



Filing Receipt

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Item Number - 1



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

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: Municipal Operations, LLC

(selling entity)

CCN No.s: 11872

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

Transferee: SP Utility Company, Inc

(acquiring entity)

CCN No.s: 12978

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

County(ies): Harris

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Please mark the items included in this filing

<input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
<input checked="" type="checkbox"/> Tariff including Rate Schedule	Part B: Question 4
<input checked="" type="checkbox"/> List of Customer Deposits	Part B: Question 5
<input type="checkbox"/> Partnership Agreement	Part C: Question 7
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input type="checkbox"/> Certificate of Account Status	Part C: Question 7
<input type="checkbox"/> Financial Audit	Part C: Question 10
<input checked="" 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 checked="" 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 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:

Municipal Operations, LLC CCN 11872 transferor, does sell in its entirety to SP Utility Company, Inc. CCNs 12978 transferee, all land, equipment and assets of Municipal Operations, LLC.

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: Municipal Operations, LLC

(individual, corporation, or other legal entity)

☒ Individual ☐ Corporation ☐ WSC ☐ Other: _____

- B. Mailing Address: 410 Noonday Lane Houston, TX 77060

Phone: (713) 937-1959 Email: _____

- 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: Lonnie Wright Title: Owner

Mailing Address: PO Box 40526 Houston, TX 77240

Phone: (713) 937-1959 Email: _____

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: June 19, 2015

- 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: 42853

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 37

☐ # of customers with deposits held by the transferor*

*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: SP Utility Company, Inc

☐ Individual ☒ Corporation ☐ WSC ☐ Other:
(individual, corporation, or other legal entity)

B. Mailing Address: PO BOX 690521 HOUSTON TX 77269 - 521

Phone: (713) 651-0220

Email: harrison.ftu@gmail.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: Harrison Williams

Title: President

Address: PO Box 690521 Houston, TX 77269

Phone: (832) 534-8545

Email: harrison.ftu@gmail.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): 800200690

☐ 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: N/A

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: Harrison Williams

Position: President Ownership % (if applicable): 100.00%

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(c)(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

Confidential

Total Original Cost of Plant in Service: \$ _____ 0.00

Accumulated Depreciation: \$ _____ 0.00

Net Book Value: \$ _____ 0.00

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: \$ _____

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:

None

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:	\$	0.00	
Accumulated Depreciation of Plant:	\$	0.00	
Cash:	\$	0.00	Confidential
Notes Payable:	\$	0.00	
Mortgage Payable:	\$	0.00	
(Proposed) Acquisition Adjustment*:	\$	0.00	
* Acquisition Adjustments will be subject to review under 16 TAC § 24.41(d) and (e)			
Other (NARUC account name & No.):	0		
Other (NARUC account name & No.):	0		

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.)

No proposed billing changes

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:

Undertermined at this time. A rate study will be conducted after the tranfer has been approved by the PUC and the trasnfer has been finanlized.

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:

The quality of service is expected to improve as a result of the water utility being under the ownership and operation of a full-time professional with 20 years of experience of owning and operating Investor Owned Public Water and Wastewater Utilities.

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.

**Harrison Williams has over 20 years experience ng and operating Investor Owned Public Water and Wastewater Utilities. SP Utilities has 2 CCN 12978 & 20817.
SP Utiliy has no outstanding compliance violation. The last compliance violation was in 2010 and was corrected. DOCKET NO.:2010-0301-PWS-ETCEQ ID:RN103779039CASE NO.:3920**

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 environmental integrity will not be impacted or disrupted becasue these is no new construction or any chnages that will impact the land.

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

The public interest will be served by the delivery of imporved service with professional management of the water utilities.

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:

12288 Seller Water Company, 21065 Aqua Texas Inc, 13305 Stonetown Royal Coach Utilities LLC, 12544 Greenwood Place Civic Club, N0062 Aldine ISD, 20701 West Rd WSC, 10865 Imperial Valley MUD, 11389 Southern Water Corp, 10963 & 20722 Blue Bell Manor Utility Co, Inc.

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: 1010218 (7 digit ID)

Name of PWS: SWEA Gardens Estates Utility, Inc.

Date of last TCEQ compliance inspection: December 14, 2018 (attach TCEQ letter)

Subdivisions served: SWEA Garden Estates

B. For Sewer service:

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

Name of Wastewater Facility: N/A

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
44	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			44	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 Houston

Water: 1.32 million gallons

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:	1,320,000.00	100.00%
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
James Williams	B	WG 0014737	Water
Francisco Ontiveros	C	WG00107862	Water
Abel Reyna	C	WG0012760	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: 12.62

Number of customer connections in the requested area: 37

Affected subdivision : SWEA Garden Estates

The closest city or town: Houston

Approximate mileage to closest city or town center: Houston surrounds PWS

Direction to closest city or town: Houston surrounds PWS

The requested area is generally bounded on the North by: Aldine Bender

on the East by: Old Creek Rd

on the South by: West Road

on the West by: Lilija Rd

31. A copy of the proposed map will be available at: SP Utility

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 Harris

I, Lonnie Wright being duly sworn, file this application for sale,
transfer,
merger, consolidation, acquisition, lease, or
rental, as **Owner**

(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

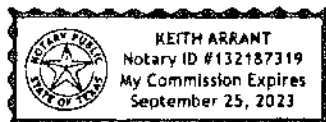
(Utility's Authorized Representative)

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 10 of MAY, 2023

SEAL



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

Keith Arrant

PRINT OR TYPE NAME OF NOTARY

My commission expires: September 25, 2023

Oath for Transferee (Acquiring Entity)

STATE OF Texas

COUNTY OF Brazoria

I, Harrison Williams 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.



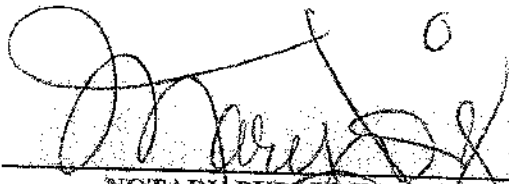
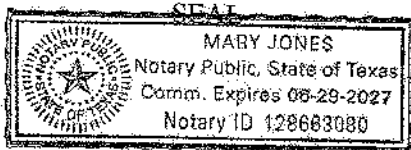
AFFIANT

(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 17th of May, 20 23



NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

MARY JONES

PRINT OR TYPE NAME OF NOTARY

My commission expires:

6/29/2027

WORK EXPERIENCE

Flow-Tech Utility

3/2013- Current

President/General Manager

- Formulate and implement departmental goals, procedures and operating policies
- Insuring productivity levels are maintained through effective monitoring
- Conduct job site inspections and evaluations to assure compliance to permits and safety guidelines.
- Review completed work
- Communicate complex customer complaints and issues
- Conduct training sessions to keep employees updated on new systems that are implemented and to review normal operating procedures.
- Manage office and field personnel
- Currently operate, maintain 26 wastewater treatment facilities, 62 water treatment facilities and conduct billing for 9 water and wastewater systems including Manvel Terrace Subdivision.

Severn Trent Services

12/2009- 3/2013

Operations- Assistant Area Manager

- Formulate and implement departmental goals, procedures and operating policies
- Insuring productivity levels are maintained through effective monitoring of SCADA and Hansen systems.
- Conduct job site inspections and evaluations to assure compliance to permits and safety guidelines.
- Review completed work
- Communicate complex customer complaints and issues
- Conduct training sessions to keep employees updated on new systems that are implemented and to review normal operating procedures

Severn Trent Services

8/2006 – 12/2009

Operations- Lead Facilities operator/ Field supervisor

- Operate multiple wastewater plants, off site lift stations and water plants remotely
- Reduced the volume of solids being removed from facilities, saving M.U.D. districts 40% of their budgeted amount for solids removal
- Engaged in the emergency repair and maintenance of treatment equipment
- Operation and monitoring of SCADA systems for water and wastewater systems
- Trained employees on team work, scada systems, proper plant operations and schematics, repair and installation techniques and safe work practices
- Communicate with client and customers related to routine technical aspects of operations
- Managed personnel in facilities (19)
- Responds to call outs and after hours emergencies
- Diagnosing control problems individually and as a team.

Severn Trent Services

9/2004 – 7/2006

Plant Operator II

- Monitor the performance of all plant equipment, gauges and charts in the treatment plant and pump stations
- Operated multiple wastewater treatment plants, lift stations and ground water treatment facilities
- Managed solids in wastewater plants to keep effluent at highest quality
- Conducts routine sampling and field testing of water and wastewater
- Compiles data for chemical use and keeps records on equipment and plant operations
- Performed routine maintenance, monitoring and samples on all water wells
- Responded to call outs and after hours emergencies

- **Severn Trent Services** 2/2004 – 9/2004
- Field Technician II
- Repaired minor leaks
- Completed tasks of district customers
- Operate and maintain valves, fire hydrants and collection systems.
- Repair and replace meters, gaskets and other equipment as needed
- Assist crews in making major repairs to collection systems and water systems
- On call 24 hours a day to assist with any issues

- **City Of Houston** 2/2002 – 2/2004
- Plant Operator Trainee
- Assist Senior Operators in the operation and maintenance of the surface water plant
- Monitor several facilities via SCADA
- Check pump and motors operation
- Run lab tests on the quality of water
- Check proper dosages of chemicals in water
- Clean and maintain water plant as needed
- Operated sludge dewatering facility

