



Control Number: 52890



Item Number: 1

52890



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

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239

2021 NOV 29 AM 8:07  
PUBLIC UTILITY COMMISSION  
FILING CLERK

## 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:** Flat Fork Water Supply Corporation

*(selling entity)*

**CCN No.s:** 11711

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

**Transferee:** City of Center

*(acquiring entity)*

**CCN No.s:** 10397

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

**County(ies):** Shelby

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### Please mark the items included in this filing

<input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
<input checked="" type="checkbox"/> Tariff including Rate Schedule	Part B: Question 4
<input checked="" type="checkbox"/> List of Customer Deposits	Part B: Question 5
<input type="checkbox"/> Partnership Agreement	Part C: Question 7
<input checked="" type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input type="checkbox"/> Certificate of Account Status	Part C: Question 7
<input checked="" 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:

Flat Fork Water Supply (11711) will transfer 39 meters located adjacent to the City of Center (10397). The City currently supplies water to the 39 customers under an agreement between the City and Flat Fork Water Supply. The transfer will formally put the 39 meters within the City of Center's CCN and remove them from Flat Fork Water Supply. This transfer will negate the need for Flat Fork Water Supply to purchase water from the City. There will be no effect on land use.

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

For **Transferee** (Purchaser) CCN:

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

For **Transferor** (Seller) CCN:

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

**Part B: Transferor Information**

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

3. A. Name: Flat Fork Water Supply Corporation  
(individual, corporation, or other legal entity)  
☐ Individual ☐ Corporation ☒ WSC ☐ Other: \_\_\_\_\_
- B. Mailing Address: P. O. Box 957 Center, Texas 75935

Phone: (936) 590-6451 Email: flatforkwater@yahoo.com

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

Name: Rayford Copelin Title: Board Member

Mailing Address: 169 CR 3765 Center, Texas 75935

Phone: (936) 598-7407 Email: rayfordcopelin@yahoo.com

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

A. Effective date for most recent rates: \_\_\_\_\_

- 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: \_\_\_\_\_

**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 \_\_\_\_\_

☒ # of customers with deposits held by the transferor\* \_\_\_\_\_

39

\*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: City of Center

(individual, corporation, or other legal entity)

☐ Individual

☐ Corporation

☐ WSC

☒ Other: municipality

B. Mailing Address: P.O. Box 1744 Center, Texas 75935

Phone: (936) 598-2941

Email: cnehring@centertexas.org

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: Chad Nehring

Title: City Manager

Address: P. O. Box 1744 Center, Texas 75935

Phone: (936) 598-2941

Email: cnehring@centertexas.org

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): \_\_\_\_\_

**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: \_\_\_\_\_

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: \$ 0.00

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:

N/A

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

The City of Center currently supplies water to the customers to be transferred. the City will install city meters and Flat Fork will reclaim its meters during the transfer.

**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 § 24.41(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.)

City water rates will apply to all existing customers.

**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:

N/A



**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:

There should be no impact in the quality of service due to the fact that the area currently receives water from the City. No additional construction will be necessary.

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.

Public Water System # TX2100001  
CCN# 10397  
Appendices A&B Financial Information  
[www.centertexas.org/administration-financialaudit-reports](http://www.centertexas.org/administration-financialaudit-reports)

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 transfer will have no impact on environmental integrity.

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

Flat Fork Water Supply has difficulty supplying adequate water pressure to the affected customers and has an agreement with the City of Center to purchase water to service these customers. The transfer will remove this necessity.

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:

No other utilities will be affected.

**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: TX2100007 (7 digit ID)Name of PWS: Flat Fork Water Supply CorporationDate of last TCEQ compliance inspection: December 31, 2018 (attach TCEQ letter)Subdivisions served: N/A**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	
0	Non-metered	0	2"		Residential
39	5/8" or 3/4"	0	3"		Commercial
0	1"	0	4"		Industrial
0	1 1/2"	0	Other		Other
Total Water Connections:				39	Total Sewer Connections:

**24. A. Are any improvements required to meet TCEQ or Commission standards?**☒ No ☐ Yes**B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):**

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

**C. Is there a moratorium on new connections?**☒ No ☐ Yes:**25. Does the system being transferred operate within the corporate boundaries of a municipality?**☒ No ☐ Yes: \_\_\_\_\_ (name of municipality)

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

Water: \_\_\_\_\_ Sewer: \_\_\_\_\_



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

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

Capacity is purchased from: City of Center

Water: City of Center

Sewer: N/A

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:	20,000.00	5.00%
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
Marcus Cameron	B	WS0010425	Water
Linda Thornton	B	WS0012129	Water
Terry Adkinson	C	WS0012763	Water

### Part G: Mapping & Affidavits

**ALL applications require mapping information to be filed in conjunction with the STM application.**

***Read question 29 A and B to determine what information is required for your application.***

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

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: 500.00

Number of customer connections in the requested area: 39

Affected subdivision : N/A

The closest city or town: Center

Approximate mileage to closest city or town center: 1

Direction to closest city or town: South

The requested area is generally bounded on the North by: CR 3736

on the East by: Loop 500

on the South by: Henrietta Rd.

