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DOCKET NO. 52797

APPLICATION OF CONROE RESORT UTILITIES, LLC AND UNDINE DEVELOPMENT, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN MONTGOMERY COUNTY §
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PUBLIC UTILITY COMMISSION OF TEXAS

APPLICANTS' CORRECTION TO APPLICATION AMENDMENT

The Applicants in this matter submitted an application amendment on August 25, 2022 (Docket Id. No. 52797-80). The Applicants hereby submit a further correction to that filing by substituting the attached Attachment A (exclusive of the mapping information, which is provided pursuant to Docket Id. No. 77) in place of the Attachment A to the August 25th submittal.

Respectfully submitted,
Gregg Law PC



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CERTIFICATE OF SERVICE

I certify by my above signature that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on August 30, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

ATTACHMENT A



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

Sale Transfer Merger Consolidation Lease/Rental

Transferee: Undine Texas, LLC
(acquiring entity)

CCN No.s: 13260

Water Sewer All CCN Portion CCN Facilities transfer

County(ies): Montgomery

Table of Contents

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

Please mark the items included in this filing

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

Part A: General Information

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

Undine Texas, LLC will purchase all utility assets listed in Attachment 'A' as defined in the Letter of Intent to Conroe Resort Utilities, LLC, Attachment 'B'.

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

For **Transferee** (Purchaser) CCN:

For **Transferor** (Seller) CCN:

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

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

Part B: Transferor Information

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

3. A. Name: 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.

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

- There are no customers that will be transferred
- # of customers without deposits held by the transferor 213
- # of customers with deposits held by the transferor* 370

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

Part C: Transferee Information

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

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

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

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

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

Name: Carey A. Thomas Title: Senior Vice President

Address: 17681 Telge Road, Cypress, Texas 77429

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

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

- No Yes N/A

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

- No Yes N/A

7. The legal status of the transferee is:

- Individual or sole proprietorship
- Partnership or limited partnership (*attach* Partnership agreement)
- Corporation |
Charter number (as recorded with the Texas Secretary of State): _____
- Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____
 Articles of Incorporation and By-Laws established (*attach*)
- Municipally-owned utility
- District (MUD, SUD, WCID, FWSD, etc.)

County

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

Other (please explain): LLC, 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:

Please See Attachment O

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*: \$ _____

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

Other (NARUC account name & No.): _____

Other (NARUC account name & No.): _____

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

In accordance with HB 1484, rates will change to match those currently affected by the tariff enacted by Docket No. 50017 for CCN 13260. Please see rate analysis pages in Attachment O

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

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

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

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

Please See Attachment '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:
Please See Attachment O		

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]

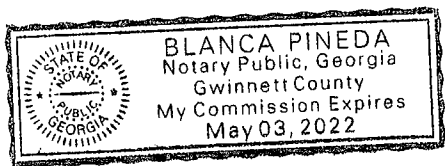
AFFIANT

(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.

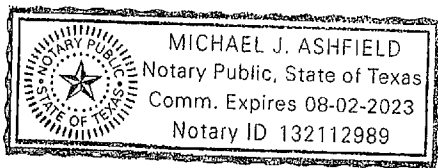
I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney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

TABLE OF CONTENTS

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

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

TABLE OF CONTENTS

Attachment 'K' Part F: Question 22	Inspection Reports for Each System
Attachment 'L' Part F: Question 28 Confidential	Operators Information
Attachment 'M' Part G	CCN Maps to be Transferred with this Application
Attachment 'N' Part H	CCN Descriptions
Attachment 'O' Part D: Question 12 Confidential	Future Planned Capital Improvements

Attachment 'A'

CCN Number, Subdivision Name, RN Number

ATTACHMENT "A"
STM FILING UNDINE TEXAS, 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

Attachment 'B'

Part A: Question 1

Confidential

Letter of Intent

CONFIDENTIAL

DOCKET NO.: 52797

STYLE: Application of Conroe Resort Utilities, LLC, and Undine Development, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County, Texas

SUBMITTING PARTY: Undine Development, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment B – Letter of Intent

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 20 to 23

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 25, 2022

Attachment 'C'

Part B: Question 4

Current Tariff

A copy of the water tariff for Undine Texas, LLC (Docket No. 50017) can be viewed through our website:
<https://www.undinellc.com/wp-content/uploads/Undine-Texas-LLC-Water-Tariff.pdf>

Or requested through this email address:
info@undinellc.com

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



WATER UTILITY TARIFF

Docket No. 50017

Undine Texas, LLC
(Utility Name)

17681 Telge Rd.
(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:

13260

This tariff is effective in the following counties:

Brazoria, Brazos, Burleson, Chambers, Fort Bend, Harris, Johnson, Liberty, Matagorda, Montgomery, Polk, Robertson, San Jacinto, Tarrant, Tyler, and Walker

This utility provides service in the following cities or unincorporated towns (if any):

City of Manvel (Brandi Estates),

City of Iowa Colony (Magnolia Bend formerly Kucera Farms, Spring Crossing, and 288 Business Park)

City of Beach City

Kenefick (Pure Utilities Riverboat Bend Subdivision)

“The rates set or approved by the cities for the systems within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the Public Utility Commission of Texas and will have to be obtained from the city or utility.”

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

See attached list

TABLE OF CONTENTS

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

SECTION 1.0 – RATE SCHEDULE 9

SECTION 2.0 – SERVICE RULES AND POLICIES 28

SECTION 3.0 – EXTENSION POLICY 34

APPENDIX A – DROUGHT CONTINGENCY PLAN

APPENDIX B – SAMPLE SERVICE AGREEMENT

APPENDIX C – APPLICATION FOR SERVICE

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Orbit Systems Inc.)

