

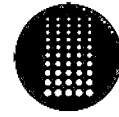


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Received - 2023-03-15 12:57:15 AM

Control Number - 54617

ItemNumber - 8



**Texas
Water Utilities**

A SouthWest Water Company

12535 Reed Road
Sugar Land, TX 77478
Email: TXCustomerCare@swwc.com
Phone: 866.654.7992
www.swwc.com

March 14, 2023

Public Utility Commission of Texas
P.O. Box 13326
Austin, Texas 78711

Re: Docket No. 54617 – APPLICATION OF TEXAS WATER UTILITIES, LP AND SOUTHERN HORIZONS DEVELOPMENT, INC. FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN LIBERTY AND MONTGOMERY COUNTIES

To the Commission:

Consistent with discussions with and guidance from Commission staff, Texas Water Utilities, L.P. (TWU) files this supplement to the application filed on February 2, 2023 in this docket. Included as attachments to this cover letter are the following:

- Revised general location and detail maps, with accompanying digital mapping files (shape files)
- Affidavit from Southern Horizons regarding amendment to CCN area to be transferred
- Affidavit from FMV expert Schwertz
- CONFIDENTIAL engagement letters of FMV experts Festa and Schwertz
- CONFIDENTIAL proof of payment to FMV experts Schwertz, Festa, and Fenner

Please note that as a result of the revisions to the requested CCN area to be amended and/or transferred, the total acreage of the request service area to be transferred (Question 30 of the application) should be revised as follows:

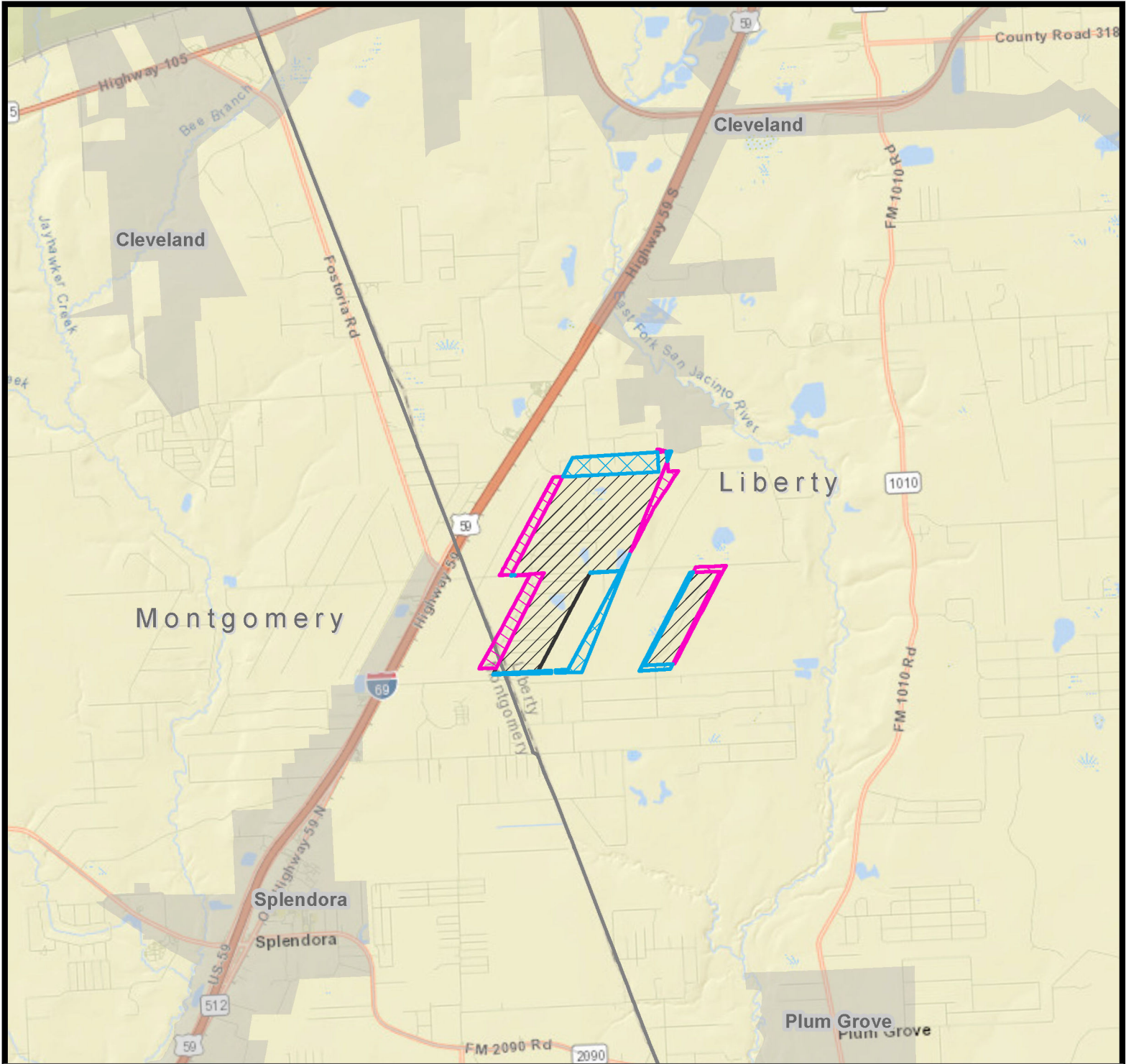
- Requested Area to Transfer = 527 acres
- Requested Area to Decertify = 98.7 acres
- Requested Area to Amend = 102.5 acres

