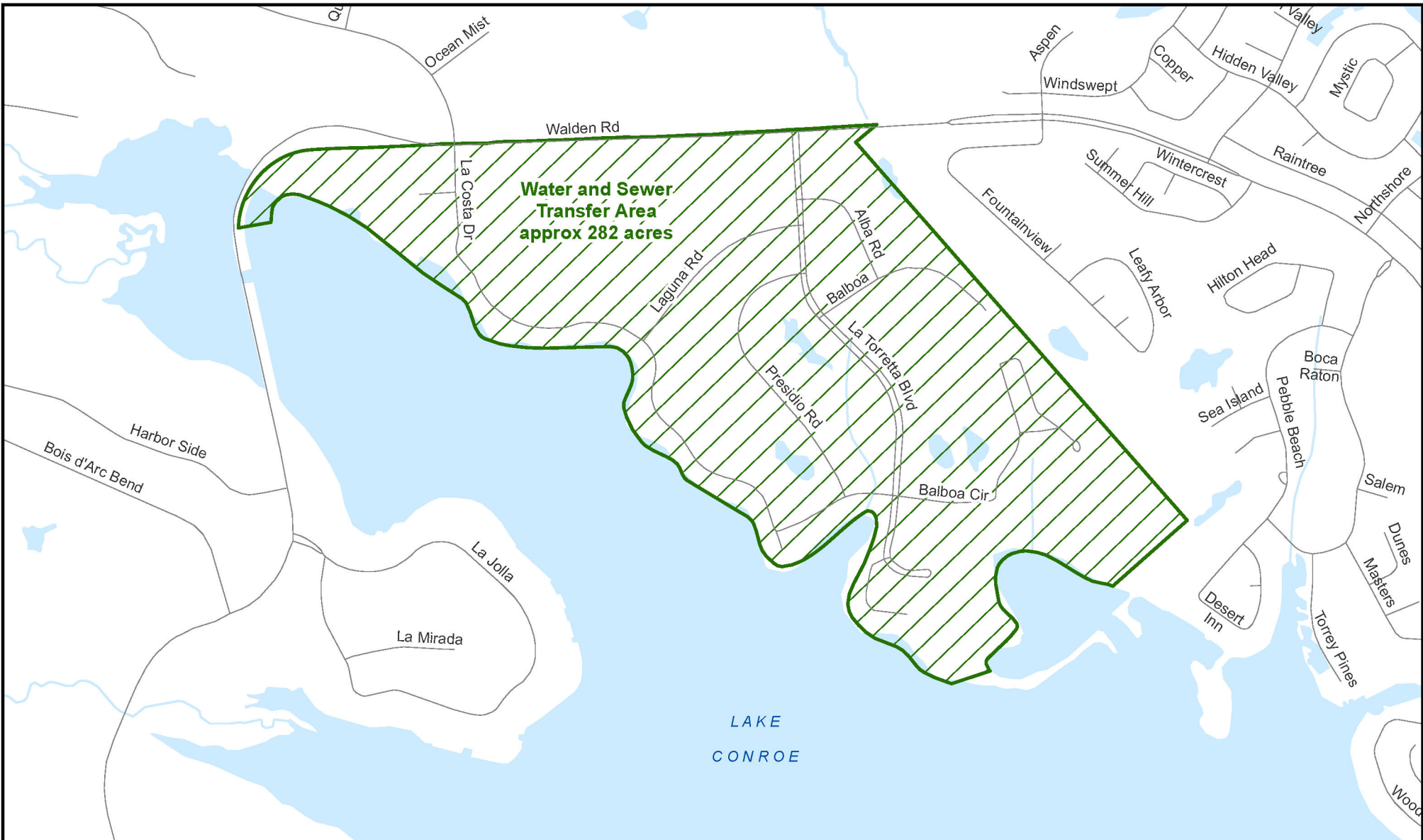
General Location

Undine Development, LLC
 Application to Transfer Conroe Resort Utilities, LLC, CCN Nos. 11942 and 20638 to Undine Development, LLC, CCN Nos. 12407 and 20948
 in Montgomery County

Requested Water and Sewer Transfer Area

 CCNs 11942, 20638 - Conroe Resort Utilities, LLC - approx 282 acres



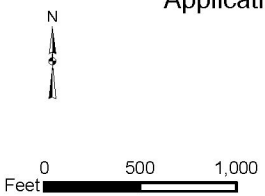


Detail Map

Undine Development, LLC
 Application to Transfer Conroe Resort Utilities, LLC, CCN Nos. 11942 and 20638 to Undine Development, LLC, CCN Nos. 12407 and 20948
 in Montgomery County