EDUCATION

University of Houston-Downtown, Houston TX 9/2008 –2010

Lone Star College, Cypress TX 9/2006 – 12/2008

LICENSES

Class B wastewater license
Class B groundwater license

SWEA Garden Estates
Water Customer List

ACCOUNT NUMBER	NAME	SERVICE ADDRESS	STATUS
1-01-02010-00	HUGO TORRES	458 NOONDAY	REGULAR
1-01-02013-00	ALDO ROMERO	454 NOONDAY	REGULAR
1-01-02015-00	VICTOR M. ROMERO	450 NOONDAY	REGULAR
1-01-02020-00	EXAR VALLERY	446 NOONDAY	REGULAR
1-01-02025-00	SARA RODRIGUEZ	442 NOONDAY	REGULAR
1-01-02045-01	RESENDEZ, CARLOS	426 NOONDAY	REGULAR
1-01-02050-01	MARTINEZ, ROMELIA	422 NOONDAY	REGULAR
1-01-02055-01	NAVARRETE, BERTIN	418 NOONDAY	REGULAR
1-01-02060-01	RAMRAJ, ASHA	414 NOONDAY	REGULAR
1-01-02075-01	SANDOVAL, MICAELA	403 NOONDAY	REGULAR
1-01-02080-00	JOSE FIDENCIO SANDOVAL	407 NOONDAY	REGULAR
1-01-02085-00	ANABEL FLORES	411 NOONDAY	REGULAR
1-01-02090-00	WINSTON WALTERS	415 NOONDAY	REGULAR
1-01-02095-00	TOM WARD	419 NOONDAY	REGULAR
1-01-02100-00	ALEJANDRO MAGRO	423 NOONDAY	REGULAR
1-01-02105-01	CANTU, RICARDO	427 NOONDAY	REGULAR
1-01-02115-00	CONSTANTINO CORONEL	447 NOONDAY	REGULAR
1-01-02120-00	DESIREE RIOS	455 NOONDAY	REGULAR
1-01-02125-00	CLEO GARRETT	15035 LILLJA RD	REGULAR
1-01-02130-01	SANMIGUEL, CRISTINA	15039 LILLJA RD	REGULAR
1-01-02135-00	MARC ABREGO	15043 LILLJA RD	REGULAR
1-01-02155-00	ELISEO SOLIS	438 HUMMINGBIRD	REGULAR
1-01-02160-00	CESAREO GALLARDO	434 HUMMINGBIRD	REGULAR
1-01-02165-00	SOTO, ALEXANDRA	430 HUMMINGBIRD	REGULAR
1-01-02170-00	ANNCELINA GUZMAN	418 HUMMINGBIRD	REGULAR
1-01-02175-03	TORRES, JUAN	410 HUMMINGBIRD	REGULAR
1-01-02180-00	MARCO J SANCHEZ	406 HUMMINGBIRD	REGULAR
1-01-02185-01	SANCHEZ, MARCO	402 HUMMINGBIRD	REGULAR
1-01-02190-00	CELESTINO PARRA	403 HUMMINGBIRD	REGULAR
1-01-02205-00	SAUL TORRES	411 HUMMINGBIRD	REGULAR
1-01-02210-04	REYES, ANGEL ZUNIGA	415 HUMMINGBIRD	REGULAR
1-01-02220-00	RAYMUNDA MENDOZA ELIAS	423 HUMMINGBIRD	REGULAR
1-01-02225-00	DAVID VILLARIN	427 HUMMINGBIRD	REGULAR
1-01-02230-02	COLEMAN, JEFFREY	431 HUMMINGBIRD	REGULAR
1-01-02235-00	LORA DICKINSON	435 HUMMINGBIRD	REGULAR
1-01-02250-00	JAMES L MATTHEW	445 HUMMINGBIRD	REGULAR
1-01-02262-00	IRELDA TRUJILLO	15119 LILLJA RD	REGULAR

ASSET PURCHASE AGREEMENT
between
MUNICIPAL OPERATIONS, LLC
and
SP UTILITY CO, INC.

THIS ASSET PURCHASE AGREEMENT (this “**Agreement**”) executed as of this the ____ day of JUNE, 2023, (the “**Effective Date**”), is by and between Municipal Operations, LLC, owner of the Public Water Supply (“**PWS**”) (referred to herein as “**Seller**”), and SP UTILITY CO, INC. (referred to herein as “**Purchaser**”). The Purchaser and Seller may be referred to individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, Seller operates a potable water supply system located 410 Noonday LN, Houston, TX 77060, Harris County identified with the Public Utility Commission of Texas (“**PUCT**”) under its Water Certificate of Convenience and Necessity (“**CCN**”) number 11872, Public Water Supply (“**PWS**”) number 1010218, (all together, the “**Water System**”);

WHEREAS, Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, all of Seller’s assets that it utilizes in the Water System on the terms and conditions set forth herein; and

WHEREAS, the Parties acknowledge and agree that Seller gave notice to Purchaser of the requirements of Section 13.301(k) of the Texas Water Code before either Party executed this Agreement.

NOW, THEREFORE, in consideration of the above premises and the respective representations, warranties, agreements and conditions herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 As used in this Agreement:

- (a) “*Acquired Assets*” has the meaning set forth in Section 2.1.
- (b) “*Final Order Date*” means the date on which the PUCT Final Order becomes final and non-appealable in all respects.
- (c) “*Person*” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity or a governmental authority.
- (d) “*Water System*” has the meaning set forth in the first recital of this Agreement.

- (e) “*TCEQ*” means the Texas Commission on Environmental Quality or its successor.
- (f) “*PUCT*” means the Public Utility Commission of Texas or its successor.
- (g) “*STM Application*” means an “Application for Sale, Transfer or Merger of a Retail Public Utility” that is required to be filed with the PUCT in connection with the sale and transfer of the Water System from Seller to Purchaser and the assignment to Purchaser of Seller’s CCN service area.
- (h) “*PUCT Final Order*” means the final order issued by the PUCT after approval of the STM Application authorizing the transfer of the Water System from Seller to the Purchaser and the assignment to Purchaser of Seller’s CCN service area.

ARTICLE II

SALE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Sale of Assets. At the Closing, Seller shall sell and transfer to Purchaser, and Purchaser shall accept from Seller, free and clear of all liens, encumbrances and adverse claims of any kind, except as may otherwise be expressly set forth herein, all right, title and interest in and to the assets used by or for the benefit of the Seller in connection with the operation of the Water System (collectively, the “**Acquired Assets**”), which assets include the following:

- (a) all of the real property set forth on **Schedule 2.1(a)** (the “**Owned Real Property**”);
- (b) all of Seller’s personal property, equipment and fixtures used by Seller in the operation of the Water System, including, but not limited to, that property described on **Schedule 2.1(b)**, **subject to the following:**
 - (i) Seller shall provide to Purchaser copies of all of Seller’s records regarding the operation and maintenance of the water company and Water System, including electronic records;
 - (2) Seller shall provide to Purchaser the hard copy version of all other of Seller’s records regarding the operation and maintenance of the water company and Water System, unless declined by Purchaser.
 - (3) Purchaser shall retain copies of the hard copy version of records pertaining to the Acquired Assets or Water System obtained by Purchaser from Seller prior to the Closing Date and such records shall be made available for review and copying by Seller upon reasonable request and notice until the Closing Date; and
 - (4) No other personal property located within the confines of Seller’s office shall convey, unless specifically listed on Schedule 2.1(b); and
 - (5) Purchaser shall not be liable to Seller, its agents or assigns, for the unintentional loss, damage, or destruction of any records provided to Purchaser from Seller in accordance with this Section 2.1(b).
- (d) all of Seller’s rights of recovery under any insurance policies or otherwise existing under law or in equity regarding damages or losses relating to the Water System,

except that Seller shall first receive from such proceeds reimbursement for actual expenses incurred and paid or incurred by Seller prior to Closing, if covered under the policy, after allowing for the policy's threshold deductible;

- (e) all rights to surface water and groundwater related to, and used by, the Water System;
- (f) all historical groundwater production rights associated with the wells on the Owned Real Property, the wells used by or for the benefit of the Water System, and any production credit associated with the lands served by such wells.

2.2 Condition and Suitability. Except as stated herein, the assets to be conveyed by Seller to Purchaser in Section 2.1 shall be conveyed "*Where Is, As Is*" as of the date of Closing. Without limiting the foregoing, Seller shall make a general warranty of title to all of the Acquired Assets, and as a material part of this Agreement, the Parties agree as follows:

EXCEPT FOR ANY WARRANTY AS TO TITLE CONTAINED IN THE DEED TO BE DELIVERED BY SELLER TO PURCHASER AND THE WARRANTIES EXPRESSLY MADE IN THIS ASSET PURCHASE AGREEMENT, SELLER HEREBY DISCLAIMS AND PURCHASER HEREBY WAIVES, ANY AND ALL OTHER WARRANTIES OF ANY NATURE, EXPRESS OR IMPLIED, REGARDING THE ACQUIRED ASSETS, INCLUDING WITHOUT LIMITATION ANY AND ALL OTHER WARRANTIES RELATED TO THE CONDITION, CONSTRUCTION, FITNESS, HABITABILITY, SAFETY, PROFITABILITY AND/OR MERCHANTABILITY, OF THE PROPERTY OR THE ACQUIRED ASSETS, OR TO CUSTOM AND USAGE, OR TO COMPLIANCE OF THE ACQUIRED ASSETS WITH ANY LEGAL REQUIREMENTS APPLICABLE THERETO, AND PURCHASER SHALL ACCEPT THE ACQUIRED ASSETS SUBJECT TO ANY AND ALL DEFECTS THEREIN, WHETHER LATENT OR PATENT, "AS-IS," "WHERE-IS," AND "WITH ALL FAULTS".

PURCHASER HAS MADE, WILL MAKE, OR STATES THAT IT HAS HAD THE OPPORTUNITY TO MAKE ITS OWN INDEPENDENT INSPECTION OF ALL ASPECTS OF THE ACQUIRED ASSETS, AND SHALL HAVE NO RECOURSE WHATSOEVER AGAINST SELLER IN THE EVENT OF DISCOVERY BY PURCHASER OF ANY DEFECTS OF ANY KIND, LATENT OR PATENT, EXCEPT AS MAY BREACH ANY WARRANTY OF TITLE CONTAINED IN THE DEED TO BE DELIVERED BY SELLER TO PURCHASER OR THE WARRANTIES EXPRESSLY MADE BY SELLER IN THIS ASSET PURCHASE AGREEMENT.

The Parties agree that language substantially to this effect will be included in the deed at Closing, but that this limitation of warranty shall survive Closing and not merge with the deed or any other document.