Please direct any questions you may have on this matter to me using the contact information listed below. Thank you.

Sincerely,

Brian Bahr
Director, Rates & Regulatory
Texas Water Utilities
bbahr@swwc.com
(512) 219-2261




Revised General and Detail Location Maps



Requested Area - General Location

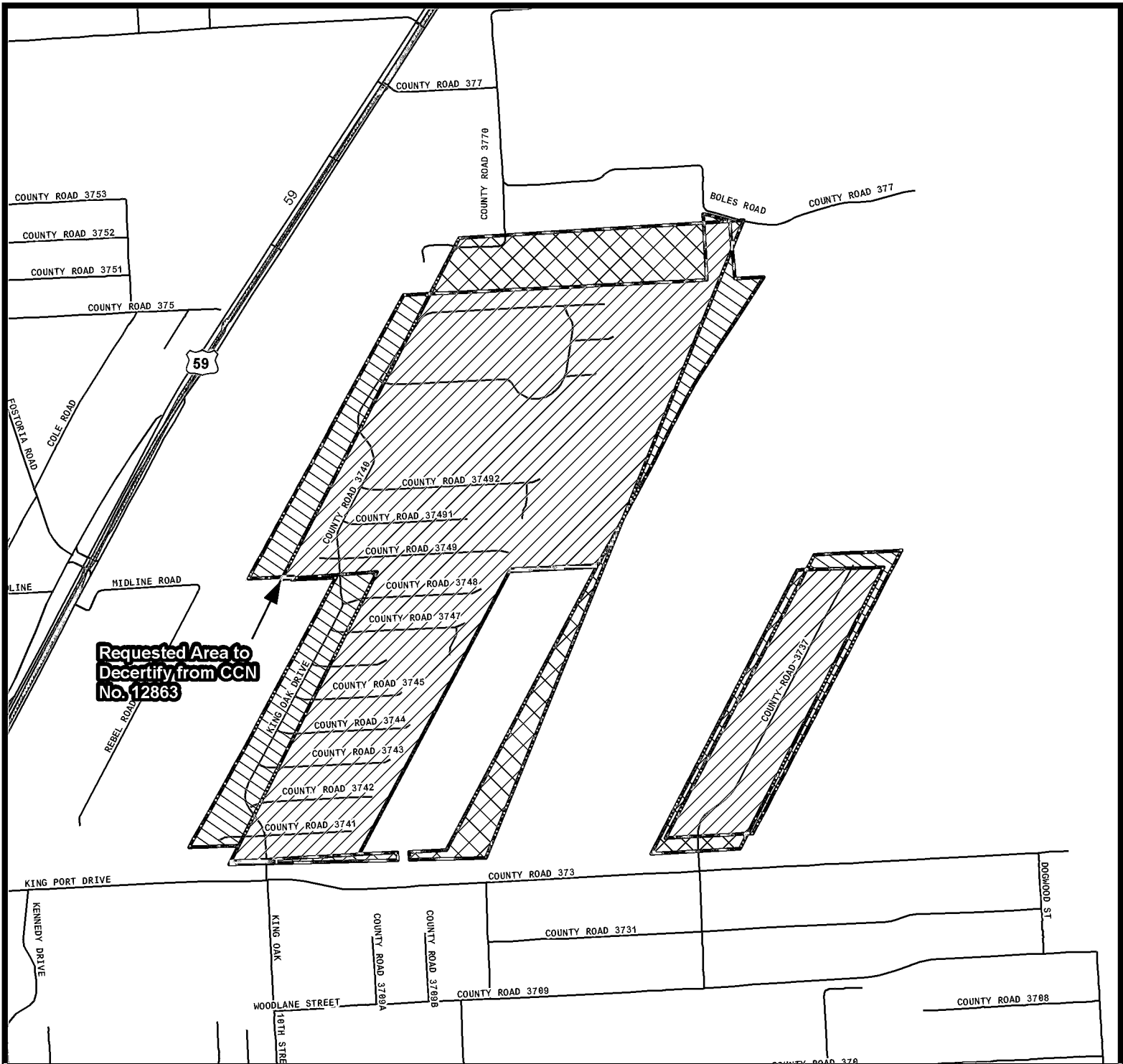
Transfer Southern Horizons Development, Inc. (CCN No. 12863) to Texas Water Utilities, L.P. (CCN No. 12983) and Amend CCN Nos. 12863 and 12983 in Liberty and Montgomery Counties