System Name	PWS ID No.	County
723 Utility/Riverside Ranch Subdivision	0790425	Fort Bend
Angle Acres Water System	0200244	Brazoria
Bayou Colony Subdivision	0200358	Brazoria
Beechwood Subdivision	0200245	Brazoria
Bernard Oaks Subdivision	0200338	Brazoria
Blue Sage Gardens Subdivision	0200323	Brazoria
Brandi Estates *	0200325	Brazoria
Briar Meadows	0200410	Brazoria
Colony Cove	0200324	Brazoria
Colony Trails	0200604	Brazoria
Coronado Country	0200275	Brazoria
Country Acres Estates	0200274	Brazoria
Country Meadows	0200273	Brazoria
Crystal Lake Estates	0790510	Fort Bend
Demi-John Place Water System	0200185	Brazoria
Demi-John Island Water System	0200234	Brazoria
Larkspur Subdivision	0200339	Brazoria
Lee Ridge	0200506	Brazoria
Los Robles Subdivision, formerly Brazos Oaks Subdivision	0200639	Brazoria
Mark V Estates	0200432	Brazoria
Mooreland	0200094	Brazoria
Quail Valley Ranches Sec. IV	0200592	Brazoria
Riverside Estates	0200058	Brazoria
Rosharon Road Estates	0200346	Brazoria
Ryan Long I	0200110	Brazoria
Ryan Long II	0200108	Brazoria
San Bernard River Estates	0200460	Brazoria
Sandy Meadows Estates	0200335	Brazoria
Snug Harbor	0200053	Brazoria
Spanish Bit Plantation	1610102	Matagorda
Tejas Lakes Subdivision	0790504	Fort Bend
Village Lakes	0200638	Brazoria
Wilco Water/Holiday Beach	0200083	Brazoria
Wolf Glen	0200370	Brazoria

*Brandi Estates subject to City of Manvel's jurisdiction

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Community Utility Company)

System Name	PWS ID No.	County
Forest Manor Subdivision	1010264	Harris
Heathergate Estates	1011302	Harris
Sweetgum Estates	1700113	Montgomery

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Consumers Water, Inc.)

System Name	PWS ID No.	County
Greengate Acres	1010132	Harris
Huffman Heights	1010700	Harris
Highland Mobile Home Subdivision	1010285	Harris
Highland Ridge	1010157	Harris
Joy Village	1700021	Montgomery
Lakewood Colony	1700029	Montgomery
Meadowlake Estates	1010287	Harris
Pioneer Trails	1700114	Montgomery
Peach Creek Oaks	1700051	Montgomery
Porter Terrace	1700161	Montgomery
Spring Forest	1700033	Montgomery
Springmont	1010255	Harris
Tall Cedars Mobile Home Subdivision	1010219	Harris
Urban Acres Subdivision	1010252	Harris

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Suburban Utility Company)

System Name	PWS ID No.	County
Beaumont Place	1010098	Harris
Castlewood Subdivision	1010111	Harris
Cypress Bend Subdivision	1010119	Harris
Reservoir Acres Subdivision	1010197	Harris

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Gulf Coast Utility Company, Inc.)

Subdivision Name	PWS ID No.	County
Cold River Ranch Subdivision, Southwood Estates*	0200403	Brazoria
Magnolia Bend (formerly Kucera Farms) Subdivision*	0200665	Brazoria
Spring Crossing Subdivision / 288 Business Park*	0200666	Brazoria

* Magnolia Bend Rates subject to City of Iowa Colony’s jurisdiction

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Chuck Bell dba Chuck Bell Water Systems, LLC)

Subdivision Name	PWS ID No.	County
Bear Creek Estates	2200336	Tarrant
Bell Manor Subdivision	1260080	Johnson
Buffalo Creek	1260084	Johnson
Crowley II Acre Subdivision, Stonefield Subdivision	1260012	Johnson
John Dame	1260090	Johnson
Martin Creek Estates	1260122	Johnson
Rock Creek Estates	1260082	Johnson
Sanders View Subdivision	1260086	Johnson

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Nerro Supply, LLC)

Subdivision Name	PWS ID No.	County
Allendale Water System	1700187	Montgomery
*Bayridge Water System	0360028	Chambers
Hillgreen Water Company	1700539	Montgomery
Loch Ness Cove Water System	1700148	Montgomery
Lost Lake	0360108	Chambers
*Oaks at Houston Point	0360126	Chambers
River Club Water Company	1700185	Montgomery
Woodhaven Estates	1700481	Montgomery
Wildwood Shores	2360078	Walker

*Bayridge Water system and Oaks at Houston Point are within the city limits of the City of Beach City.

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Nerro Supply Investors, LLC)

Subdivision Name	PWS ID No.	County
Hazy Hollow East Estates	1700013	Montgomery
High Meadows Industrial Park		
Shady Brook Acres	1700031	Montgomery
Spring Creek Valley Estates	1010213	Harris

LIST OF SUBDIVISIONS AND SYSTEMS
 (Formerly Brazos Valley Septic & Water, Inc.)

Subdivision Name	PWS ID No.	County
Apache Hills	0260019	Burleson
Benchley Oaks	0210039	Brazos
Lakeview North	0260010	Burleson
Lakeway Manor	1980017	Robertson
Lakewood Estates	0210042	Brazos
Little Oak Forest	0260037	Burleson
Marshal Oaks	0260010	Burleson
Oak Forest	1980017	Robertson
Smetana Forest	0210010	Brazos
Somerville Place	0260010, 0260021	Burleson
Whispering Woods	0260032	Burleson

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Pure Utilities, L.C.)

System Name	PWS ID No.	County
Ace Acres	N/A	Polk
Bar D	1460076	Liberty
Barlow Lakes	2290015	Tyler
BE&O (Texas Water Supply)	1870131	Polk
Bentwood Bend	1870154	Polk
Commodore Cape	1870026	Polk
Forest Springs	1870059	Polk
Lakeside Village	1870095	Polk
Mont Neches	2290027	Tyler
Riverboat Bend Subdivision	1460088	Liberty
Six Lakes	1460015	Liberty
Spring Creek	1870149	Polk
Tanglewood Forest	2040054	San Jacinto
Taylor Lake Estates	1870064	Polk
Town Bluff	2290043	Tyler
West Leggett Development	1870131	Polk
Westwood Estates (Texas Water Supply)	1870131	Polk
Whitetail Ridge	2290012	Tyler

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

Rate Year 1

Effective Date: August 1, 2020

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallonge Charge</u>
5/8"	<u>\$37.81</u> (Includes 0 gallons)	<u>\$2.02</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$56.72</u>	<u>\$2.94</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$94.53</u>	<u>\$5.25</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$189.05</u>	<u>\$7.79</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$302.48</u>	
3"	<u>\$567.15</u>	
4"	<u>\$983.06</u>	
Other (Unmetered)	<u>\$60.50</u>	

Rate Year 2

Effective Date: August 1, 2021

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallonge Charge</u>
5/8"	<u>\$44.37</u> (Includes 0 gallons)	<u>\$2.21</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$66.56</u>	<u>\$3.13</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$110.93</u>	<u>\$5.44</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$221.85</u>	<u>\$7.98</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$354.96</u>	
3"	<u>\$665.55</u>	
4"	<u>\$1,153.62</u>	
Other (Unmetered)	<u>\$70.99</u>	

Rate Year 3

Effective Date: August 1, 2022

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallonge Charge</u>
5/8"	<u>\$50.93</u> (Includes 0 gallons)	<u>\$2.41</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$76.40</u>	<u>\$3.33</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$127.33</u>	<u>\$5.64</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$254.65</u>	<u>\$8.18</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$407.44</u>	
3"	<u>\$763.95</u>	
4"	<u>\$1,324.18</u>	
Other (Unmetered)	<u>\$81.49</u>	

Rate Case Expenses

Monthly Rate Case Expense Surcharge\$1.12 per month
 Effective Date: August 1, 2020. The rate case expense surcharge will be collected for 36 months or until the full \$244,178.13 of rate case expenses related to Docket No. 50200 is collected, whichever occurs first.