2.3 Indemnification by Seller. Notwithstanding any of the foregoing or any other provision of this Agreement, Seller agrees to indemnify, defend and hold harmless Purchaser, its parent company, subsidiaries of such parent company and all of their respective officers, directors, employees, and agents harmless, from and against any and all losses, claims, damages, liabilities, fines, penalties, judgments ("**Claims**") to which those indemnified herein may

become subject to after the Closing, including reasonable costs and attorney fees, insofar as such Claims, arise out of or are based on Seller's breach of its representations and warranties set forth in Article IV. Seller's indemnification obligations set forth in this Section 2.3 shall survive the expiration or termination of this Agreement or the Closing.

ARTICLE III PURCHASE PRICE AND CLOSING

- 3.1 Purchase Price. In consideration for Seller's sale and transfer of the Acquired Assets to Purchaser, Purchaser agrees to pay to Seller [REDACTED] DOLLARS (~~\$60,000~~), (the "Purchase Price"). Confidential

3.1.1 Release of Funds to Seller: Title Company will release the Closing Payment to Seller on or before the next business day after receipt of a copy of the signed PUCT Final Order.

- 3.2 The Closing. The Closing shall take place at the offices of American Title Company or such other place as may be agreed upon by the Parties no later than ninety (90) days following the latter of: (i) the earlier of (a) the 120th day after proper notice has been given to each of Seller's customers and each utility within 2 miles of Seller's CCN service area in accordance with the requirements of the Purchaser's STM Application, or (b) Purchaser has received written notice from the PUCT that a hearing on the sale will not be requested; (ii) if a hearing is requested or if proper notice is not provided, the written determination by the PUCT that the sale serves the public interest; or (iii) the satisfaction or waiver by Purchaser that the conditions of Section 7.1 have been met by Seller. However, in no event will the Closing Date be later than December 31st 2024, unless otherwise agreed to in writing by both Parties. If this transaction has not closed by _____, 2024, and the Parties have not otherwise extended the Closing Date, this Agreement will terminate, and in such event, the Title Company is hereby authorized and directed to unilaterally make disbursement of the Earnest Money to the Party or Parties entitled thereto, without any further joinder or approval of Seller or Purchaser, and neither Party shall have any further rights or obligations under this Agreement or otherwise, except as may be set forth herein with respect to rights or obligations which survive termination.

Management, title and control of the Water System, along with the Owned Real Property, shall transfer from Seller to Purchaser at Closing. Seller shall be responsible for the operation, repair, and upgrade of the Water System and the Owned Real Property, the payment of all expenses associated therewith, and be entitled to all revenues accrued prior to Closing. Purchaser shall be responsible for the operation, repair and upgrade of the Water System and the Owned Real Property after Closing, the payment of all expenses associated therewith, and Purchaser will be entitled to all revenues from water sales from the date of Closing forward.

ARTICLE IV

SELLER'S REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Purchaser as follows, such representations and warranties being deemed to be made as of the time specified. All representations made by Seller in this Agreement are made to the personal knowledge of Lonnie Wright current as of the time deemed made, under no duty to further investigate after such time specified.

- 4.1 Organization of Seller. As of the Effective Date and at the time of Closing, Sellers are individuals doing business as Municipal Operations, LLC validly existing in the State of Texas and in good standing with the Comptroller of the State of Texas with regards to the payment of all taxes, franchise or otherwise.
- 4.2 Authorization of Transaction. As of the Effective Date and on a continuous basis until the Closing, the execution, delivery and performance of this Agreement and all other transaction documents contemplated by this Agreement, to which Seller is a party, have been duly authorized by Seller.
- 4.3 Non-contravention. As of the Effective Date and at the time of Closing, the transactions contemplated by this Agreement will not (i) violate any legal requirement to which Seller is subject or any provision of its organizational documents, (ii) conflict with, or result in a breach of, any contract to which Seller is a party; or (iii) violate any ordinance, regulation, statute or law of any governmental entity or authority.
- 4.4 Third Party Consents. As of the Effective Date and at the time of Closing, except for the consents set forth in **Schedule 4.4 ("Seller's Required Consents")**, no consent, approval, waiver or authorization of any governmental authority or any other person, other than the PUCT, is necessary in connection with the execution, delivery or performance by Seller of this Agreement, the conveyance of the Water System, along with the Owned Real Property, to Purchaser, or the subsequent operation of the Water System, along with the Owned Real Property, by Purchaser.
- 4.5 Brokers' Fees. As of the Effective Date and on a continuous basis until the Closing, Seller has no obligation to pay any fees or commissions to any broker, finder, or similar agent with respect to the transactions contemplated herein for which Purchaser could become liable or obligated to pay.
- 4.6 Title to Assets. At Closing, Seller will have good and marketable title to all of the Acquired Assets, meaning that they are free and clear of any liens, encumbrance, third-party claim or ownership, or restriction on transfer, except for Permitted Encumbrances (as that term is defined below) and as may otherwise be set forth herein.
- 4.7 Tax Matters. As of the Effective Date and at the time of Closing, each of the following: There are no liens, or unpaid accounts, for taxes or assessments or unpaid taxes (other than taxes or assessments not yet due and payable), including ad valorem taxes and assessments, upon any of the Acquired Assets. Seller has withheld and paid all taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, or other third party, and all Forms W-2 and 1099 required

with respect thereto have been properly completed in all respects and timely filed. No proceeding is pending against or involving Seller with respect to any of Seller's tax returns or with respect to Seller's taxes, and Seller has not waived any statute of limitations in respect of taxes or agreed to any extension of time with respect to a tax assessment or deficiency. Seller will pay, at or before Closing, for all unpaid and due property or ad valorem taxes attributable to the Acquired Assets (assessed against both the personal and real property of Seller) for years prior to the year of the Closing, and it will pay at Closing its prorated share of any property or ad valorem taxes or estimates thereof attributable to the Acquired Assets up to the date of the Closing, except that Seller will pay only for any rollback taxes due as a result of any change of use of any of the Acquired Assets by Seller prior to Closing, and Purchaser will pay for any such rollback taxes due to change of use by Purchaser.

- 4.8 Rights of Third Parties. As of the Closing Date, Seller has not leased or otherwise granted to any Person the right to use or occupy any of the Acquired Assets, and there are no outstanding options, rights of first offer or rights of first refusal to purchase any of the Acquired Assets and any interest therein.
- 4.9 Condition of Acquired Assets. Seller makes no representation or warranty (other than title) of the condition of all buildings, structures, fixtures, building systems and equipment, and all components thereof, included in the Acquired Assets. As of the Closing Date, Seller owns title to the easements or fee attributable to the real property underlying all of the Water System, and there are no third-party claims to any of that underlying real property that would affect or diminish the value of the Water System to Purchaser.
- 4.10 Compliance. Except as disclosed in writing to Purchaser in **Schedules 4.10, 4.13 and 4.15(f)**, as of the Effective Date this Agreement, and except as Seller may otherwise be notified by the TCEQ or PUCT up to the time of Closing, Seller is, in general compliance with all legal requirements applicable to the lawful operation of the Water System. Except as disclosed to Purchaser in an applicable schedule to this Agreement or in accordance with Section 4.15(f), and except as Seller may be otherwise notified after the Effective Date, at Closing, Seller has not received any notice of pending material violation or impending violation of any state regulations, legal requirements, or insurance requirements relating to the Acquired Assets, and there is no material basis for the issuance of any such notice or the taking of any action for such violation. In the event that Seller has received notice after the Effective Date that the Acquired Assets are not in such compliance (including those outstanding violations disclosed in Schedule 4.15(f)), Seller shall use commercially reasonable efforts to bring the Acquired Assets into compliance prior to Closing. In the event that Seller is unable to bring the Acquired Assets into compliance prior to Closing, then Purchaser shall have the right to terminate under Section 9.1. Any and all reports or notices of non-compliance received by Seller after the Effective Date shall be provided to Purchaser within 48 hours of Seller's receipt of the same. Any administrative or penalties sought by the TCEQ, PUCT or other governmental entity at the time of closing and as disclosed in Schedules 4.10, 4.13 or 4.15(f) in a pending Order or other instrument, will remain the responsibility and be paid by Seller. If any such enforcement Order is issued by the TCEQ or PUCT or other governmental entity, the Seller will remain liable for compliance with said Order.

- 4.11 Access. At Closing, each parcel of real property that is a part of the Acquired Assets has direct access to a public street adjoining that property or has access to a public street via an insurable easement benefiting such parcel, and such access is not dependent on any land or other real property interest that is not included in the Acquired Assets. None of the improvements or any portion thereof is dependent on access, use or operation on any land, building, improvement or other real property interest that is not included in the Acquired Assets.
- 4.12 Prepayments and Customer Deposits. At the time of Closing, Seller shall have refunded all customer deposits, improperly collected pass-through charges, and any and all other monies owed the Water System customers by Seller, with interest accrued to the benefit of those customers if applicable. At Closing, Seller shall supply Purchaser with an affidavit executed by Seller contained in the form agreement attached hereto in **Schedule 4.12** (the “**Closing Agreement**”), which affidavit shall evidence Seller’s payment of the aforementioned refunds. The affidavit provided for in Schedule 4.12 may be modified by the Parties at any time prior to the PUCT Final Order Date in order to facilitate the PUCT’s acceptance of the same as evidence that all amounts mentioned in this Section 4.12 have been refunded by Seller to Seller’s customer’s on or prior to the Closing Date.
- 4.13 Litigation and Insurance Claims. Except as disclosed to Purchaser as set forth on **Schedule 4.13**, as of the Effective Date and, except as Seller may be otherwise notified after the Effective Date, and up to the time of Closing, Seller is not subject to any outstanding court or administrative order or other legal or regulatory proceedings, nor does the Seller have any knowledge of any notice or threat of it to be made a party to any legal proceeding or subject to any administrative order or investigation. In the event that Seller has received notice of such suit, order, or proceeding and Seller is unable to fully resolve such prior to Closing, then Purchaser shall have the right to terminate under Section 9.1. Any and all notices of administrative, legal, or regulatory proceeding received by Seller after the Effective Date shall be provided to Purchaser within 48 hours of Seller’s receipt of the same.
- As of the Effective Date, Seller has no claims outstanding against any insurer of any property, general liability, worker’s compensation, automotive, or umbrella insurance policy in any way related to the Acquired Assets.
- 4.14 Employees. As of the Effective Date and on a continuous basis until the Closing, Seller has not made any representations to any of Seller’s employees that would cause any such employee to expect that any of them would or will become an employee of SP UTILITY CO, INC.
- 4.15 Environmental, Health, and Safety Requirements.
- (a) As of the Effective Date and at the time of Closing and with the exception of any enforcement action identified on Schedule 4.10, 4.13, or 4.15(f), Seller is in compliance, with all governmental environmental, health and safety requirements.
 - (b) A list of all permits, licenses and governmental authorizations known by Seller as of the Effective Date to be required by all governmental environmental, health and

safety requirements for the occupation of Seller's facilities and Seller's operation of the Seller's Water System is set forth on **Schedule 4.15(b)**.