Requested Water and Sewer Transfer Area

 CCNs 11942, 20638 - Conroe Resort Utilities, LLC - approx 282 acres



Map by: S. Burt, ASBGI
 Date: October 27, 2021
 Base: StratMapTransv2
 Project: Conroe Resort Detail Map.mxd

Attachment 'N'

Part H

CCN Descriptions

**Undine Development, LLC, CCNs 12407 and 20948
Application to Transfer Conroe Resort Utilities, LLC, CCNs 11942 and 20638
In Montgomery County**

Transfer Area – approx. 282 acres (water and sewer service areas are the same)

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

County – Montgomery

City Limits – Conroe

ETJ - Conroe

CCN – None

Districts –Smith Ridge MUD

San Jacinto River Authority

GCD – Lone Star GCD

Entities within 2 Miles/Notice list:

City of Conroe

City of Montgomery

Aqua Texas, Inc. (CCN 13203, 21065)

Del Lago Estates WSC (CCN 12103, 20691)

Havenshire Subdivision Water (CCN 12769)

Lake Lorraine Civic Organization (CCN 11357)

Pine Lake WSC Inc. (CCN 12941)

Simply Aquatics Inc. (CCN 13259)

Stanley Lake MUD (CCN 11222, 20483)

T&W Water Service Co. (CCN 12892)

UA Holding 1994-5 LP aka SC Utilities (CCN 20586)

Martin Creek MUD

Montgomery County MUD 138

Montgomery County MUD 166

Montgomery County MUD 179 – Inactive/no address in TCEQ’s iWUD

Montgomery County MUD 18

Montgomery County MUD 8

Montgomery County MUD 9

Montgomery County UD 3

Montgomery County UD 4

San Jacinto River Authority

Smith Ridge MUD

Lone Star GCD

Montgomery County Judge Mark J. Keough

Written Description

The area subject to this transaction is located approximately 2.7 miles northeast of downtown Montgomery, TX, and is generally bounded on the north by Walden Road; on the east by Fountainview Drive; and on the south and west by Lake Conroe.

Total area being requested includes approximately 282 acres and serves 583 current customers.

Attachment 'O'

Wastewater Permits and Transfer Applications



TCEQ Use Only

TCEQ Core Data Form

For detailed instructions regarding completion of this form, please read the Core Data Form Instructions or call 512-239-5175.

SECTION I: General Information

1. Reason for Submission (If other is checked please describe in space provided.) <input type="checkbox"/> New Permit, Registration or Authorization (Core Data Form should be submitted with the program application.) <input type="checkbox"/> Renewal (Core Data Form should be submitted with the renewal form)			<input checked="" type="checkbox"/> Other Wastewater Permit Transfer
2. Customer Reference Number (if issued) CN 605236587		Follow this link to search for CN or RN numbers in Central Registry**	
3. Regulated Entity Reference Number (if issued) RN 102185998			

SECTION II: Customer Information

4. General Customer Information		5. Effective Date for Customer Information Updates (mm/dd/yyyy)		10/29/2021	
<input type="checkbox"/> New Customer <input type="checkbox"/> Change in Legal Name (Verifiable with the Texas Secretary of State or Texas Comptroller of Public Accounts)		<input type="checkbox"/> Update to Customer Information <input type="checkbox"/> Sole Proprietorship		<input checked="" type="checkbox"/> Change in Regulated Entity Ownership <input checked="" type="checkbox"/> Other: LLC	
The Customer Name submitted here may be updated automatically based on what is current and active with the Texas Secretary of State (SOS) or Texas Comptroller of Public Accounts (CPA).					
6. Customer Legal Name (If an individual, print last name first: eg: Doe, John)				If new Customer, enter previous Customer below:	
Undine Development, LLC				Conroe Resort Utilities, LLC	
7. TX SOS/CPA Filing Number		8. TX State Tax ID (11 digits)		9. Federal Tax ID (9 digits)	
801768069		N/A		46-316881	
10. DUNS Number (if applicable)					
N/A					
11. Type of Customer:					
<input type="checkbox"/> Corporation Government: <input type="checkbox"/> City <input type="checkbox"/> County <input type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Other		<input type="checkbox"/> Individual <input type="checkbox"/> Sole Proprietorship		Partnership: <input type="checkbox"/> General <input type="checkbox"/> Limited <input checked="" type="checkbox"/> Other: LLC	
12. Number of Employees					
<input checked="" type="checkbox"/> 0-20 <input type="checkbox"/> 21-100 <input type="checkbox"/> 101-250 <input type="checkbox"/> 251-500 <input type="checkbox"/> 501 and higher					
13. Independently Owned and Operated?					
<input type="checkbox"/> Yes <input type="checkbox"/> No					
14. Customer Role (Proposed or Actual) – as it relates to the Regulated Entity listed on this form. Please check one of the following					
<input type="checkbox"/> Owner <input type="checkbox"/> Operator <input checked="" type="checkbox"/> Owner & Operator <input type="checkbox"/> Occupational Licensee <input type="checkbox"/> Responsible Party <input type="checkbox"/> Voluntary Cleanup Applicant <input type="checkbox"/> Other:					
15. Mailing Address:					
17681 Telge Road					
City		Cypress		State TX	
ZIP		77429		ZIP + 4	
16. Country Mailing Information (if outside USA)					
17. E-Mail Address (if applicable)					
cthomas@undinellc.com					
18. Telephone Number			19. Extension or Code		20. Fax Number (if applicable)
(713) 574-5953					(713) 647-0277