Legend

-  Requested Area to Transfer from CCN No. 12863 to CCN No. 12983
-  Requested Area to Amend (add) to CCN No. 12983
-  Requested Area to Decertify from CCN No. 12863






0 2,750 5,500 Feet

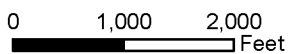


Requested Area - Detail Location

Transfer Southern Horizons Development, Inc. (CCN No. 12863) to Texas Water Utilities, L.P. (CCN No. 12983) and Amend CCN Nos. 12863 and 12983 in Liberty and Montgomery Counties

Legend

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-  Requested Area to Amend (add) to CCN No. 12983
-  Requested Area to Decertify from CCN No. 12863



Affidavit of Seller regarding CCN Amendment

DOCKET NO. 54617

APPLICATION OF TEXAS WATER UTILITIES, LP AND SOUTHERN HORIZONS
DEVELOPMENT, INC. FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN LIBERTY AND MONTGOMERY COUNTIES

STATE OF TEXAS

COUNTY OF Hamson

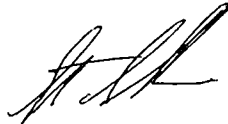
§
§
§

AFFIDAVIT OF STEVE SULLIVAN

BEFORE ME, the undersigned authority, on this day appeared Steve Sullivan who being by me first duly sworn, on oath deposed and said the following:

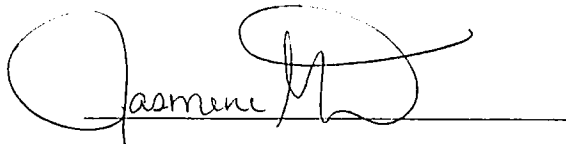
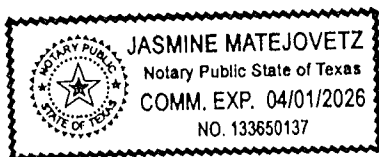
1. My name is STEVE SULLIVAN. I am the owner of Southern Horizons Development, Inc. (Southern Horizons), the selling utility in the above-named application pending before the Public Utility Commission of Texas. My address of record is P.O. Box 1076, Splendora, Texas 77372. I am over 18 years of age, have personal knowledge of the facts recited herein, and am not otherwise disqualified from making this my sworn affidavit. The information provided herein is true and correct.
2. Southern Horizons provides retail water utility service in Liberty and Montgomery counties under Certificate of Convenience and Necessity (CCN) No. 12863.
3. Southern Horizons consents to the proposed amendments to CCN No. 12863, including the decertification of certain areas, as shown on the attached maps, which are the same maps as were agreed to by mapping experts from the Public Utility Commission of Texas (Hank Journeay) and Texas Water Utilities, L.P. (Eric Le).