SECTION 1.0 -- RATE SCHEDULE (Continued)

Additional Pass Through Charges

All Former Orbit Systems, Inc. Customers (see list on pages 1-4)

Brazoria County Groundwater Conservation District Production Fee \$0.03 per 1,000 gallons of water usage

723 Utility/Riverside Ranch Subdivision Only

North Fort Bend Water Authority Production Fee \$3.68 per 1,000 gallons of water usage
 $\$3.35 / (1 - 0.09) = \3.68
(Tariff Control No. 48190)

Forest Manor and Heathergate Subdivisions Only

City of Houston Groundwater Reduction Plan (GRP) Fee \$1.53 per 1,000 gallons of water usage
 $\$0.894 / (1 - 0.15) = \1.53
Tariff Control No. 50071)

Sweetgum Forest, Sweetgum Estates Customers Only

Aqua Texas, Inc. Regional Pass Through Gallonage Charge \$7.66 per 1,000 gallons of water usage
 $\$5.01 / (1 - 0.345546) = \7.66
(Tariff Control No. 50072)

Porter Terrace Customers Only

San Jacinto River Authority (SJRA) \$4.25 per 1,000 gallons of water usage
 $\$2.64 / (1 - 0.3789) = \4.25
(Tariff Control No. 49570)

Spring Forest Customers Only

San Jacinto River Authority (SJRA) \$3.82 per 1,000 gallons of water usage
 $\$2.64 / (1 - 0.3089) = \3.82
(Tariff Control No. 49570)

Greengate Acres Customers Only

North Harris County Regional Water Authority (NHCRWA) \$5.86 per 1,000 gallons of water usage
 $\$3.85 / 1 - 0.3435) = \5.86
(Tariff Control No. 49570)

Springmont Customers Only

North Harris County Regional Water Authority (NHCRWA) \$6.20 per 1,000 gallons of water usage
 $\$3.85 / (1 - 0.3789) = \6.20
(Tariff Control No. 49570)

Huffman Heights Customers Only

City of Houston Groundwater Reduction Plan (GRP) Fee \$1.23 per 1,000 gallons of water usage
 $\$0.945 / (1 - 0.2315) = \1.23
(Tariff Control No. 49570)

SECTION 1.0 -- RATE SCHEDULE (Continued)

Urban Acres Customers Only

City of Houston Groundwater Reduction Plan (GRP) Fee \$1.47 per 1,000 gallons of water usage
 $\$0.945 / (1 - 0.3552) = \1.47
(Tariff Control No. 49570)

Meadowlake Estates Subdivision Customers Only

City of Houston Groundwater Reduction Plan (GRP) Fee \$4.06 per 1,000 gallons of water usage
 $\$2.52 / (1 - 0.3789) = \4.06
(Tariff Control No. 49570)

Pioneer Trails Subdivision Customers Only:

Crystal Springs Wholesale Purchase Water Fee..... \$23.95 per connection (*Tariff Control No. 46849*) plus
\$8.38 per 1,000 gallons of water usage
 $\$5.206 / (1 - 0.3789) = \8.38
(Tariff Control No. 49570)

Cypress Bend Subdivision Customers Only:

North Harris County Regional Water Authority (NHCRWA)..... \$5.47 per 1,000 gallons of water usage
 $\$3.85 / (1 - 0.296) = \5.47
(Tariff Control No. 49346)

Castlewood Subdivision Customers Only:

City of Houston Groundwater Reduction Plan (GRP) Fee \$1.51 per 1,000 gallons of water usage
 $\$0.945 / (1 - 0.3727) = \1.51
(Tariff Control No. 50071)

Beaumont Place Subdivision Customers Only:

Harris County MUD No. 421 \$4.75 per 1,000 gallons of water usage
During the time of the emergency interconnect with Harris County MUD No. 421, Undine’s
current gallonage charge will not apply.
(Tariff Control No. 47883)

Bell Manor Subdivision Customers Only:

Purchased Water Fees for Johnson County Special Utility District... \$2.51 per 1,000 gallons of water usage

Bear Creek Estates Subdivision Customers Only

Northern Trinity Groundwater Conservation District Water Production Fee... \$0.15 per 1,000 gallons of
water usage
 $\$0.125 / (1 - 0.15) = \0.15
(Tariff Control No. 48031)

All former Chuck Bell Water Systems, LLC Customers only except Bear Creek Estates in
Tarrant County

Prairielands Groundwater Conservation District Water Production Fee...\$0.24 per 1,000 gallons of water
usage

SECTION 1.0 -- RATE SCHEDULE (Continued)

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Online Payment or Automatic Bank Draft

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.

UNAFFILIATED THIRD PARTIES WHO ACCEPT AND PROCESS CREDIT CARD, AND ELECTRONIC PAYMENTS FOR UTILITY BILLS MAY REQUIRE PAYMENT OF AN ADDITIONAL CONVENIENCE CHARGE FOR THIS SERVICE.

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$1,200.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

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

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

METER TEST FEE

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.