SECTION III: Regulated Entity Information

21. General Regulated Entity Information (If "New Regulated Entity" is selected below this form should be accompanied by a permit application) <input type="checkbox"/> New Regulated Entity <input type="checkbox"/> Update to Regulated Entity Name <input checked="" type="checkbox"/> Update to Regulated Entity Information	
The Regulated Entity Name submitted may be updated in order to meet TCEQ Agency Data Standards (removal of organizational endings such as Inc, LP, or LLC).	
22. Regulated Entity Name (Enter name of the site where the regulated action is taking place.)	
Del Lago Wastewater Treatment Facility	

23. Street Address of the Regulated Entity: <i>(No PO Boxes)</i>	3443 Kingsboro Road N.E., Suite 2313						
	City	Atlanta	State	GA	ZIP	30326	ZIP + 4
24. County	Montgomery						

Enter Physical Location Description if no street address is provided.

25. Description to Physical Location:	3.5 miles east of the intersection of FM 149 and FM 1097							
26. Nearest City	Conroe				State	TX	Nearest ZIP Code	77356
27. Latitude (N) In Decimal:	30°23'49.81"N			28. Longitude (W) In Decimal:	95°38'20.09"W			
Degrees	Minutes	Seconds	Degrees	Minutes	Seconds			
29. Primary SIC Code (4 digits)	30. Secondary SIC Code (4 digits)	31. Primary NAICS Code (5 or 6 digits)	32. Secondary NAICS Code (5 or 6 digits)					
4952								
33. What is the Primary Business of this entity? <i>(Do not repeat the SIC or NAICS description.)</i>								
Wastewater Utilities								
34. Mailing Address:	17681 Telge Road							
	City	Cypress	State	TX	ZIP	77429	ZIP + 4	
35. E-Mail Address:	cthomas@undinellc.com							
36. Telephone Number	37. Extension or Code		38. Fax Number <i>(if applicable)</i>					
(713) 574-5953			(713) 647-277					

39. TCEQ Programs and ID Numbers Check all Programs and write in the permits/registration numbers that will be affected by the updates submitted on this form. See the Core Data Form instructions for additional guidance.


<input type="checkbox"/> Dam Safety	<input type="checkbox"/> Districts	<input type="checkbox"/> Edwards Aquifer	<input type="checkbox"/> Emissions Inventory Air	<input type="checkbox"/> Industrial Hazardous Waste
<input type="checkbox"/> Municipal Solid Waste	<input type="checkbox"/> New Source Review Air	<input type="checkbox"/> OSSF	<input type="checkbox"/> Petroleum Storage Tank	<input type="checkbox"/> PWS
<input type="checkbox"/> Sludge	<input type="checkbox"/> Storm Water	<input type="checkbox"/> Title V Air	<input type="checkbox"/> Tires	<input type="checkbox"/> Used Oil
<input type="checkbox"/> Voluntary Cleanup	<input checked="" type="checkbox"/> Waste Water	<input type="checkbox"/> Wastewater Agriculture	<input type="checkbox"/> Water Rights	<input type="checkbox"/> Other:

SECTION IV: Preparer Information

40. Name:	Jeff Goebel	41. Title:	Mgr. Business Development
42. Telephone Number	43. Ext./Code	44. Fax Number	45. E-Mail Address
(713) 574-5953		(713) 647-0277	jgoebel@undinellc.com

SECTION V: Authorized Signature

46. By my signature below, I certify, to the best of my knowledge, that the information provided in this form is true and complete, and that I have signature authority to submit this form on behalf of the entity specified in Section II, Field 6 and/or as required for the updates to the ID numbers identified in field 39.

