



Filing Receipt

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PUC DOCKET NO. 53936

**APPLICATION OF STONETOWN
SPRING OAKS UTILITIES, LLC AND
TRINITY SO PTN, LP FOR SALE,
TRANSFER, OR MERGER OF
FACILITIES AND CERTIFICATE
RIGHTS IN HARRIS COUNTY**

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**PUBLIC UTILITY COMMISSION

OF TEXAS**

SUPPLEMENT TO THE APPLICATION

Following discussions with Staff of the Public Utility Commission of Texas ("Staff"), Stonetown Spring Oaks Utilities, LLC ("Spring Oaks") files the following supplemental information in order to provide additional documentation requested by Staff.

Respectfully submitted,

JACKSON WALKER L.L.P.

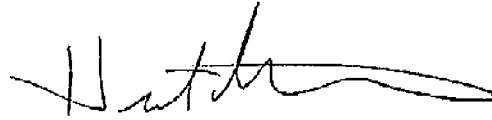


Heath D. Armstrong
State Bar No. 24105048
100 Congress Avenue, Suite 1100
Austin, Texas 78701
Telephone: (512) 236-2098
Facsimile: (512) 391-2112
Email: harmstrong@jw.com

**ATTORNEY FOR STONETOWN
SPRING OAKS UTILITIES, LLC**

CERTIFICATE OF SERVICE

I certify that notice of the filing of this document was provided to all parties of record via electronic mail on September 22, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

A handwritten signature in black ink, appearing to read 'Heath D. Armstrong', written over a horizontal line.

Heath D. Armstrong

**REVISED APPLICATION
QUESTION NO. 11B**

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: See Attachment A

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: \$ 716,449.00

Accumulated Depreciation: \$ 519,796.00

Net Book Value: \$ 196,653.00

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: \$ 0.00

Accumulated Amortization: \$ 0.00

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: \$ 0.00

Accumulated Amortization: \$ 0.00

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

**REVISED APPLICATION
QUESTION NO. 14**

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

To Transferee's knowledge, no construction or improvements to the system are required at this time. To the extent that it is determined that improvements need to be made to the system, equity financing will be provided from Stonetown MRE Texas, LLC. If system improvements are identified in the future, the exact timeline for construction of any improvements has yet to be determined as TCEQ approval will be required as necessary following the approval of this acquisition. However, it is the intent of Stonetown RCT to move as quickly as possible to address any issues identified with the system upon closing of the utility asset acquisition.

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

The customers of the system would benefit from the acquisition as the transferee intends to quickly address any needed improvements to the system that have not been identified and as a result the acquisition promotes the public interest by benefiting the existing utility customers through reliable, continuous, and adequate service at the same rates currently charged by the transferor.

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:	\$ 716,949	See Attachment K
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.):	Paid-in-Capital (\$716,949)	

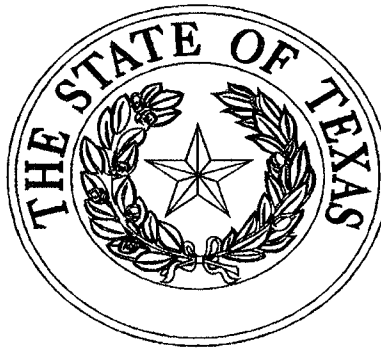
15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

Stonetown RCT intends to continue charging the current rates for service. Therefore, no billing change is proposed to take place as a result of the acquisition other than billing and collections being performed by Stonetown RCT.

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:

Transferee does not intend to file an application to change rates for any of the customers as a result of the transaction within the first year after the acquisition is approved.