- a) Residential \$25.00
- b) Commercial \$50.00

RECONNECTION FEE

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

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE.....\$65.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

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

PASS THROUGH ADJUSTMENT CLAUSE:
The utility may pass on only to those customers served by a system subject to the jurisdiction of any Regional Water Authority and/or any Groundwater Reduction Plan, any increase or decrease in its Underground Water District Pumpage Fee or Purchased Water Fee, thirty (30) days after noticing of any change to all affected customers and filing notice with the PUC as required by 16 TAC § 24.25(b)(2)(F). The charge per customer shall be calculated as follows:

(A x B) / C + L [(A x B) / C] = increase or decrease to existing gallonage rate,

Where:

- A = utility's annualized change in cost of water subjected to district's fee
B = average number of gallons
C = 1,000 gallons
L = percentage systemwide line loss for the preceding 12 months, not to exceed 15%

SECTION 1.0 -- RATE SCHEDULE (Continued)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$$AG = G + B / (1 - L),$$

Where:

AG= adjusted gallonage charge, rounded to the nearest one cent;

G= approved gallonage charge (per 1,000 gallons);

B=change in purchased water/district gallonage charge (per 1,000 gallons);

L=system average line loss for preceding 12 months not to exceed 0.15

FRANCHISE FEE ASSESSMENT. Franchise fees levied by a municipality may be passed through to those customers inside the city generating the revenues upon which the franchise fee is calculated. Implementation of this pass through clause shall be subject to the notice and approval process of the city having original jurisdiction over these fees. Franchise fees may not be passed through or allocated to utility customers outside the municipality.

EASEMENTS. Pursuant to 16 TAC § 24.161(d), easements from customers may be required as a precondition of service when:

- (1) Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the property of a service applicant, the public utility may require the service applicant or land owner to grant a permanent recorded public easement dedicated to the public utility to construct, install, maintain, inspect and test water and/or sewer facilities necessary to serve the applicant.

As a condition of service to a new subdivision, public utilities may require developers to provide permanent recorded public utility easements to and throughout the subdivision sufficient to construct, install, maintain, inspect, and test water and/or sewer facilities necessary to serve the subdivision's anticipated service demands upon full occupancy.

**Allendale Water System, Bayridge Water System,
Hillgreen Water Company, Loch Ness Cove Water System,
Lost Lake, Oaks at Houston Point,
River Club Water Company, Woodhaven Estates
Formerly Nerro Supply, LLC**

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallorage Charge</u>
5/8" or 3/4"	\$40.78 (Includes 0 gallons)	\$2.50 per 1000 gallons thereafter
1"	\$101.95	
1½"	\$203.90	*PLUS
2"	\$326.24	Pass through fees below
3"	\$1,019.50	

Pass Through Fee:

*The gallorage charge will be increased for customers in the River Club/River Ridge subdivision for Pass Through fees related to the San Jacinto River Authority (SJRA) and Lone Star Groundwater Conservation District (LSGCD).

San Jacinto River Authority (SJRA).....*\$3.21 per 1000 gallons
(The pass through fees are adjusted for line loss) (Tariff Control No. 49776)

*Lone Star Groundwater Conservation District (LSGCD) Water Use Fee.....\$0.04
(Tariff Control No. 48068) per 1,000 gallons of water usage

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

Cash , Check , Money Order , Credit Card , Other (specify) _____
THE UTILITY SEPTEMBER REQUIRE EXACT CHANGE FOR PAYMENTS AND SEPTEMBER 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 REMIT THE FEE TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (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.

**Allendale Water System, Bayridge Water System,
Hillgreen Water Company, Loch Ness Cove Water System,
Lost Lake, Oaks at Houston Point,
River Club Water Company, Woodhaven Estates
Formerly Nerro Supply, LLC**

SECTION 1.0 -- RATE SCHEDULE (Continued)

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

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST SEPTEMBER 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 SEPTEMBER NOT EXCEED \$25.

RECONNECTION FEE
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (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 \$50.00

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

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

**Allendale Water System, Bayridge Water System
Hillgreen Water Company, Loch Ness Cove Water System,
Lost Lake, Oaks at Houston Point,
River Club Water Company, Woodhaven Estates
Formerly Nerro Supply, LLC**

SECTION 1.0 -- RATE SCHEDULE (Continued)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

- R = $G/(1-L)$, where:
- R = Utility's new proposed pass-through rate, rounded to nearest one cent
- G = approved per 1,000 gallon gallonage charge
- L = system average line loss for preceding 12 months, not to exceed 0.15

To implement or modify the Purchased Water District Fee, the utility must comply with all notice and other requirements of 16 TAC § 24.25(b)(2)(F).

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$20.00</u> (Includes 10,000 gallons)	<u>\$3.00</u> per 1000 gallons, 1 st 10,000 gallons <u>\$5.00</u> per 1000 gallons thereafter

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 SEPTEMBER REQUIRE EXACT CHANGE FOR PAYMENTS AND SEPTEMBER 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 REMIT THE FEE TO TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$600.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

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

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

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST SEPTEMBER 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 SEPTEMBER NOT EXCEED \$25.

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

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

TRANSFER FEE\$10.00

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

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

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

RETURNED CHECK CHARGE\$25.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

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

Hazy Hollow East Estates, High Meadows Industrial Park, Shady Brook Acres, Spring Creek Valley Estates
Formerly Nerro Supply Investors, Inc.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Spring Creek Valley Estates (Harris County)

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$37.16</u> (includes 1000 gallons)	<u>\$3.56</u> per 1,000 gallons over the minimum *Plus NHCRWA Fee for <u>ALL</u> gallons used.

*North Harris County Regional Water Authority Water Use Fee:
\$5.00 per 1,000 for all gallons used
Tariff Control No. 50636

Hazy Hollow East Estates, High Meadows Industrial Park, Shady Brook Acres (Montgomery County)

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$36.71</u> (includes 1000 gallons)	<u>\$3.55</u> per 1,000 gallons over the minimum *Plus LSGCD & SJRA fees for <u>ALL</u> gallons used.

*Lone Star Groundwater Conservation District Water Use Fee: \$0.12 per 1,000 for all gallons used
Tariff Control No. 48069

*San Jacinto River Authority Fee for Hazy Hollow East Estates only:
Tariff Control No. 49775 \$3.21 per 1,000 for all gallons used

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 REMIT TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE.....N/A
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.

Docket No. 50017

Hazy Hollow East Estates, High Meadows Industrial Park, Shady Brook Acres, Spring Creek Valley Estates
Formerly Nerro Supply Investors, Inc.

SECTION 1.0 – RATE SCHEDULE (Continued)

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

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

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 N/A

TRANSFER FEE N/A
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 \$25.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY’S DOCUMENTABLE COST.

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [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.

**Hazy Hollow East Estates, High Meadows Industrial
Park, Shady Brook Acres, Spring Creek Valley Estates**
Formerly Nerro Supply Investors, Inc.