- (c) As of the Effective Date and at the time of Closing and with the exception of those enforcement cases identified in Schedules 4.10, 4.13 and 4.15(f), Seller has not received any written notice, report or other information from any governmental authority regarding any actual or alleged existing violation of environmental, health and safety requirements, or any liabilities, including any investigatory, remedial or corrective obligations, relating to the Water System arising under any environmental, health or safety requirement. Any and all such reports or notices received by Seller after the Effective Date shall be provided to Purchaser within 48 hours of Seller's receipt of the same.
- (d) As of the Effective Date and except as may be discovered due to any environmental studies done during the pendency of this Agreement, Seller does not have any knowledge that any of the following exists at any property or facility used by the Water System:
 - (i) underground storage tanks,
 - (ii) asbestos-containing material in any friable and damaged form or condition,
 - (iii) materials or equipment containing polychlorinated biphenyls,
 - (iv) landfills, surface impoundments, or disposal areas, or
 - (v) lead paint.
- (e) As of the Effective Date and the Closing Date and on a continuous basis until the Closing, excepting chlorine, Seller has not treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, manufactured, distributed, or released any substance, including any hazardous substance, or owned or operated any property or facility (and no such property or facility is contaminated by any such substance) so as to give rise to any current or future liabilities, including any liability for fines, penalties, response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney's fees, pursuant to any environmental, health or safety requirement. Seller has used and maintained on premises chlorine for the sole purpose of water disinfection as required by TCEQ regulations and that chlorine is a known hazardous substance.
- (f) As of the Effective Date, Seller has given to Purchaser written copies of all environmental audits, environmental reports, TCEQ inspection reports, notices of violation, environmental notices and other environmental documents and related correspondence from any governmental authority relating to Seller's Water System, current properties, facilities, or operations that are in their possession or under their reasonable control and of any environmental audits, reports, and other material environmental documents and correspondences that Seller has conducted, prepared or received in the last two (2) years. **Schedule 4.15(f)** lists each of the environmental audits, reports, inspection reports, notices of violation and other material environmental enforcement documents that have been delivered to Purchaser as of the Effective Date. Seller shall give to Purchaser a copy of any

such audits, inspection reports, et al. that Seller receives after the Effective Date and prior to the Final Order Date within 48 hours of Seller's receipt of the same.

- 4.16 Customers. **Schedule 4.16** lists all of Seller's customers at the time of the Effective Date which Purchaser will rely on in its STM Application filing in connection with the transactions hereunder. This list shall be updated by Seller at Closing. As of the Effective Date no customer listed on Schedule 4.16 has given Seller written notice of its intent to protest this transaction. All prepayments and customer deposits received by Seller, described in Section 4.12, shall be returned or refunded to said customers by Seller prior to the Closing Date in accordance with Section 7.1.7.
- 4.17 Operations. Until Closing, Seller will continue to operate the Water System and to service its customers under the same manner and methods that Seller has used historically, and Seller will use its best efforts to maintain the condition and operating standards of the Water System throughout that period.
- 4.18 Access to Books and Records and Facilities. Seller shall provide Purchaser with reasonable access to the Water System and Seller's books and records related thereto at any time before Closing. Purchaser shall give Seller at least forty-eight (48) hour notice of an inspection. Purchaser shall be liable for and shall repair any damage to the Water System due to the fault of Purchaser occurring during Purchaser's inspection(s). Books and records of Seller will be available at 27316 Spectrum Way, Conroe, TX 77385, unless Purchaser agrees to pay for copy of same to be made and delivered to Purchaser, in which case Seller will reasonably cooperate with Purchaser to accomplish that delivery.

ARTICLE V

PURCHASER'S REPRESENTATIONS AND WARRANTIES

Purchaser represents and warrants to the Seller as follows (such representations and warranties being deemed to be made as of the date hereof and on a continuous basis until the Closing).

- 5.1 Organization of Purchaser. Purchaser is duly organized, validly existing, and in good standing under the laws of the State of Texas.
- 5.2 Operation after Closing. Purchaser shall be completely responsible for the operation and maintenance of the Water System, including compliance with all state and federal regulations, after Closing, and knowingly assumes all duties, obligations and liabilities associated therewith without any recourse to Seller, except those arising from any liability to TCEQ, PUCT, other governmental entity, or person under enforcement order or for breach by Seller of the representations and warranties made by Seller or its principal herein.

ARTICLE VI PRE-CLOSING COVENANTS

The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing:

- 6.1 Cooperation; Access. Each of the Parties will use commercially reasonable efforts to take all actions and to do all things necessary, proper or advisable to close this transaction.
- 6.2 Consents; Regulatory Matters and Approvals. Seller will give any notices needed to accomplish the transaction, and it will execute all applications and related documents and use commercially reasonable efforts to obtain the Seller's Required Consents and, at no further cost to Seller, to assist Purchaser in obtaining the necessary PUCT approvals, PUCT Final Order and all other authorizations, consents, and approvals necessary to complete the transaction. Purchaser shall prepare and file the Parties' STM Application no later than Sixty (60) days following the Effective Date of this Agreement. Purchaser shall pay all costs associated with the preparation, filing, prosecution, and notice of the STM application. Seller covenants and agrees to fully cooperate with, and to assist, Purchaser in submitting the STM Application and any other related filing requirements.
- 6.3 Preservation of Business. Seller shall carry on its business in the ordinary course of business and shall: (a) use its best efforts in the manner specified in Section 4.17 to preserve intact the Water System, the Acquired Assets, its present operations, physical facilities, working conditions, insurance policies, and business organization, and (b) keep and endeavor to preserve its relationships with customers, lessors, landlords, partners, suppliers and others having business dealings with it to the end that its goodwill and ongoing business shall not be impaired in any material respect at the Closing. Without limiting the generality of the foregoing, Seller will not: (i) intentionally and willfully engage in any practice or take any action that would cause or result in, or permit by inaction, any of the representations and warranties contained in Article IV to become untrue or misleading, (ii) intentionally and willfully engage in any practice, take any action or otherwise act in any manner that may result in a material adverse effect on Seller, Purchaser, the Acquired Assets, the Assumed Liabilities or the transactions contemplated herein, or (iii) intentionally and willfully engage in any act that would cause Seller to deplete the Acquired Assets other than in the ordinary course of business.
- 6.4 Transfer of Utility Accounts. Within five (5) days preceding the Closing, or such other time agreed to by the Parties, Seller and Purchaser shall conduct final meter readings of all meters related to the operation of the systems, including, without limitation, water, natural gas and electric meters. They each shall use their best efforts to have all such accounts transferred to the name of the Purchaser as of the date of Closing. Seller shall be entitled to the refund of all of Seller's outstanding deposits with its utility suppliers and other vendors.
- 6.5 Notice of Developments. Each Party will give prompt written notice to the other Party of any adverse development causing a breach of any of its own representations and warranties in Article IV or Article V or likely to cause a material adverse effect. No disclosure by any Party pursuant to this Section 6.5, however, shall be deemed to amend or supplement such

Party's disclosure schedules or to prevent or cure any misrepresentation, breach of warranty, or breach of covenant.

- 6.6 Backup Offers/Confidentiality. Seller shall not solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of all or substantial portion of the assets of Seller after the Effective Date of this Agreement. If Seller does receive any proposals or inquiries from third-parties, due in no part to the actions of Seller following the Effective Date of this Agreement, Seller shall promptly communicate to Purchaser the terms of any such inquiry or proposal concerning the acquisition of the assets or the Water System that Seller may receive, and if such inquiry or proposal is in writing, Seller shall promptly deliver a copy of such inquiry or proposal to Purchaser. Under no circumstances shall Seller disclose the identity of Purchaser or the Purchase Price to any third parties, unless and until such information becomes public information in the filing of the STM Application. Both Parties agree to keep the Purchase Price confidential and to not disclose it to any third parties, save and except on a need-to-know basis to the Parties' respective accountants, attorneys, bankers, financial advisors, directors, and principals, and as may be reasonably required in processing the closing, issuance of the title policies, and in applying for, qualifying for, and otherwise processing the STM Application.