Company:	Undine Development, LLC	Job Title:	Sr. Vice President
Name (In Print):	Carey A Thomas	Phone:	(713) 574- 5953
Signature:		Date:	7/4/2021



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

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

SECTION 1. CURRENT PERMIT INFORMATION

What is the Permit Number? WQ0012493001

What is the EPA I.D. Number? TX 0089630

What is the Current Name on the Permit?

Conroe Resort Utilities, LLC

What is the Customer Number (CN) for the current permittee? CN 603244377

What is the Regulated Entity Reference Number (RN): RN 101608396

For Publicly Owned Treatment Works (POTWs) Only:

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

SECTION 2. FACILITY OWNER (APPLICANT) INFORMATION

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

Undine Development, LLC

What is the Customer Number (CN) issued to this entity? CN 605236587

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

SECTION 3. CO-APPLICANT INFORMATION

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

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

N/A

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

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

SECTION 4. APPLICATION CONTACT INFORMATION

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

Application Contact First and Last Name: Jeff Goebel

Title: Mgr. Business Development Credentials:

Company Name: Undine Development, LLC

Mailing Address: 17681 Telge Road

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

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

E-mail Address: jgoebel@undinellc.com

SECTION 5. PERMIT CONTACT INFORMATION

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

Permit Contact First and Last Name: Carey A. Thomas

Title: Sr. Vice President Credentials:

Company Name: Undine Development, LLC

Mailing Address: 17681 Telge Road

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

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

E-mail Address: cthomas@undinellc.com

SECTION 6. SITE INFORMATION

Site Name: De Lago Wastewater Treatment Facility

SECTION 7. LEASE AND EASEMENT REQUIREMENTS

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

Landowner Name: Undine Development, LLC

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

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

B. Landowner of the effluent disposal site:

Landowner Name: N/A

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

C. For CAFOs: Attach the following records:

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

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

SECTION 8. TRANSFER DATE

What is the date that the transfer of operator or ownership will occur? 5/5/2021

SECTION 9. REPORTING AND BILLING INFORMATION

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

First and Last Name: Carey A Thomas

Title: Sr. Vice President Credentials:

Company Name: Undine Development, LLC

Mailing Address: 17681 Telge Road

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

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

E-mail Address: cthomas@undinellc.com

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

First and Last Name: Carey A Thomas

Title: Sr. Vice President Credentials:

Company Name: Undine Development, LLC

Mailing Address: 17681 Telge Road

City, State, and Zip Code: Cypress, TX 77249

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

E-mail Address: cthomas@undinellc.com

SECTION 10. DELINQUENT FEES OR PENALTIES

Do you owe fees to the TCEQ? Yes No

Do you owe any penalties to the TCEQ? Yes No

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

TRANSFEROR SIGNATURE (Current Facility Owner)

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

Facility Owner Name: Todd W. Nocerini

Title: Vice President, FQB GP, LLC

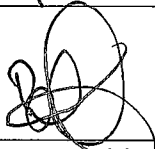
Signature:  Date: 11/5/21

SUBSCRIBED AND SWORN to before me by the said Todd W Nocerini on

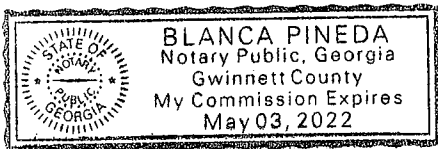
this 5th day of November, 20 21

My commission expires on the 3rd day of May, 20 22

(Seal)


Notary Public

County, Texas



TRANSFEROR SIGNATURE (Current Facility Co-Applicant)

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

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

Facility Co-Applicant Name: N/A

Title: _____

Signature: _____ Date: _____

SUBSCRIBED AND SWORN to before me by the said _____ on

this _____ day of _____, 20_____

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

(Seal)

Notary Public

County, Texas

TRANSFeree SIGNATURE (New Facility Owner)

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

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

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

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

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

New Facility Owner: Carey A. Thomas

Title: Sr. Vice President

Signature: Carey A. Thomas Date: Nov. 4, 2021

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

this 4th day of November, 2021

My commission expires on the 2nd day of August, 2023

(Seal)

Michael J. Ashfield

Notary Public

Harris

County, Texas