SECTION 1.0 – RATE SCHEDULE (Continued)

Pass Through Provision:

For Utilities subject to changes in costs imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

$$R = G / (1 - L)$$

Where:

R = the proposed pass-through rate;

G = the new gallonage charge (per 1,000 gallons) by source supplier;

L = the actual line loss for the preceding 12 months, not to exceed 0.15

Apache Hills, Benchly Oaks, Lakeview North, Lakeway Manor, Lakewood Estates, Little Oak Forest, Marshal Oaks, Oak Forest, Smetana Forest, Somerville Place, Whispering Woods
Formerly Brazos Valley Septic & Water, Inc.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$32.58</u> (Includes 0 gallons)	<u>\$2.00</u> per 1000 gallons up to 12, 000 gallons
1"	<u>\$81.45</u>	<u>\$3.00</u> per 1000 gallons, 12,001 gallons and up
1½"	<u>\$162.90</u>	
2"	<u>\$260.64</u>	
3"	<u>\$488.70</u>	
4"	<u>\$814.50</u>	

Pass Through Fee:

An additional charge per 1,000 gallons of water usage for Brazos Valley Groundwater Conservation District (BVGCD) production fees applies to the following subdivisions: Benchley Oaks, Lakewood Estates, Smetana Forest, Lakeway Manor, and Oak Forest

*BVGCD Production Fee \$0.05
(Tariff Control No. 49535) per 1,000 gallons of water usage

*Undine receives a 1.0% credit for the amount pumped annually from BVGCD that is less than 100,000,000 gallons. The resulting approved pass-through fee is: \$0.0325 divided by (1- 0.15) equals \$0.04 per thousand gallons up to 100,000,000 gallons pumped per year; and \$0.05 per thousand gallons, thereafter.

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 REMIT THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$850.00
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.

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.

**Apache Hills, Benchly Oaks, Lakeview North,
Lakeway Manor, Lakewood Estates, Little Oak Forest,
Marshal Oaks, Oak Forest, Smetana Forest,
Somerville Place, Whispering Woods**
Formerly Brazos Valley Septic & Water, Inc.

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

- a) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$45.00

SEASONAL RECONNECT FEE: Monthly minimum times number of months off the system, maximum 6 months.

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) \$5.00

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

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.

**Apache Hills, Benchly Oaks, Lakeview North,
Lakeway Manor, Lakewood Estates, Little Oak Forest,
Marshal Oaks, Oak Forest, Smetana Forest,
Somerville Place, Whispering Woods**
Formerly Brazos Valley Septic & Water, Inc.

SECTION 1.0 -- RATE SCHEDULE (Continued)

PURCHASED WATER DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any wholesale water supplier and/or any ground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the formula:

- R = $G/(1-L)$, where:
- R = Utility's new proposed pass-through rate, rounded to nearest one cent
- G = approved per 1,000 gallon gallonage charge
- L = system average line loss for preceding 12 months, not to exceed 0.15

To implement or modify the Purchased Water District Fee, the utility must comply with all notice and other requirements of 16 TAC § 24.25(b)(2)(F).

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its gallonage charge according to the formula:

$$TGC = cgc + \frac{(pr)(cgc)(r)}{(1.0 - r)}$$

Where:

- TGC = temporary gallonage charge
- cgc = current gallonage charge
- r = water use reduction expressed as a decimal fraction (the pumping restrictions)
- pr = percentage of revenues to be recovered expressed as a decimal fraction (i.e. 100% =1.0), for this tariff, pr shall equal 0.5.

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 16 TAC § 24.25(b)(2)(F).

SECTION 1.0 -- RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$35.19</u> (Includes 2,000 gallons)	<u>\$3.54</u> per 1000 gallons
1"	<u>\$77.34</u>	
1½ "	<u>\$147.60</u>	
2"	<u>\$231.91</u>	
3"	<u>\$428.63</u>	

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$350.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

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

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

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

RECONNECTION FEE

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

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE\$35.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

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

RETURNED CHECK CHARGE\$25.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....N/A

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

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

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



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 **DOCKET** **45477**

CONTROL # _____

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

Attachment 'D'

Part B: Question 5

Confidential

Customer Name, Address and Deposit Information

CONFIDENTIAL

DOCKET NO.: 52797

STYLE: Application of Conroe Resort Utilities, LLC, and Undine Development, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County, Texas

SUBMITTING PARTY: Undine Development, LLC

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

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 57 to 60

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 25, 2022

Attachment 'E'

Part C: Question 7

Confidential

Limited Liability Company Agreement Undine Texas, LLC and
Organizational Chart

CONFIDENTIAL

DOCKET NO.: 52797

STYLE: Application of Conroe Resort Utilities, LLC, and Undine Development, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County, Texas

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: 62 to 69

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 25, 2022

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 CCN owner party is Undine Texas, 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 CCN owner party, Undine Texas, LLC, operates as a domestic 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 was registered on November 25, 2015. 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.

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

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 SEVENTH DAY OF MARCH, A.D. 2022.

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# 20220908091

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

Authentication: 202845383

Date: 03-07-22



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 March 09, 2022.



A handwritten signature in black ink, appearing to read "John B. Scott".

John B. Scott
Secretary of State

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "UNDINE TEXAS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SEVENTH DAY OF MARCH, A.D. 2022.

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

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




Jeffrey W. Bullock, Secretary of State

5860781 8300

SR# 20220908090

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

Authentication: 202845382

Date: 03-07-22

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "UNDINE TEXAS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTEENTH DAY OF DECEMBER, A.D. 2021.

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

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




Jeffrey W. Bullock, Secretary of State

5860781 8300

SR# 20214075340

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

Authentication: 204961815

Date: 12-13-21



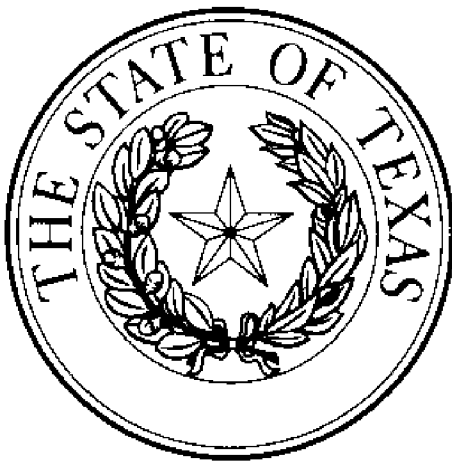
Office of the Secretary of State

Certificate of Fact

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

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

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on December 13, 2021.



A handwritten signature in black ink, appearing to read "John B. Scott".