**2017 CLASS “C” WATER COMPANY
PUC ANNUAL REPORT OF TRINITY SP PTN LP**



47833

RECEIVED

2018 SEP 17 AM 10:00

PUBLIC UTILITY COMMISSION
FILING CLERK

**CLASS "C" WATER COMPANY
PUC ANNUAL REPORT
OF**

CCN Number

13240 21089

Official Company Name:

Trinity SO PTN LP

D/B/A Name(s)

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended _____

2017

227

GENERAL INSTRUCTIONS - Class C Utilities Only

1. This annual report (earnings report) is required by 16 TAC §24.73 and is used to monitor utility earnings and compile annual financial information to monitor financial conditions of Texas investor owned utilities. Each utility shall submit its report of the Commission in the form and manner prescribed herein. The reported information should reflect the 12-month period ending December 31. The report shall be filed not later than June 1 of the following year. Only one report needs to be completed for each Certificate of Convenience and Necessity (CCN) Number regardless of the number of Public Water Systems and/or number of Sewer Systems affiliated with each CCN. However, if you have multiple water CCNs or multiple sewer CCNs, a separate report must be submitted for each CCN, along with a summary report for all Texas water and sewer operations for affiliated entities. The summary should be submitted along with all the affiliated reports. If the utility possesses a water and sewer CCN (not multiples), then the utility may combine the water and sewer operations into one report, although water and sewer operations must be separately reported within that report.
2. Four copies of this report shall be prepared by each utility. Three copies should be mailed or delivered to the Filing Clerk of Central Records at the Commission's offices in Austin, TX by June 1 of the year following the calendar year. The other copy should be retained by the utility for reference. All water and sewer utilities are required by statute to complete and file this annual report. Note, if a utility has a water and sewer CCN and provides both water and sewer service, the utility shall file one annual report which contains information for both the water and sewer utility service.
Each sheet of the Excel file is pre-formatted to calculate certain items based on company specific inputs. Any supporting documents or workpapers filed in PDF format should be searchable. For specific instructions regarding the electronic filing of the report, please visit the Commission's website at: <http://www.puc.state.tx.us/industry/filings/FilingProceed.aspx>, and 16 TAC §22.72(g).
If the utility cannot complete the electronic forms, it may submit a hard copy rather than a Microsoft Excel spreadsheet.
3. Pencil entries will not be permitted on hard copy.
4. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable NARUC Uniform System of Accounts prescribed by this Commission, as set forth in 16 TAC §24.72 with detailed sub accounts listed in the form. The Texas Water Code defines Class B utility as a public utility providing retail water or sewer utility service to at least 500 but less than 10,000 taps or connections. Class B utilities must use the NARUC system of accounts for NARUC Class B utilities.
5. Standard accounting procedures shall apply in determining the nature of any entry (e.g. entries of a reverse or contrary character shall be indicated by a parentheses around the number).
6. The report shall be filed consisting of data relative to a calendar year basis (December 31 year end).
7. If this report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). Provide a full explanation.
8. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.

GENERAL INSTRUCTIONS**(Continued)**

9. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
10. If an audit is performed on the books and records of the utility by a certified public accountant, please submit a copy with this form. If the utility is a member of a controlled group, both parent and subsidiary's annual report should be submitted.
11. Throughout this report money items will be rounded off to the nearest dollar.
12. In the space provided at the top of each page insert the name of the utility and the year to which this report relates.
13. IF YOU ARE UNDER COMMON CONTROL with other water or sewer utilities operating in Texas, you must file a consolidated income statement and balance sheet including all entities under common control in Texas. These statements should be in addition to the attached schedules for the reporting utility.
14. Unless otherwise indicated, the information required in this report shall be taken from the reporting entity's financial statements, accounts and other records. Any deviation from records must be explained.

EXCERPT FROM TEXAS WATER CODE**CHAPTER 13.136(b)**

(b) The utility commission by rule shall require each utility to annually file a service, financial, and normalized earnings report in a form and at times specified by utility commission rule. The report must include information sufficient to enable the utility commission to properly monitor utilities in this state. The utility commission shall make available to the public information in the report the utility does not file as confidential.

Annual Report for Class C Water and/or Sewer Utilities

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. CONGRESS AVE., PO BOX 13326, AUSTIN, TX 78711-3326
pursuant to TWC § 13.136

I. NAME OF UTILITY, OFFICE MAILING ADDRESS AND AREA SERVED

1 Utility Name: Trinity SO PTN LP
List all assumed name(s) or d/b/a names: Trinity SO PTN LP
2 Certificate of Convenience and Necessity No. 13240 Calendar Year Ending 2017
3 Street Address: 22014 Spring Oaks Dr
4 City or Town: Spring TX CCN No.: 21089
5 Email Address: dc@trinadllc.com
6 County: Harris Zip Code: 77389
7 TCEQ PWS Number(s) 1012090
8 Water Quality Discharge Permit Number(s) WQ 061265-0001

II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS

9 Type of Ownership: Partnership: Yes
10 If a corporation, list names and titles of the officers. If an individual or partnership, list the name of the individual or each partner and provide the title for each. For partnerships, please provide the percentage of ownership for each partner.