on the West by: CR 3754 and CR 3780

31. A copy of the proposed map will be available at: City of Center Office, Flat Fork Water Supply Office, www.diamondmap.com

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

- ☒ All of the customers will be charged the same rates they were charged before the transaction.
- ☐ All of the customers will be charged different rates than they were charged before the transaction.
- ☐ higher monthly bill    ☐ lower monthly bill
- ☐ Some customers will be charged different rates than they were charged before  
(i.e. inside city limit customers)
- ☐ higher monthly bill    ☐ lower monthly bill

**Oath for Transferor (Transferring Entity)**

STATE OF Texas

COUNTY OF Shelby

I, Glynn Russell

being duly sworn, file this application for sale,  
transfer,

merger, consolidation, acquisition, lease, or  
rental, as

Board President FFWSC

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

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

I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

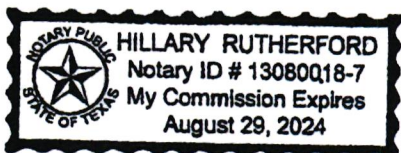
Glynn Russell  
AFFIANT

(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 10 of November, 2021

SEAL



Hillary Rutherford

NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Hillary Rutherford

PRINT OR TYPE NAME OF NOTARY

My commission expires: August 29, 2024



**Oath for Transferee (Acquiring Entity)**

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STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_ being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as \_\_\_\_\_

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

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

I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

\_\_\_\_\_  
**AFFIANT**

(Utility's Authorized Representative)

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

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

this day the \_\_\_\_\_ of \_\_\_\_\_, 20 \_\_\_\_\_

SEAL

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

\_\_\_\_\_  
**PRINT OR TYPE NAME OF NOTARY**

**My commission expires:** \_\_\_\_\_

**APPENDIX C**  
**AGREEMENT WITH TRANSFEREE**  
**(PART A 1)**



**APPENDIX D**  
**TRANSFEROR'S TARIFF**  
**(PART B 4)**



## WATER UTILITY TARIFF

Docket Number: \_\_\_\_\_

(this number will be assigned by the Public Utility Commission after your tariff is filed)

Flat Fork Water Supply Corporation

(Utility Name)

402 Hurst St.

(Business Address)

Center, Texas 75935

(City, State, Zip Code)

(936) 590-6451

(Area Code/Telephone)

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

This tariff is effective in the following counties:

Shelby

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

N/A

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

N/A

### 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):

### TABLE OF CONTENTS

SECTION 1.0-RATE SCHEDULE	2
SECTION 2.0- SERVICE RULES AND POLICIES	4
SECTION 3.0- EXTENSION POLICY	13
APPENDIX A - DROUGHT CONTINGENCY PLAN	18
APPENDIX B- APPLICATION FOR SERVICE	19

Note: Appendix A – Drought Contingency Plan (DCP) is approved by the Texas Commission on Environmental Quality; however, the DCP is included as part of your approved utility tariff pursuant to PUC rules. If you are establishing a tariff for the first time, please contact the TCEQ to complete and submit a DCP for approval.



## SECTION 1.0 -- RATE SCHEDULE

### Section 1.01 - Rates

Meter Size	Monthly Minimum Charge	Gallonage Charge
5/8" or 3/4"	\$ 20.00 (Includes gallons)	\$ 2.50 per 1000 gallons, 1 <sup>st</sup> <u>N/A</u> gallons
1"	\$ N/A	\$ N/A per 1000 gallons, next <u>N/A</u> gallons
1½ "	\$ N/A	\$ N/A per 1000 gallons thereafter
2"	\$ <u>N/A</u>	
3"	\$ <u>N/A</u>	
4"	\$ <u>N/A</u>	

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

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

### REGULATORY ASSESSMENT

1.0%

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

### Section 1.02 - Miscellaneous Fee

#### TAP FEE

\$ 750

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

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.

## SECTION 1.0 – RATE SCHEDULE (Continued)

### RECONNECTION FEE

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

- |  |              |
|--|--------------|
| a) Nonpayment of bill (Maximum \$25.00)            | \$ <u>25</u> |
| b) Customer's request that service be disconnected | \$ <u>30</u> |
| c) _____   | \$ _____     |

### 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)

\$ 5

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

\$ 35

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

\$ 0

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. [P.U.C. SUBST. R. 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.