John B. Scott
Secretary of State

Attachment 'G'

Part C: Question 9

Confidential

List of the Officers of Undine Texas, LLC

CONFIDENTIAL

DOCKET NO.: 52797

STYLE: Application of Conroe Resort Utilities, LLC, and Undine Development, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County, Texas

SUBMITTING PARTY: Undine Development, LLC

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

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 81

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 25, 2022

Attachment 'H'

Part D

Confidential

Financial Information

CONFIDENTIAL

DOCKET NO.: 52797

STYLE: Application of Conroe Resort Utilities, LLC, and Undine Development, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County, Texas

SUBMITTING PARTY: Undine Development, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment H – Financial Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 83 to 95

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 25, 2022

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

List of Utilities Served By Undine Texas, LLC

TCEQ PWS ID	Name of PWS	Date of TCEQ Inspection	Subdivisions Served
1700187	Allendale Water System	2/14/2020	Allendale
0200244	Angle Acres Water System	9/6/2019	Angle Acres
260019	Apache Hills	10/15/2021	Apache Hills
1460076	Bar-D Ranchettes	12/10/2021	Bar-D Ranchettes
2290015	Barlow Lake Estates	4/3/2019	Barlow Lake Estates
0200358	Bayou Colony Subdivision	10/1/2020	Bayou Colony
360028	Bayridge Subdivision Water System	8/4/2021	Bayridge
2200336	Bear Creek Estates	11/30/2020	Bear Creek Estates
1010098	Beaumont Place	6/4/2020	Beaumont Place
0200245	Beechwood Subdivision	4/24/2019	Beechwood
1260080	Bell Manor Subdivision	3/25/2020	Bell Manor
210039	Benchley Oaks Subdivision	8/6/2019	Benchley Oaks
1870154	Bentwood Bend Water System	7/23/2020	Bentwood Bend
0200338	Bernard Oaks Subdivision	10/24/2019	Bernard Oaks
0200323	Blue Sage Gardens Subdivision	9/24/2019	Blue Sage Gardens
0200325	Brandi Estates	10/7/2019	Brandi Estates
0200639	Brazos Oaks Subdivision	n/a	Los Robles
0200410	Briar Meadows	12/27/2018	Briar Meadows
1260084	Buffalo Creek	8/5/2020	Buffalo Creek
1010111	Castlewood Subdivision	5/21/2020	Castlewood
0200324	Colony Cove Subdivision Water System	2/11/2020	Colony Cove
0200604	Colony Trails Subdivision	5/27/2021	Colony Trails
1870026	Commodore Cape Water System	3/18/2021	Commodore Cape
0200275	Coronado Country	12/28/2017	Coronado Country
0200274	Country Acre Estates	9/17/2019	Country Acres Estates
0200273	Country Meadows	11/27/2018	Country Meadows
1260012	Crowley II Acre Subdivision	8/12/2020	Crowley II Acres
0790510	Crystal Lake Estates	6/4/2020	Crystal Lake Estates
1010119	Cypress Bend Subdivision	3/18/2021	Cypress Bend
0200234	Demi John Island Water System	10/8/2020	Demi John Island
0200185	Demi John Place Water System	2/11/2021	Demi John Place
1010264	Forest Manor Subdivision	6/11/2020	Forest Manor
1870059	Forest Springs	3/18/2020	Forest Springs
1010132	Greengate Acres Subdivision	1/21/2021	Greengate Acres
1700013	Hazy Hollow East Estates	7/30/2020	Hazy Hollow East Estates
1011302	Heathergate Estates	8/23/2021	Heathergate Estates
1010285	Highland Mobile Home Subdivision	12/2/2021	Highland Mobile Home
1010157	Highland Ridge Subdivision	8/24/2021	Highland Ridge
1700539	Hillgreen Subdivision Water	12/4/2018	Hillgreen
1010700	Huffman Heights Subdivision	12/8/2021	Huffman Heights
1260090	John Dame	3/25/2020	John Dame
1700021	Joy Village	6/4/2020	Joy Village
0200665	Kucera Farms Subdivision	5/7/2020	Kucera Farms
1870095	Lakeside Village Water	3/25/2021	Lakeside Village Water
260010	Lakeview N Marshall Oaks Sommerville Place	2/3/2017	Lakeview N Marshall Oaks & Sommerville Place
1700029	Lakewood Colony	5/20/2021	Lakewood Colony
210042	Lakewood Estates	7/25/2019	Lakewood Estates
0200339	Larkspur Subdivision	Inactive	Larkspur
0200506	Lee Ridge Subdivision	1/11/2019	Lee Ridge
260037	Little Oak Forest Subdivision	4/17/2020	Little Oak Forest
1700148	Loch Ness Cove Subdivision Water System	9/8/2020	Loch Ness Cove
360108	Lost Lakes	4/9/2020	Lost Lakes
0200432	Mark V Estates	9/5/2019	Mark V Estates
1260122	Martin Creek Estates	3/25/2020	Martin Creek Estates
1010287	Meadowlake Estates	12/1/2021	Meadowlake Estates