ARTICLE VII CONDITIONS TO OBLIGATION TO CLOSE

- 7.1 Conditions to Purchaser's Obligation. The Purchaser's obligation to close is subject to satisfaction of all the following conditions:
- 7.1.1 In compliance with Section 13.301 of the Texas Water Code, Purchaser shall have obtained all approvals from the PUCT of the STM Application and any others necessary to close the transactions contemplated by this Agreement without the imposition of any restrictions, conditions or obligations that are deemed to be unacceptable to Purchaser in its sole discretion;
 - 7.1.2 The representations and warranties set forth in Article IV shall be true and correct in all material respects as of the Closing, and there has been no material adverse change in the value of the Water System;
 - 7.1.3 Seller shall have complied with all of its covenants in this Agreement in all material respects through the Closing;
 - 7.1.4 Seller and Purchaser shall each be in compliance with all material regulatory requirements of all applicable governmental authorities necessary to close this transaction;
 - 7.1.5 Seller shall be able to transfer good and marketable title to the Owned Real Property, meaning being free and clear of any liens, encumbrance, third-party claim or ownership, or restriction on transfer, except for Permitted Encumbrances (as that term is defined below), as may otherwise be set forth on **Schedule 2.1(b)**, and as

may otherwise be set forth herein, by the execution of the deed described in Section 8.1.1, and Purchaser shall have received enforceable title commitments dated as of the Closing (from a title company reasonably acceptable to Purchaser) covering the Owned Real Property in such form and substance reasonably acceptable to Purchaser in its sole and absolute discretion;

- 7.1.6 Seller shall have good and indefeasible title to all of the Acquired Assets, being free and clear of any liens, encumbrance, third-party claim or ownership, or restriction on transfer, except as may otherwise be set forth herein. Any Acquired Assets owned by Seller, shall have been transferred to Purchaser prior to Closing.
- 7.1.7 As of its final billing to the customers of the Water System, Seller shall have refunded all customer deposits, improperly collected pass-through charges, and any and all other monies owed the Water System customers by Seller, with interest accrued to the benefit of those customers, and Seller shall have supplied Purchaser reasonable proof of such refunds in such form and substance as is reasonably necessary to prove the same to the PUCT, said form being attached hereto in Schedule 4.12, as may be amended prior to the PUCT Final Order Date; and
- 7.1.8 Seller shall have resolved, to the satisfaction of the TCEQ, PUCT and Purchaser, any and all of the Water System violations disclosed, and that are required to be disclosed, to Purchaser by Seller in accordance with Section 4.10 and Section 4.15(f) (altogether, the "Water System Violations").
- 7.2 Purchaser may waive any condition specified in Section 7.1, but that waiver must be in writing and signed by Purchaser, except that if Purchaser proceeds to Closing, such condition shall be deemed waived.
- 7.3 Conditions to Seller's Obligation. The obligation of Seller to close is subject to the following conditions:
 - 7.3.1 The representations and warranties set forth in Article V shall be true and correct in all material respects at and as of the Closing; and
 - 7.3.2 Purchaser shall have complied with all of its covenants in this Agreement in all material respects through the Closing.
- 7.4 Seller may waive any condition specified in Section 7.3, but that waiver must be in writing signed by Seller, except that if Seller proceeds to Closing, such condition shall be deemed waived.

ARTICLE VIII CLOSING DELIVERIES

- 8.1 Items to be delivered by the Seller. At the Closing, the Seller shall deliver to Purchaser the following:

- 8.1.1 Closing documents acceptable to Purchaser of all conveyances of all interests in and to the Acquired Assets currently owned by Seller (as defined later herein), which conveyances convey unencumbered title to the assets owned by Seller;
 - 8.1.2. Access to and possession and control of the Acquired Assets;
 - 8.1.3. Tax certificates evidencing Seller's payment of any and all past-due ad valorem taxes assessed against the Acquired Assets (personal and real property); and
 - 8.1.4. Title commitment policy insuring title into Purchaser with no exceptions other than the Permitted Encumbrances.
- 8.2 Items to be delivered by Purchaser. At the Closing, Purchaser shall deliver:
- 8.2.1 The Closing Payment, as described in Section 3.1; and,
 - 8.2.2 The Assignment and Assumption of Non-Realty Assets, as described above, executed by Purchaser.

ARTICLE IX

TERMINATION

- 9.1 Termination of Agreement. The Parties may terminate this Agreement by mutual written consent at any time prior to the Closing. Purchaser may terminate this Agreement by giving written notice to the Seller: (a) if the Seller has materially breached any material representation, warranty, or covenant contained in this Agreement, including those obligations listed in Section 7.1, Purchaser has notified the Seller of the breach in writing, and the breach has continued without cure for a period of ten (10) days after Seller's receipt of the notice of breach, (b) if there has been any material adverse change in the Seller's Water System, including, without limitation, the Cash Flow, as that term is defined at the end of this subparagraph, from the Acquired Assets, Purchaser has notified the Seller of the change in writing, and the change has continued without cure for a period of ten (10) days after Seller's receipt of the notice of change, (c) if any consent or approval of any governmental authority or entity necessary to consummate the transactions contemplated by this Agreement has imposed any restrictions, conditions, or obligations that are deemed to be unacceptable to Purchaser, if Purchaser has otherwise complied with all terms of this Agreement, (d) Seller has not conveyed to Purchaser the Owned Real Property and all other Acquired Assets that are owned by Seller on or before the Closing Date. For purposes of this subparagraph "**Cash Flow**" means normal, long-term operating cash flow without consideration for any extraordinary expense, including emergency repairs, incurred due to an event or cause that occurred after the Effective Date and that Seller had no knowledge nor reasonable expectation would occur between the Effective Date and the Closing; or

ARTICLE X

MISCELLANEOUS

- 10.1 Notices. Notice may be given by certified mail, return receipt requested, regular mail, personal delivery, courier delivery, facsimile transmission, electronic mail (email), or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein. Copies of each notice must be given by one of these methods to the attorney of the party to whom notice is given. Contact information is as follows:

If to Seller: Lonnie Wright
27316 Spectrum Way
Conroe, Tx 77385
E-mail: LWright@Municipalops.com

If to Purchaser: Harrison Williams
SP UTILITY CO, INC.
P.O. Box 690521
Houston, Tx. 77269
E-mail: harrison.ftu@gmail.com

- 10.2 Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all of the Parties hereto. No waiver by any Party of any provision of this Agreement or any individual default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver.
- 10.3 Incorporation of Exhibits and Schedules. The Exhibits and Schedules referred to or identified in this Agreement are incorporated herein by reference and made a part hereof.
- 10.4 Entire Agreement. This Agreement (including the Schedules and Exhibits of even date herewith and the other documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements or representations by or between the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.
- 10.5 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Facsimile signatures shall be given the same effect as original signatures.
- 10.6 Section Headings. The section headings are intended for the convenience of reference only, and they have no substantive meaning or effect on the agreement of the Parties.
- 10.7 Time is of the Essence. In matters related to this Agreement, time is of the essence.
- 10.8 Days. The term "business day" shall mean any calendar day other than Saturday, Sunday or a day which is generally recognized as a holiday by financial institutions in the State of

Texas. Any other reference to day or days shall refer to calendar days. If any date or any period provided in this Agreement ends on a day which is not a business day, then the applicable period shall be extended to 5:00 p.m. Central Standard Time on the next business day.

- 10.9 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Texas. Venue of any arbitration, mediation or litigation arising under or related to this Agreement shall be in Harris County, Texas.

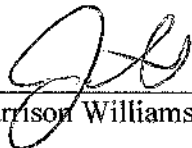
ARTICLE XI
Purchaser's Indemnity of Seller

- 11.1 Purchaser's Indemnity of Seller. Purchaser agrees to indemnify, defend and hold harmless Seller and all of its respective officers, directors, employees, and agents harmless, from and against any and all losses, claims, damages, liabilities, fines, penalties, judgments ("Seller Claims") to which those indemnified herein may become subject to after the Closing, including reasonable costs and attorney fees, insofar as such Claims, arise out of or are based on Purchaser's obligations under Section 5.2, and such indemnification obligations shall survive Closing.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

PURCHASER:


SP UTILITY CO, Inc.

By: 
Harrison Williams, President

Date: 6/8/2023

SELLER:

Municipal Operations, LLC

By: 
Lonnie Wright

Date: 6/8/23

By: _____

Date: _____

SCHEDULE 2.1(a)
Owned Real Property (being acquired by Purchaser)

1. Any and all water utility easements, recorded or unrecorded, owned by Seller and used in the operation of the Acquired Assets.
2. All system fixtures used or useful in the operation of the Acquired Assets located on or within the aforementioned real property and easements as described on Schedule 2.1(b).

SCHEDULE 2.1(b)
Personal Property, Equipment and Fixtures

SCHEDULE 4.4
Third Party Consents – “Seller’s Required Consents”

-Public Utility Commission of Texas approval of Application for Sale, Transfer, or Merger of a Retail Public Utility.

SCHEDULE 4.10
Compliance

Seller has no information responsive to this request other than what Seller has already disclosed in Schedule 4.15(f).



WATER UTILITY TARIFF

Docket Number: 42853

SWEA Gardens Estates Utility, Inc.
(Utility Name)

P.O. BOX 40526
(Business Address)

Houston, Texas 77240-0526
(City, State, Zip Code)

713-937-1959
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:
11872

This tariff is effective in the following counties:
Harris

This tariff is effective in the following cities or unincorporated towns (if any):
None

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

SWEA Gardens Estates, PWS 1010218

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):

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APPENDIX A - SERVICE AGREEMENT	

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$43.14</u> (Includes 0 gallons)	<u>\$2.06</u> per 1,000 gallons
*Plus additional pass through fees listed below.		

*Pass Through Fee

City of Houston Purchased Water Fee \$4.44 per 1,000 gallons
Applies to **all** gallons used.

Gallage charge is related to the implementation of purchasing water from the City of Houston (CoH) in the amount of \$4.35 per 1,000 gallons subject to a 2% adjustment for water loss.

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 \$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.

Docket Number: 42853

SECTION 1.0 – RATE SCHEDULE (Continued)

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..... \$25.00

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) 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

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.

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:

Adjusted Gallonage Rate (AG) = $G + [B / (1 - L)]$, Where:

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

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

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

SECTION 2.0 -- SERVICE RULES AND POLICIES

Section 2.01 - Public Utility Commission of Texas Rules

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02 - Application for and Provision of Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

Section 2.04 - Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Docket Number: 42853

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.04 – Customer Deposits (cont.)

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit. – If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

Section 2.05 – Meter Requirements, Readings, and Testing

All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers. One meter is required for each residential, commercial, or industrial connection.

Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.06 - Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the commission.

Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

Section 2.07 - Service Disconnection (cont.)