This ends my affidavit.



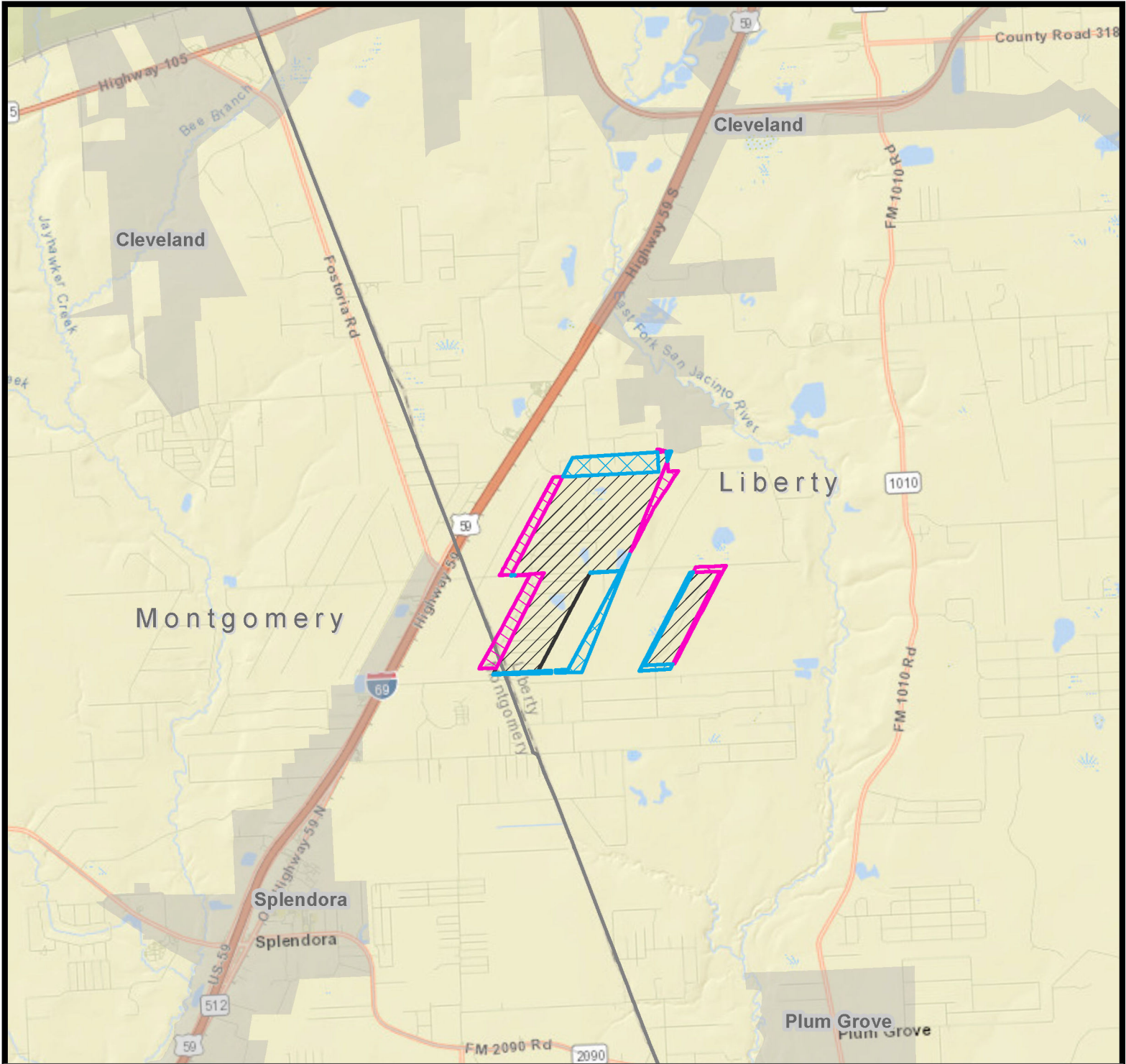
STEVE SULLIVAN, Affiant

SWORN AND SUBSCRIBED to under oath by STEVE SULLIVAN, before the undersigned notary public on the 14 day of March 2023.