2290027	Mont Neches Lake Estates	Inactive	Mont Neches Lake Estates and Town Bluff
0200094	Mooreland Subdivision Water System	4/9/2020	Mooreland
1980017	Oak Forest Lakeway Manor	3/27/2020	Oak Forest Lakeway Manor
360126	Oaks at Houston Point	1/21/2021	Oaks at Houston Point
1700051	Peach Creek Oaks Subdivision	4/8/2021	Peach Creek Oaks
1700114	Pioneer Trails Subdivision	11/30/2021	Pioneer Trails
1700161	Porter Terrace	9/5/2019	Porter Terrace
1010197	Reservoir Acres Subdivision	12/6/2019	Reservoir Acres
1700185	River Club Water	5/19/2017	River Club
0790425	River Ranch	1/18/2019	River Ranch
1460088	Riverboat Bend Trailer Park	4/17/2019	Riverboat Bend Trailer Park
0200058	Riverside Estates	11/26/2019	Riverside Estates
1260082	Rock Creek Estates	7/28/2017	Rock Creek Estates
0200346	Rosharon Road Estates Subdivision	4/12/2018	Rosharon Road Estates
0200108	Ryan Long Subdivision 2 Water System	12/28/2017	Ryan Long 2
0200460	San Bernard River Estates	6/2/2021	San Bernard River Estates
1260086	Sandersview Subdivision PWS	8/12/2020	Sandersview
0200335	Sandy Meadow Estates Subdivision	4/12/2018	Sandy Meadow Estates
1700031	Shady Brook Acres	12/10/2020	Shady Brook Acres
1460015	Six Lakes Subdivision	9/5/2019	Six Lakes
210010	Smetana Forest	1/5/2019	Smetana Forest
0200053	Snug Harbor Subdivision	9/6/2019	Snug Harbor
260010	Sommerville Place	3/16/2020	Lakeview N Marshall Oaks & Sommerville Place
0200403	Southwood Estates	7/1/2021	Southwood Estates & Cold River Ranch
1610102	Spanish Bit Plantation Sub	7/14/2021	Spanish Bit Plantation
1870149	Spring Creek Pure Utilities	10/7/2021	Spring Creek
1010213	Spring Creek Valley Estates	9/13/2019	Spring Creek Valley Estates
0200666	Spring Crossing Subdivision	status pending	Spring Crossing
1700033	Spring Forest Subdivision	11/23/2021	Spring Forest
1010255	Springmont Subdivision	6/25/2020	Springmont
1700113	Sweetgum Forest	7/23/2020	Sweetgum Forest
1010219	Tall Cedars Mobile Home Subdivision	4/1/2021	Tall Cedars Mobile Home
2040054	Tanglewood Forest Subdivision	12/9/2021	Tanglewood Forest
1870064	Taylor Lake Estates Water System	6/10/2019	Taylor Lake Estates
0790504	Tejas Lakes Subdivision	9/12/2019	Tejas Lakes
1870131	Texas Water Supply	3/19/2020	Texas Water Supply
2290043	Town Bluff Water System	12/10/2021	Town Bluff
1010252	Urban Acres Subdivision	12/15/2021	Urban Acres
0200638	Village Lakes Subdivision	status pending	Village Lakes
260032	Whispering Woods	1/3/2020	Whispering Woods
2290012	Whitetail Ridge Lake Estates	3/27/2020	Whitetail Ridge Lake Estates
0200083	Wilco Water	10/10/2019	Wilco Water
2360078	Wildwood Shores	12/15/2021	Wildwood Shores
0200370	Wolf Glen Water System	6/29/2021	Wolf Glen
1700481	Woodhaven Estates	11/7/2018	Woodhaven Estates

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 - (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	8	2"		Residential
270	5/8" or 3/4"		3"		Commercial
8	1"		4"		Industrial
5	1 1/2"	3	Other		Other
Total Water Connections:			294	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:
Please See Attachment 'O'		

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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Attachment 'L'

Part F: Question 28

Confidential

Operators Information

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Undine Texas, LLC to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity in Fort Bend County, Texas

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment L – Operators Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 107 to 108

ENVELOPE #: 1 OF 1

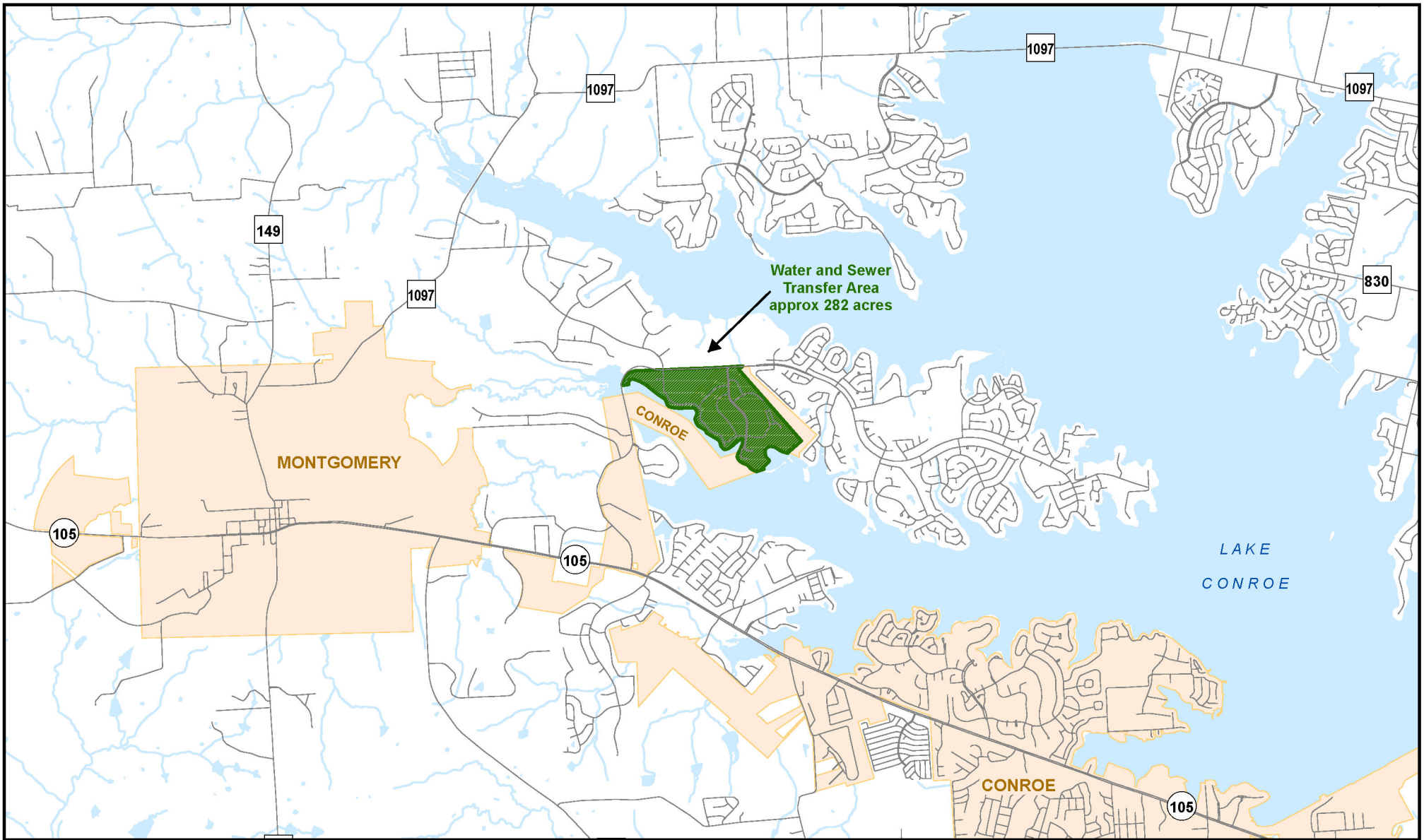
ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 25, 2022

Attachment 'M'

Part G

CCN Maps to be Transferred with this Application



General Location

Undine Texas, LLC
 Application to Transfer Conroe Resort Utilities, LLC, CCN No. 11942 to Undine Texas, LLC, CCN No. 13260
 in Montgomery County