### MEMBERSHIP FEE

\$100



**APPENDIX E**  
**LIST OF TRANSFERRED CUSTOMERS**  
**(PART B 5)**

# Customized Report

Flat Fork Water Supply

Name	Acct #	Address	Home Phone	latitude	longitude
Ramirez, Eneidino	260	835 FM 2468	(936)598-3011	31.8179367	-94.1818515
Bush, Iva Dell	262	967 FM 2468	(936)598-5406	31.8197245	-94.1823241
Cordray, Pete	263	1271 FM 2468	598-4229	31.8242517	-94.1832657
Cordray, Glenn	264	1343 FM 2468	0-0	31.8265098	-94.1837326
Adams, Greg	266	to Matt Adams	(409)289-3743	31.8292263	-94.185377
Dixon, Devon	267	Carolyn Horton	0-0	31.8322132	-94.1818328
Burkhalter, Jane	268	11 West Apt 11	(936)462-3496		
Vaughn, Darren	269	P.O. Box 721	(936)591-4173	31.8363769	-94.1803675
Bass, Ina	270	Kristi Sibley	(936)591-2916	31.8372316	-94.1783859
Wagnon, Bruce	271	251 CR 3736	(936)598-5525	31.8353721	-94.1750742
Reeve, Rick	272	Sand Flat Road	(936)853-2087	31.8361619	-94.1723385
Emanis, David	273	957 CR 3736	(936)332-4400	31.839056	-94.1692313
Henry, James	274	586 CR 3736	(936)332-5031	31.8356286	-94.1737291
Shields, David	276	302 Cora St	598-3139	31.8319557	-94.1754381
Rodgers, Billy D. Farm	277	P.O. Box 1228	0-0	31.8321903	-94.1814409
Rudd, James	278	167 CR 3736	(936)591-2916	31.8372382	-94.1783846
Brannan, Jean	279	P. O. Box 1528	(936)488-0223	31.8290736	-94.1838831
Tello, Claudia Gonzalez	280	PO Box 1331	(936)591-2181	31.8279691	-94.1837238
Wilkins, Ronnie	281	1348 FM 2468	0-0	31.8261523	-94.1832879
Muckelroy, J. Ken	282	108 Foster	0-0	31.825768	-94.1832061
Rodgers, Billy D.	284	P.O. Box 1228	0-0	31.8227935	-94.1826288
Gray, Gene	285	1142 FM 2468	598-4569	31.8225688	-94.1825714
Rodgers, Jason	286	514 CR 3648	(936)554-0399	31.8182612	-94.1816186
Moreno, Eduardo	293	1614 FM 2468	0-0	31.8299022	-94.1836052
Lopez, Juan	300	1618 FM 2468	0-0	31.8309617	-94.1824104
Hughes, Charles P.	354	953 CR 3736	(936)639-2311	31.8390594	-94.1692387
Brannan, Jean	360	P. O. Box 1528	(936)598-5441	31.8298467	-94.1836371
Muckelroy, Ken	406	108 Foster	598-6110	31.8205624	-94.1824881
Brannan, Jean	410	P.O. Box 1528	0-0	31.8290837	-94.1838818
Davis, Dusty	414	905 FM 2468	0-0	31.8190978	-94.1822017
Hernandez, Ricarda	445	188 CR 3736	(936)652-0572	31.8371554	-94.178531
Moreno, Juan	455	1616 FM 2468	0-0	31.8305156	-94.183025
Castillo, Mary	465	P.O. Box 1053	(936)332-3272	31.8359685	-94.1801441
Vu, Phong	484	2064 FM 2468	(817)213-7015	31.8343109	-94.1807052
Steptoe, Tiffany	517	405 CR 3747	(936)427-2300	31.8305377	-94.1749154
Vazquez, Israel	560	490 CR 3736	(936)332-6132		
Vazquez, Jorge	561	495 CR 3736	(936)591-1493		

Individual Accounts

Flat Fork Water

# **APPENDIX F**

## **TCEQ LETTER**

**(PART D 12 A)**



Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Jon Niermann, *Commissioner*  
Emily Lindley, *Commissioner*  
Toby Baker, *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

August 24, 2018

Mr. Glynn Russell, President  
Flat Fork Water Supply Corporation  
P.O. Box 957  
Center, Texas 75935-0957

Re: Notice of Compliance with Commission Order  
Flat Fork Water Supply Corporation, RN101185296  
Docket No: 2016-1549-MLM-E; Enforcement Case No. 53193

Dear Mr. Russell:

This letter is to inform you that a review of Texas Commission on Environmental Quality records concerning the above-referenced enforcement matter indicates that Flat Fork Water Supply Corporation has fulfilled the requirements of the Commission Order ("Order") effective on August 22, 2017. Specifically, Flat Fork Water Supply Corporation has fulfilled the technical requirements and paid the administrative penalty assessed in the Order.

Based upon this, we conclude that your response has been satisfactory and no further action is necessary at this time with respect to this enforcement matter. The Order will remain on the compliance history for this regulated entity for five years from the effective date of the Order.

We appreciate your cooperation, and if we can be of any further assistance, please contact Mr. Rajesh Acharya at (512) 239-0577.

Sincerely,

A handwritten signature in dark ink, appearing to read "Gilbert Angelle".

Gilbert Angelle, Work Leader  
Enforcement Division

cc: Tyler N. Hendrickson, P.E., Velvin & Weeks, Consulting Engineers, Inc., 930 East  
Corsicana Street, Athens, Texas 75751

**APPENDIX G**  
**LARGE AND SMALL SCALE MAPS**  
**(PART G 2 B)**