Notary Public in and for the State of Texas




SEAL



Requested Area - General Location

Transfer Southern Horizons Development, Inc. (CCN No. 12863) to Texas Water Utilities, L.P. (CCN No. 12983) and Amend CCN Nos. 12863 and 12983 in Liberty and Montgomery Counties

Legend

-  Requested Area to Transfer from CCN No. 12863 to CCN No. 12983
-  Requested Area to Amend (add) to CCN No. 12983
-  Requested Area to Decertify from CCN No. 12863



0 2,750 5,500 Feet

Affidavit of FMV Schwertz

FORM OF AFFIDAVIT TO BE NOTARIZED
AND INCLUDED WITH EACH FINAL APPRAISAL

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Project No. 49859	§	
Notice of Intent to Determine Fair Market	§	PUBLIC UTILITY
Value For Purchase of a Water System by	§	COMMISSION OF
Monarch Utilities I, LP from Southern Horizons	§	TEXAS
Development, Inc.	§	

AFFIDAVIT OF ARTHUR L. SCHWERTZ, MAI

BEFORE ME, the undersigned authority, on this day personally appeared Arthur L Schwertz, who after being by me duly sworn, did on his oath depose and say:

"My name is Arthur L. Schwertz. I am of sound mind and capable of making this affidavit. I am over the age of 21 and am employed by VPA of South Louisiana, Inc. d/b/a Valbridge Property Advisors | South Louisiana. I have personal knowledge of the facts stated herein, and those facts are true and correct.

1. Pursuant to that letter dated September 22, 2022, filed in Project 49859 with the Public Utility Commission of Texas ("PUC," or, alternatively, the "Commission"), I was selected to provide an appraisal of the Water Systems owned by Southern Horizons Development, Inc., ("Selling Utility") to the Commission in accordance with Texas Water Code § 13.305 and 16 Tex. Admin. Code § 24.238 (the "Services").
2. The appraisal was completed using the cost approach, the market approach, and the income approach, as contemplated by the statute.

3. The appraisal described in my final report was conducted in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practice.
4. I will not derive material or financial benefit from the sale of the Selling Utility other than my fee for services rendered in conducting the requested appraisal.
5. I am not currently serving, nor have I served within the year preceding the Effective Date of the Professional Services Agreement entered into with Texas Water Utilities, L.P. fka Monarch Utilities, I, L.P. for the Services, a director, officer, or employee of the Selling Utility or Texas Water Utilities, L.P. fka Monarch Utilities, I, L.P. ("Acquiring Utility"), or an immediate family member of a director, officer, or employee of the Acquiring Utility or the Selling Utility.
6. I did not receive compensation under a contract for consulting or other services with the Acquiring Utility or Selling Utility, or execute a contract for consulting or other services with the Acquiring or Selling utility, within the year preceding the date I was selected to perform the appraisal that is the subject of the report generated for the Services.

AFFIANT STATES NOTHING FURTHER.

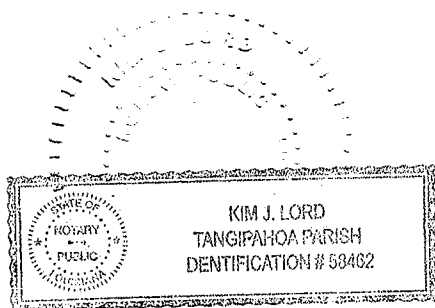
State of Louisiana



Affiant signature

Before me, a notary public, on this the 8th day of March, 2023, personally appeared Arthur L. Schwartz, MAI known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

[SEAL]





Notary Public, State of Louisiana

Printed Name: Kim J. Lord 58462
My commission expires: AT MY DEATH

**Engagement Letters of FMV Experts Festa and Schwertz
(to be filed separately under confidential seal)**

**Proof of Payment to FMV experts
(to be filed separately under confidential seal)**

The following files are not convertible:

Transfer.shx
Amend.cpg
Amend.dbf
Amend.prj
Amend.sbn
Amend.sbx
Amend.shp

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.

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