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Section 2.08 - Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Prorated Bills - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.10 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the Commission may require continuation or restoration of service.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.11 - Customer Complaints and Disputes (cont.)

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

SECTION 2.20 – SPECIFIC UTILITY SERVICE RULES AND POLICIES

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with PUC rules to be effective.

SECTION 3.0--EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

COSTS THE UTILITIES SHALL BEAR. Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with TCEQ's Rules and Regulations for Public Water Systems.

SECTION 3.20—SPECIFIC UTILITY EXTENSION POLICY

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with PUC rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

SECTION 4.0 – DROUGHT CONTINGENCY PLAN
(Utility must attach a copy of TCEQ approved Drought Contingency Plan)

Section 8 Response Stages

Unless there is an immediate and extreme reduction in water production, or other absolute necessity to declare an emergency or severe condition, the utility will initially declare Stage I restrictions. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, reduce the risk of outages, or comply with restrictions required by a court, government agency or other authority, Stage II may be implemented with Stage III to follow if necessary.

STAGE I - CUSTOMER AWARENESS

Stage I will begin:

**Every April 1st, the utility will mail a public announcement to its customers.
No notice to TCEQ required.**

Stage I will end:

Every September 30th, the utility will mail a public announcement to it's customers. No notice to TCEQ required.

Utility Measures:

This announcement will be designed to increase customer awareness of water conservation and encourage the most efficient use of water. A copy of the current public announcement on water conservation awareness shall be kept on file available for inspection by the TCEQ.

Voluntary Water Use Restrictions:

Water customers are requested to voluntarily limit the use of water for non-essential purposes and to practice water conservation.

STAGE II - VOLUNTARY WATER CONSERVATION:

Target: Achieve a 30 percent reduction in total water use.

The water utility will implement Stage II when any one of the selected triggers is reached:

Supply-Based Triggers: (check at least one and fill in the appropriate value)

- ☐ Well level reaches _____ ft. mean sea level (m.s.l.)
- ☐ Overnight recovery rate reaches _____ ft.
- ☐ Reservoir elevation reaches _____ ft. (M.S.L.)
- ☐ Stream flow reaches _____ cfs at USGS gage # _____
- ☐ Wholesale supplier's drought Stage II

- ☐ Annual water use equals _____ % of well permit/Water Right/purchased water contract amount
- ☐ Other _____

Demand- or Capacity-Based Triggers: (check at least one and fill in the appropriate value)

- ☐ Drinking water treatment as % of capacity _____ %
- ☒ Total daily demand as % of pumping capacity 70 %
- ☐ Total daily demand as % of storage capacity _____ %
- ☐ Pump hours per day _____ hrs.
- ☐ Production or distribution limitations.
- ☐ Other _____

Upon initiation and termination of Stage II, the utility will mail a public announcement to its customers. No notice to TCEQ required.

Requirements for Termination :

Stage II of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage II, Stage I becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a daily basis. Monthly review of customer use records and follow-up on any that have unusually high usage.

Daily monitor the plant facilities for system usage and equipment reliability.

The second water source for Swea Gardens Estates Utility is:

- ☐ Other well
- ☐ interconnection with other system
- ☒ Purchased water
- ☐ Other

Voluntary Water Use Restrictions:

1. **Restricted Hours:** Outside watering is allowed daily, but only during periods specifically described in the customer notice; between 10:00 p.m. and 5:00 a.m. for example; or

2. **Restricted Days/Hours:** Water customers are requested to voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems. Customers are requested to limit outdoor water use to **Mondays for water customers with a street address ending with the numbers 1, 2, or 3, Wednesdays for water customers with a street address ending with the numbers 4, 5, or 6, and Fridays for water customers with a street address ending with the numbers 7, 8, 9 or 0.** Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system; or
3. Other uses that waste water such as water running down the gutter.

STAGE III - MANDATORY WATER USE RESTRICTIONS:

Target: Achieve a 20 percent reduction in daily water demand.

The water utility will implement Stage III when any one of the selected triggers is reached:

Supply-Based Triggers (check at least one and fill in the appropriate value)

- ☐ Well level reaches _____ ft. (M.S.L.)
- ☐ Overnight recovery rate reaches _____ ft.
- ☐ Reservoir elevation reaches _____ ft. (M.S.L.)
- ☐ Stream flow reaches _____ cfs at USGS gage # _____
- ☐ Wholesale supplier's drought Stage III
- ☐ Annual water use equals _____ % of well permit/Water Right/purchased water contract amount.
- ☐ Other _____

Demand- or Capacity-Based Triggers (check at least one and fill in the appropriate value)

- ☐ Drinking water treatment as % of capacity _____ %
- ☒ Total daily demand as % of pumping capacity 80 %
- ☐ Total daily demand as % of storage capacity _____ %
- ☐ Pump hours per day _____ hrs.
- ☐ Production or distribution limitations.
- ☐ Other _____

Upon initiation and termination of Stage III, the utility will mail a public announcement to its customers. Notice to TCEQ required.

Requirements for Termination:

Stage III of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage III, Stage II becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a regular basis. Flushing is prohibited except for dead end mains.

Mandatory Water Use Restrictions:

The following water use restrictions shall apply to all customers.

1. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Mondays for water customers with a street address ending with the numbers 1, 2, or 3, Wednesdays for water customers with a street address ending with the numbers 4, 5, or 6, and Fridays for water customers with a street address ending with the numbers 7, 8, 9, or 0. Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
3. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or "jacuzzi" type pool are prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.

4. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
5. Use of water from hydrants or flush valves shall be limited to maintaining public health, safety, and welfare.
6. Use of water for the irrigation of golf courses, parks, and green belt areas are prohibited except by hand-held hose and only on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight
7. The following uses of water are defined as non-essential and are prohibited:
 - a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - c. use of water for dust control;
 - d. flushing gutters or permitting water to ran or accumulate in any gutter or street;
 - e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
 - f. any waste of water.

STAGE IV - CRITICAL WATER USE RESTRICTIONS:

Target: Achieve a per customer limit in water usage equivalent to or below the winter months average per customer.

The water utility will implement Stage IV when any one of the selected triggers is reached:

Supply-Based Triggers: (check at least one and fill in the appropriate value)

- ☐ Well level reaches _____ ft. (M.S.L.)
- ☐ Overnight recovery rate reaches _____ ft.
- ☐ Reservoir elevation reaches _____ ft. (M.S.L.)
- ☐ Stream flow reaches _____ cfs at USGS gage # _____
- ☐ Wholesale supplier's drought Stage IV

- ☐ Annual water use equals _____ % of well permit/Water Right/purchased water contract amount
- ☐ Supply contamination
- ☐ Other _____
- ☐

Demand- or Capacity-Based Triggers: (check at least one and fill in the appropriate value)

- ☐ Drinking water treatment as % of capacity _____ %
- ☒ Total daily demand as % of pumping capacity 90 %
- ☐ Total daily demand as % of storage capacity _____ %
- ☐ Pump hours per day _____ hrs
- ☐ Production or distribution limitations
- ☐ System outage
- ☐ Other _____

Upon initiation and termination of Stage IV, the utility will mail a public announcement to its customers. Notice to TCEQ required.

Requirements for Termination:

Stage IV of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage IV, Stage III becomes operative.

Operational Measures:

The utility shall visually inspect lines and repair leaks on a daily basis. Flushing is prohibited except for dead end mains and only between the hours of 9:00 p.m. and 3:00 a.m. Emergency interconnects or alternative supply arrangements shall be initiated. All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers.

Mandatory Water Use Restrictions: (all outdoor use of water is prohibited)

1. Irrigation of landscaped areas is absolutely prohibited.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

SYSTEM OUTAGE or SUPPLY CONTAMINATION

Notify TCEQ Regional Office immediately.

APPENDIX A -- APPLICATION FOR SERVICE
(Utility Must Attach Blank Copy)

SWEA GARDENS ESTATES UTILITY

APPLICATION FOR WATER SERVICE

NAME (PLEASE PRINT) SERVICE ADDRESS DAYTIME PHONE NO.

MAILING ADDRESS CITY ZIP EMAIL ADDRESS (OPTIONAL)

DEPOSIT AMT DATE PAID SERV DATE BUYING RENTING LEASING

OWNER'S NAME OWNER'S ADDRESS PHONE NUMBER

CITY, STATE ZIP

IF COMMERCIAL, NAME OF BUSINESS

SIGNATURE

PLEASE SEND \$50 DEPOSIT WITH THE APPLICATION

ACCT # _____

P O BOX 40526 • HOUSTON, TX • 77240-0526
PHONE: (713) 937-1959 • FAX: (713) 937-1956

SWEA GARDENS ESTATES UTILITY

SERVICE AGREEMENT

- I. **PURPOSE.** Swea Gardens Estates Utility (the "System") is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The purpose of this service agreement is to notify each customer of the plumbing restrictions which are in place to provide this protection. The System enforces these restrictions which are in place to provide this protection. The System enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the System will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.
- II. **PLUMBING RESTRICTIONS.** The following undesirable plumbing practices are prohibited by State regulations.
- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
 - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone prevention device.
 - C. No connection which allows water to be returned to the public drinking water supply is permitted.
 - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
 - E. No solder or flux which contains more than 0.2 percent lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the System and _____ (the "Customer").
- A. The System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the System's water system.
 - B. The Customer shall allow his property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections shall be conducted by the System or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the System's normal business hours.
 - C. The System shall notify the Customer in writing of any cross-connection or other undesirable plumbing practice which has been identified during the initial inspection or the periodic reinspection.
 - D. The Customer shall immediately correct any undesirable plumbing practice on his premises.