<u>Don Clements</u>	<u>General Partner</u>	<u>Barry Wren</u>	<u>General Partner</u>
<u>Art Nicholson</u>	<u>General Partner</u>		

11 If the controlling ownership of this utility changed during the last twelve (12) months, state the date of ownership change and the name and address of the prior owner.
12 Date the utility was formed or incorporated: 8/8/016
13 Is the utility under common ownership or control by another corporation? Y N If yes, by whom? Trinity SO PTN LP

III. PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS

14 Name and Title: Don Clements General Partner
15 Address: 31203 Edgewater Dr (NEW ADDRESS)
16 City: Magnolia, TX 77389
17 Telephone Number with Area Code: _____
18 Cell Phone Number with Area Code: 713.446.9886
19 Fax Number with Area Code: _____
20 e-mail address: dc@trinadllc.com
21 If not an officer, owner or employee, give name of firm employed by: _____

1. Balance Sheet

Name of Utility: TRINITY SO PTN LP

Line #	ASSETS	End of Year 12/31/2017	End of Prior Year mm/dd/yyyy
	PROPERTY AND UTILITY PLANT		
1	101 Utility Plant in Service	\$ 2,176,984	
2	TOTAL UTILITY PLANT		
3	108 Less: Accumulated Amortization	\$ (1,142,495)	
4	110 Less: Accumulated Depreciation	\$ (1,984,574)	
5	NET UTILITY PLANT	\$ (950,085)	
6	CURRENT ASSETS	xxxx	xxxx
7	131-135 Cash	\$ 239,653	
8	141-143 Accounts Receivable		
9	151 Plant Materials and Supplies (not previously expensed)		
10	171-174 Other Current Assets	\$ 3,191,764	
11	TOTAL CURRENT ASSETS	\$ 3,431,417	
12	TOTAL ASSETS*	\$ 2,481,332	
	LIABILITIES & EQUITY		
	EQUITY		
13	201 Common Stock		
14	211 Other paid in capital		
15	215 Retained Earnings		
16	218 Proprietary Capital	\$ 52,622	
17	TOTAL STOCKHOLDERS' EQUITY		
	LONG-TERM DEBT	xxxx	xxxx
18	224 Long-term debt (more than 1 year)	\$ 3,383,135	
	CURRENT LIABILITIES (less than 1 year)	xxxx	xxxx
19	231 Accounts Payable		
20	232 Notes Payable	\$ (52,622)	
21	241.0 Other Current Liabilities	\$ 72,834	
	TOTAL CURRENT LIABILITIES	\$ 3,403,347	
	OTHER LIABILITIES and DEFERRED CREDITS	xxxx	xxxx
22	253 Other Deferred Credits	\$ (922,015)	
23	271-272 Net Contributions in Aid of Construction		
24	TOTAL OTHER LIABILITIES and DEFERRED CREDITS		
25	TOTAL LIABILITIES & EQUITY*	\$ 2,481,332	

Add NARUC accounts as needed, and if not shown above.

**AFFIDAVIT OF FINANCIAL
ASSURANCE**

PUC DOCKET NO. 53936

APPLICATION OF STONETOWN	§	PUBLIC UTILITY COMMISSION
SPRING OAKS UTILITIES, LLC AND	§	
TRINITY SO PTN, LP FOR SALE,	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN HARRIS COUNTY	§	

AFFIDAVIT OF ROY LAPIDUS

THE STATE OF COLORADO	§
	§
COUNTY OF ARAPAHOE	§

BEFORE ME, a notary public, who knows the affiant to be the person whose signature appears below, on this day personally appeared the undersigned affiant, Roy Lapidus, who stated under oath:


“My name is Roy Lapidus. I am over 18 years of age, of sound mind and competent to make this affidavit. The facts stated in this affidavit are within my personal knowledge and are, to the best of my knowledge and belief, accurate, true, and correct.