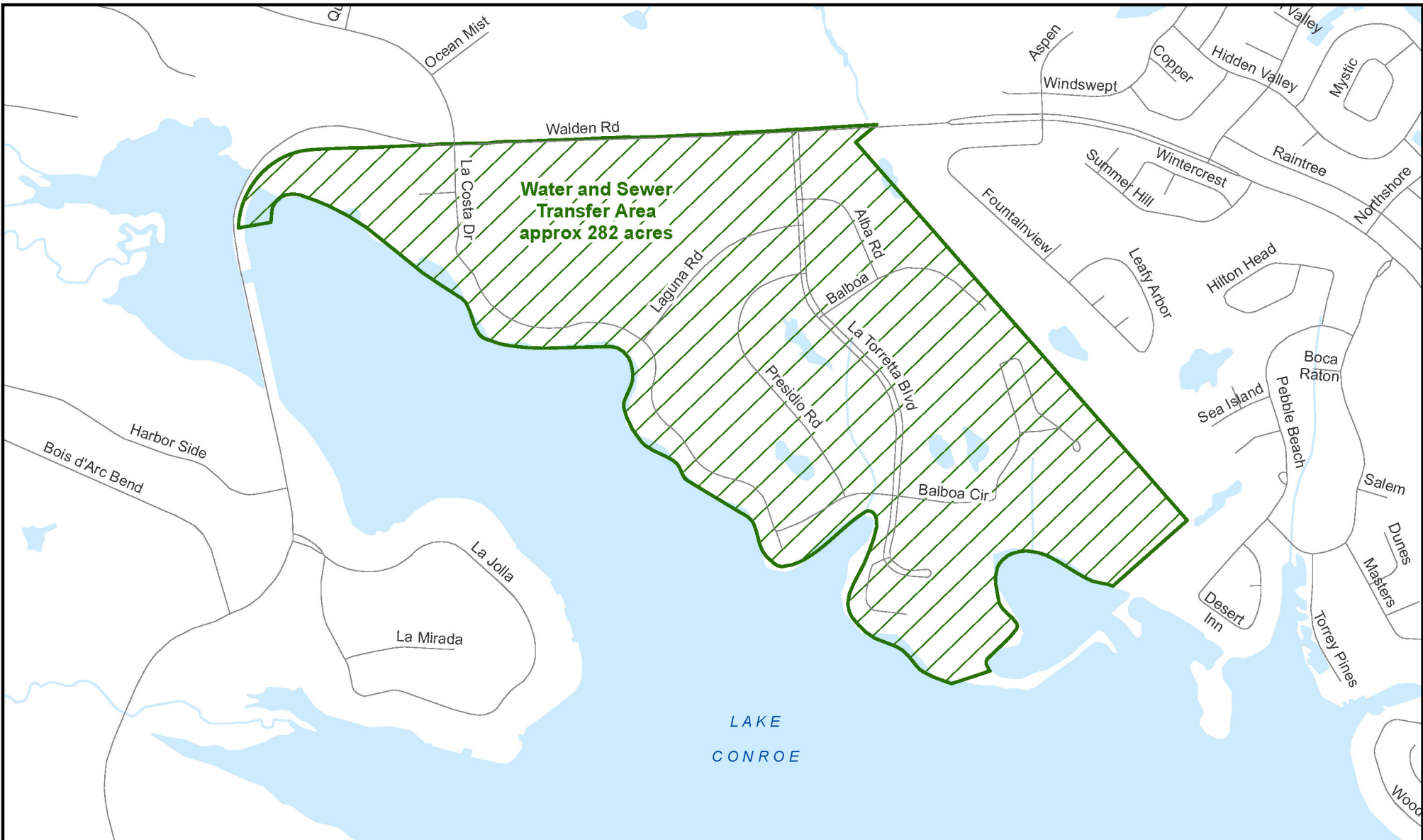
Requested Water and Sewer Transfer Area

 CCN 11942, - Conroe Resort Utilities, LLC - approx 282 acres



0 0.5 1
 Miles

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

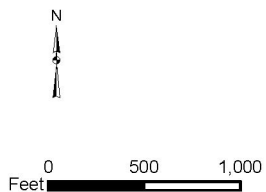


Detail Map

Undine Texas, LLC
 Application to Transfer Conroe Resort Utilities, LLC, CCN No. 11942 to Undine Texas, LLC, CCN No. 13260
 in Montgomery County

Requested Water and Sewer Transfer Area

 CCN 11942 - 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 Texas, LLC, CCN 13260
Application to Transfer Conroe Resort Utilities, LLC, CCN 11942
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'

Part D: Question 12

Confidential

Future Planned Capital Improvements

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Undine Texas, LLC to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity in Fort Bend County, Texas

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment O – Future Planned Capital Improvements

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 116 to 120

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 25, 2022



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: 20638

Sale Transfer Merger Consolidation Lease/Rental

Transferee: Undine Texas Environmental, LLC
(acquiring entity)

CCN No.s: 20816

Water Sewer All CCN Portion CCN Facilities transfer

County(ies): Montgomery

Table of Contents

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

Please mark the items included in this filing

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

Part A: General Information

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

Undine Texas Environmental, 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:

For **Transferor** (Seller) CCN:

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

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

Part B: Transferor Information

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

3. A. Name: 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: twn@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: twn@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.

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

There are no customers that will be transferred

of customers without deposits held by the transferor 213

of customers with deposits held by the transferor* 370

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

Part C: Transferee Information

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

6. A. Name: Undine Texas Environmental, LLC

(individual, corporation, or other legal entity)

Individual Corporation WSC Other: LLC

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

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

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

Name: Carey A. Thomas Title: Senior Vice President

Address: 17681 Telge Road, Cypress, Texas 77429

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

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

No Yes N/A

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

No Yes N/A

7. The legal status of the transferee is:

Individual or sole proprietorship

Partnership or limited partnership (*attach* Partnership agreement)

Corporation |
Charter number (as recorded with the Texas Secretary of State): _____

Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]

Charter number (as recorded with the Texas Secretary of State): _____

Articles of Incorporation and By-Laws established (*attach*)

Municipally-owned utility

District (MUD, SUD, WCID, FWSD, etc.)

County

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

Other (please explain): LLC, 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:

Please see Attachment O

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*: \$ _____

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

Other (NARUC account name & No.): _____

Other (NARUC account name & No.): _____

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

In accordance with HB 1484, rates will change to match those currently affected by the tariff enacted by Docket No. 50018 for CCN 20816. Please see rate analysis pages in Attachment O

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.