- E. The Customer shall, at his expense, properly install, test on an annual basis, and maintain any backflow prevention device required by the System. Copies of all testing and maintenance records shall be provided to the System.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER SIGNATURE

DATE: _____

NAME: _____

ADDRESS: _____

TELEPHONE NO.: _____

Texas Commission on Environmental Quality Investigation Report

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

Customer: Municipal Operations, LLC
Customer Number: CN605108091

Regulated Entity Name: SWEA GARDENS ESTATES

Regulated Entity Number: RN101456457

Investigation # 1533288

Investigator: CHARLIE THOMAS

Conducted: 12/14/2018 -- 12/14/2018

Program(s): PUBLIC WATER SYSTEM/SUPPLY

Investigation Type: Compliance Investigation

Additional ID(s): 1010218

Incident Numbers

Site Classification P <=50 CONNECTION

NAIC Code: 221310

Location: KEY MAP 413A

Address: 410 NOONDAY LN,
HOUSTON, TX , 77060

Local Unit: REGION 12 - HOUSTON

Activity Type(s): PWSCCICMOD - A modified investigation (sanitary survey) of a community system to determine compliance with applicable regulations. This activity code should only be used at management direction for fulfilling the federal requirements during periods with declared disas

Principal(s):

Role	Name
RESPONDENT	MUNICIPAL OPERATIONS LLC

Contact(s):

Role	Title	Name	Phone
PARTICIPATED IN	OPERATOR	MR SHERMAN D ROBERSON	Work (281) 367-5511
NOTIFIED	COMPLIANCE MANAGER	MR JOHN T MONTGOMERY	Cell (281) 217-1031 Office (281) 367-5571
REGULATED ENTITY MAIL CONTACT	MEMBER	LONNIE WRIGHT	Cell (713) 857-1420 Office (281) 367-5511
REGULATED ENTITY CONTACT	COMPLIANCE COORDINATOR	MR JOHN T MONTGOMERY	Office (281) 367-5571 Cell (281) 217-1031
PARTICIPATED IN	ASSISTANT COMPLIANCE COORDINATOR	MR CAMERON KING	Cell (832) 797-2170 Fax (281) 367-5517 Office (281) 367-5511

SWEA GARDENS ESTATES - HOUSTON

12/14/2018 Inv. # - 1533288

Page 2 of 4

Other Staff Member(s):

Role	Name
Supervisor	DAWN OLIVO
Supervisor	LATRICHIA SPIKES
QA Reviewer	MELODY KIRKSEY

Associated Check List

<u>Checklist Name</u>	<u>Unit Name</u>
PWS GENERIC VIOLATIONS	VIOLATIONS
PWS INVESTIGATION - EQUIPMENT	EQUIPMENT
MONITORING AND SAMPLING revised 06/2013	
PWS MODIFIED CCI	MOD CCI

Investigation Comments:

INTRODUCTION

A Modified Comprehensive Compliance Investigation (Mod CCI) was conducted at Swea Gardens Estates, Public Water Supply (PWS) ID 1010218, on December 14, 2018, by Texas Commission on Environmental Quality (TCEQ) Environmental Investigator (EI) Charlie Thomas, to determine compliance with applicable PWS regulations. The Mod CCI was coordinated with Mr. John T. Montgomery, Compliance Coordinator with Municipal Operations & Consulting, Inc. (MOC), on December 11, 2018 via telephone.

The investigation was conducted with Mr. Cameron King, Assistant Compliance Coordinator and Mr. Sherman "Doug" Roberson, Operator, all whom are with MOC, the operations company for Swea Gardens Estates.

The exit interview was conducted on December 14, 2018 and the TCEQ Exit Interview Form was emailed to Mr. King on December 14, 2018 (Attachment No. 1).

The investigation included portions of the source water, distribution system, monitoring and reporting, management and operations, and operator compliance.

A Notice of Violation letter was mailed to the water system. A detailed description of the violation listed in the Exit Interview Form is listed in the Alleged Violation section of the Summary of Investigation Findings.

GENERAL FACILITY AND PROCESS INFORMATION

Swea Gardens Estates is a community PWS. The water system maintains one water plant which supplies water to one pressure plane. At Plant No. 1 the regulated entity receives purchase water from Source ID No. P1010218A. This system serves 42 total connections, with an estimated population of 126 (connection and population data provided by the regulated entity). The water plant serves Swea Gardens Estates subdivision. For additional facility information see the Water System Schematic and Drinking Water Watch (DWW) Summary Sheet (Attachment Nos. 2 and 3).

As of the site visit on December 14, 2018, the system meets the minimum capacity requirements for purchase water systems with less than 50 connections. Swea Gardens Estates has a purchase interconnect (I/C) with the City of Houston, PWS No. 1010013, Source ID No. P1010218A. For more detailed information see the water system capacity calculations spreadsheet (Attachment No. 4).

The water system employs the following operator:

Mr. Sherman D. Roberson has a C- ground water license, license number WG0017426, which expires on October 26, 2021.

The operator has the appropriate level of certification for the system.

Emergency Preparedness Plan (EPP):

Swea Gardens Estates has not implemented their approved EPP of having a portable generator with a quick-connect system. The facility is not compliant with the emergency power requirements. This is further discussed in the Additional Information section of this report.

Field Monitoring Activities:

At the time of the field investigation, the disinfectant residual concentration and distribution pressure were monitored in the 400 block of Noonday Lane. The location had a 2.3 milligrams per Liter (mg/L) total chlorine residual concentration and a pressure of 48 pounds per square inch (psi). A total chlorine residual was collected at the entry point and results indicated a 3.3 mg/L concentration. The pressure and chlorine readings were compliant.

BACKGROUND

The previous comprehensive compliance investigation (CCI) was conducted on December 5, 2014 through January 22, 2015. Two alleged violations were issued and administratively resolved due to a change of ownership for the system. The alleged violations were for failure to secure a written contract for purchasing water with the City of Houston and failure to acquire TCEQ approval for the interconnection with the City of Houston. Prior to the Mod CCI El Thomas reviewed a copy of the purchase contract and TCEQ approval letter dated November 16, 2017 for the permanent interconnection with the City of Houston in the regulated entity's regional file folder. See Investigation No. 1211617 for more information.

Swea Gardens Estates has had one complaint within the five years preceding this investigation, alleging that the water system has been on a Boil Water Notice for three and a half years. No alleged violations were issued during the complaint investigation. See Investigation No. 1329468 for more information.

ADDITIONAL INFORMATION

The following alleged violation was noted on the Exit Interview Form: Failure to meet the requirements of the affected utilities' Emergency Preparedness Plan (EPP) by providing the option selected in the EPP. The affected utility selected option 4, which as stated in 30 TAC §290.45(h)(1)(D) is for the use of portable generators capable of serving multiple facilities equipped with quick-connect systems. During the investigation, the regulated entity did not have a revised EPP that represented their change to become a purchase only water system via their approved permanent, open interconnect with the City of Houston, PWS ID No. 1010013, Source ID No. 1010218A. Option 4 is not a viable option for a purchase only water system.

NOV Date 02/12/2019 **Method** WRITTEN

**OUTSTANDING ALLEGED VIOLATION(S)
ASSOCIATED TO A NOTICE OF VIOLATION**

Track Number: 700979**Compliance Due Date:** 03/14/2019**Violation Start Date:** Unknown**30 TAC Chapter 290.45(h)(1)(D)****Alleged Violation:****Investigation:** 1533288**Comment Date:** 12/17/2018

Failure to meet the requirements of the affected utilities' Emergency Preparedness Plan (EPP) by providing the option selected in the EPP. The affected utility selected option 4, which is for the use of a portable generator with a quick-connect.

During the investigation conducted on December 14, 2018, the regulated entity did not have a revised EPP that represented their change to become a purchase only water system via their approved permanent open interconnect with the City of Houston, PWS ID No. 1010013, Source ID No. 1010218A.

Recommended Corrective Action: Submit compliance documentation demonstrating corrective measures have been taken to resolve the alleged violation.

SWEA GARDENS ESTATES - HOUSTON

12/14/2018 Inv. # - 1533288

Page 4 of 4

Signed Charlie Lham
Environmental Investigator

Date 2-12-19

Signed Kathryn Spitz
Supervisor

Date 2/12/2019

Attachments: (in order of final report submittal)

☐ Enforcement Action Request (EAR)

☐ Maps, Plans, Sketches

☒ Letter to Facility (specify type) NOV

☐ Photographs

☐ Investigation Report

☐ Correspondence from the facility

☐ Sample Analysis Results

☒ Other (specify) :

☐ Manifests

See attachment summary page

☐ Notice of Registration

Summary of Investigation Findings

SWEA GARDENS ESTATES 410 NOONDAY LN HOUSTON, HARRIS COUNTY, TX 77060 Additional ID(s): 1010218	Investigation # 1533288 Investigation Date: 12/14/2018
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OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 700979 Compliance Due Date: 03/14/2019
30 TAC Chapter 290.45(h)(1)(D)

Alleged Violation:

Investigation: 1533288

Comment Date: 12/17/2018

Failure to meet the requirements of the affected utilities' Emergency Preparedness Plan (EPP) by providing the option selected in the EPP. The affected utility selected option 4, which is for the use of a portable generator with a quick-connect.

During the investigation conducted on December 14, 2018, the regulated entity did not have a revised EPP that represented their change to become a purchase only water system via their approved permanent open interconnect with the City of Houston, PWS ID No. 1010013, Source ID No. 1010218A.

Recommended Corrective Action: Submit compliance documentation demonstrating corrective measures have been taken to resolve the alleged violation.

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 12, 2019

CERTIFIED MAIL #91 7199 9991 7038 7382 7018
ELECTRONIC RECEIPT REQUESTED

Mr. Lonnie Wright
Member
Municipal Operations, LLC
Post Office Box 1689
Spring, Texas 77383-1700

Re: Notice of Violation for the Modified Comprehensive Compliance Investigation at:
Swea Gardens Estates, 410 Noonday Lane, Houston, Harris County, Texas
Regulated Entity No.: 101456457
TCEQ ID No.: 1010218 Investigation No.: 1533288

Dear Mr. Wright:

On December 14, 2018, Mr. Charlie Thomas of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for Public Water Supply. Enclosed is a summary which lists the investigation findings. During the investigation, a certain outstanding alleged violation was identified for which compliance documentation is required. Please submit to this office by the compliance due date listed on the Summary of Investigation Findings enclosure, a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violation.