I, Roy Lapidus, being duly sworn, file this affidavit as the authorized representative of Stonetown MRE Texas, LLC (“MRE Texas”). I attest that in such capacity, I am qualified and authorized to file and verify such affidavit, am personally familiar with the STM application which is the subject of Docket No. 53936, and that all such statements made and matters set forth herein are true and correct.

Pursuant to the Commission's financial assurance requirements, 16 TAC §§ 24.11(e)(2)(E) and 24.11(e)(3), MRE Texas is capable, available, and willing to cover temporary cash shortages for Stonetown Spring Oaks Utilities, LLC (“Spring Oaks”), including any projected operations and maintenance shortages in the first five years of Spring Oaks’ operations. This affidavit further serves as MRE Texas’ written guarantee affirming that the financial information provided herein

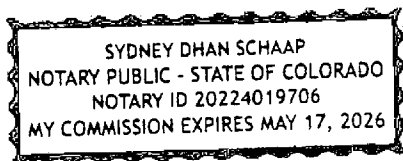
and in the STM application and its amendments and supplementations accurately present the financial condition of both MRE Texas and Spring Oaks. MRE Texas has previously filed financial data sufficient to satisfy the leverage test.

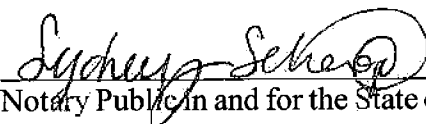
FURTHER AFFIANT SAYETH NOT.



Roy Lapidus

SUBSCRIBED AND SWORN to before me on this the 21 day of September, 2021





Notary Public in and for the State of Colorado

**AFFIDAVIT OF
PURCHASE PRICE ASSURANCE**

PUC DOCKET NO. 53936

APPLICATION OF STONETOWN	§	PUBLIC UTILITY COMMISSION
SPRING OAKS UTILITIES, LLC AND	§	
TRINITY SO PTN, LP FOR SALE,	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN HARRIS COUNTY	§	

AFFIDAVIT OF ADAM MINNICK

THE STATE OF COLORADO	§
	§
COUNTY OF ARAPAHOE	§

BEFORE ME, a notary public, who knows the affiant to be the person whose signature appears below, on this day personally appeared the undersigned affiant, Adam Minnick, who stated under oath:


“My name is Adam Minnick. I am over 18 years of age, of sound mind and competent to make this affidavit. The facts stated in this affidavit are within my personal knowledge and are, to the best of my knowledge and belief, accurate, true, and correct.

I, Adam Minnick, being duly sworn, file this affidavit as the authorized representative of Stonetown MRE Texas, LLC (“MRE Texas”). I attest that in such capacity, I am qualified and authorized to file and verify such affidavit, am personally familiar with the STM application which is the subject of Docket No. 53936, and that all such statements made and matters set forth herein are true and correct.

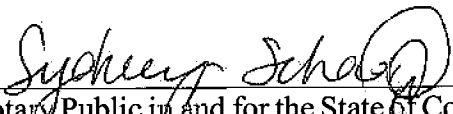
Pursuant to the Commission's financial assurance requirements, MRE Texas is capable, available, and willing to provide the purchase price for Stonetown Spring Oaks Utilities, LLC (“Spring Oaks”). This affidavit further serves as MRE Texas’ written guarantee affirming that the financial information provided herein and in the STM application and its amendments and

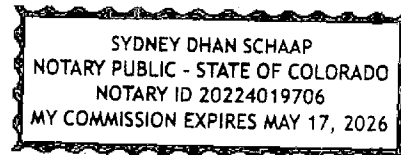
supplementations accurately present the financial condition of both MRE Texas and Spring Oaks.
MRE Texas has previously filed financial data sufficient to satisfy the leverage test.

FURTHER AFFIANT SAYETH NOT.


Adam Minnick

SUBSCRIBED AND SWORN to before me on this the 22 day of September, 2022.


Notary Public in and for the State of Colorado



**Stonetown DSCR Calculation and
Stonetown Texas MRE-5-year
Projection (with June and July
Actuals) are Confidential and will
be provided pursuant to the
Protective Order**