In the listing of the alleged violation, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.texas.gov> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Houston Region Office at (713) 767-3650 or the Central Office Publications Ordering Team at (512) 239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the Houston Region Office within 10 days from the date of this letter. At that time, PWS Team Leader Ms. Latrichia Spikes, will schedule a violation review meeting to be conducted *within 21 days from the date of this letter*. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of the contested violation.

TCEQ Region 12 • 5425 Polk St., Ste. H • Houston, Texas 77023-1452 • 713-767-3500 • Fax 713-767-3520

Austin Headquarters: 512-239-1000 • tceq.texas.gov • How is our customer service? tceq.texas.gov/customersurvey

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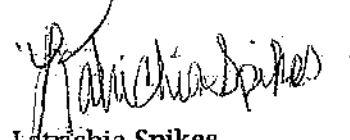
Mr. Lonnie Wright, Member

Page 2

February 12, 2019

If you or members of your staff have any questions, please feel free to contact Mr. Charlie Thomas in the Houston Region Office at (713) 767-3569.

Sincerely,

A handwritten signature in black ink, appearing to read "Latrichia Spikes". The signature is written in a cursive, flowing style.

Latrichia Spikes

Team Leader

Public Water Supply

Houston Region Office

LS/CT/sh

cc: Harris County Public Health and Environmental Services
101 South Richey Street, Suite G, Pasadena, Texas 77506-1023

Mr. John Montgomery, Compliance Coordinator, Municipal Operations & Consulting, Inc.
Post Office Box 1689, Spring, Texas 77383-1700

Enclosure: Summary of Investigation Findings

Swea Gardens Estates
RN #101456457 PWS ID #1010218
Investigation No.: 1533288
Modified Comprehensive Compliance Investigation

LIST OF ATTACHMENTS

1. Exit Interview Form
2. Water System Schematic
3. Drinking Water Watch (DWW) Summary Sheet
4. Capacity calculations spreadsheet

Attachment 1

Charlie Thomas

From: Charlie Thomas
Sent: Friday, December 14, 2018 2:17 PM
To: Cameron King
Subject: Swea Gardens Estates TCEQ Exit Interview Form
Attachments: Swea Gardens Estates Exit Interview Form 12.14.2018.pdf

Cameron,

Please see the attached Exit Interview Form noting the alleged violation for the EPP that we discussed during the investigation today (12/14/18).

Let me know if you have any questions or concerns.

Thanks,

Charlie

Charlie Thomas

Environmental Investigator
Texas Commission on Environmental Quality (TCEQ)
Houston Region 12 • Public Water Supply
Phone: 713-767-3569
Charlie.Thomas@tceq.texas.gov

EXIT INTERVIEW FORM: Potential Violations and/or Records Requested					
Regulated Entity/Site Name	SWEA GARDENS ESTATE			TCEQ Add. ID No. RN No (optional)	1010218
Investigation Type	Mod CCI	Contact Made In-House (Y/N)	Y	Purpose of Investigation	Compliance
Regulated Entity Contact	Cameron King		Telephone No.		Date Contacted 12/14/18
Title	Assistant Compliance Coordinator		E-mail:		Date E-mailed: 12/14/18

NOTICE: The information provided in this Note is intended to provide clarity to issues that have arisen to the date of this Note during the investigation process between the agency and the company and *does not represent agency findings related to violations*. Any potential or alleged violations discovered after the date of this Note will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in this investigation's final report.

Issue		For Records Request, identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues, include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type ¹	Rule Citation (if known)	Description of Issue
1	AV	290.45 (h)(1)(D)	Failure to meet the requirements of the affected utilities' Emergency Preparedness Plan (EPP)

Note 1: Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

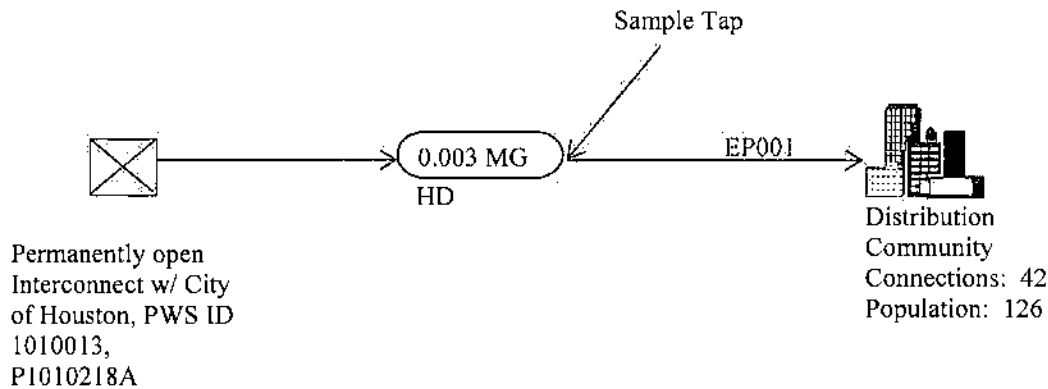
Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed or emailed to regulated entity; therefore, signature not required.			
Charlie Thomas	12/14/18		
Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date

Attachment 2

PWS - SYSTEM FLOW DIAGRAM

Name of System:	Swea Gardens Estates	Additional ID:	1010218
Investigation #:	1533288	Investigation Date:	12/14/2018
Description of Sources, Treatment, Entry Points and Distribution Labeling: owner's source names and TCEQ wtrsrc code designation, types of treatment and chemicals, entry points to distribution, entry point sample taps, booster disinfection, distribution connections and layout (if possible).			

Location: 410 Noonday Lane



Attachment 3

<u>Texas Commission on Environmental Quality</u>	<u>Office of Water</u>	<u>Public Drinking Water Section</u>
<u>County Map of TX</u>	<u>Water System Search</u>	<u>Office of Compliance and Enforcement</u>

12/17/2018

Texas Commission on Environmental Quality

02:12:54

DWW Water System Summary Sheet

PWS ID	PWS Name	Central Registry RN
TX1010218	SWEA GARDENS ESTATES	RN101456457

Organization/Customer *	Central Registry CN
MUNICIPAL OPERATIONS LLC	CN605108091

*Regulatory mail will be addressed to this organization/person

All Water System Contacts			
Type	Contact	Communication	
AC - Administrative Contact - DISTRICT OPERATOR <i>Member</i>	WRIGHT, LONNIE PO BOX 1689 SPRING, TX 77383-1700	Electronic Type	Value
		Phone Type	Value
		BUS - Business	281-367-0047
		BUS - Business	281-367-5511
		FAX - Facsimile	281-367-5517
OW - Owner	MUNICIPAL OPERATIONS LLC PO BOX 1689 SPRING, TX 77383-1700	MOB - Mobile	713-857-1420
PWS - Public Water System Contact - OPERATOR <i>Compliance Coordinator</i>	MONTGOMERY, JOHN, T PO BOX 1689 SPRING, TX 77383-1700	Electronic Type	Value
		Phone Type	Value
		BUS - Business	281-367-5511
		FAX - Facsimile	281-367-5517
		MOB - Mobile	281-217-1031

Operator Grade	Number
WATER OPERATIONS COMPANY	1

Water Operator Licenses

License Holder:	MUNICIPAL OPERATIONS & CONSULTING INC	
CURRENT	Class: NONE - WATER OPERATIONS COMPANY	WC0000064
License Holder:	GADDY, LINDA G	
EXPIRED	Class: B - GROUND WATER TREATMENT OPERATOR	WG0000793

Owner Type	Owner Type Options: COUNTY, DISTRICT, FEDERAL GOVERNMENT, INVESTOR OWNED, MUNICIPALITY, NATIVE AMERICAN, PRIVATE, STATE GOVERNMENT, WATER SUPPLY CORPORATION
Investor Owned	

System Type	System Type Options: COMMUNITY, TRANSIENT/NON-COMMUNITY, C - Community, NON-PUBLIC, NON-TRANSIENT/NON-COMMUNITY
C - Community	

Population Type	Population Served	# of Connect	# I/C w/other PWS
Residential	126	42	0 1

Total Product (MGD)	Average Daily Consump.	Max Daily Demand (MGD)	Total Storage (MG)	Elev. Storage (MG)	Service Pump Cap.	Max. Purchase Cap. (MGD/GPM)	Pressure Tank Cap. (MG)
	0.0080 MGD	0.0690 MGD Occurred on 05/28/2014					0.003 MG

Activity Status	Inactivation Date
A - ACTIVE	

Last Survey Date	Surveyor	Survey Type	Region	County
01/22/2015	PATRICIA BLACKWELL	Sanitary Survey	HOUSTON	HARRIS
12/29/2011	MAGGIE, ARMSTEAD WRIGHT	Sanitary Survey	HOUSTON	HARRIS
No Site Visit Data				

12/14/2018 Charlie Thomas

(Treatment Plant)							
Entry Point	EP Name/Source Summation (Activity Status)	Plant Name (Activity Status)	Plant Num	Chemical Mon Type	Chem Sample Point	Distribution Mon Type	Dist Sample Point

EP001	TRT-TAP / Ground Water(A)	PLANT - 410 NOONDAY LN(A)	TP5436		NO		NO
-------	------------------------------	---------------------------------	--------	--	----	--	----

Train: Unnamed				
(Treatments)				
Disinfection Zone	Treatment Sequence	Objective	Process	Treatment
null	null	D	423	HYPOCHLORINATION, PRE
null	null	C	445	INHIBITOR, ORTHOPHOSPHATE

(Active Sources)							
Source Number	Source Name (Activity Status)		Operational Status	Source Type	Depth	Tested GPM	Rated GPM
G1010218A	1 - 410 NOONDAY (A) D		P	G	377	N/A	45 GPM
Drill Date		Source Summary					
07/01/1981		CHICOT					
GPS Latitude (decimal)	GPS Longitude (decimal)	GPS Elevation	GPS Date	Seller			
29.920521	-95.392792	0	03/08/2004	Not Purchasing			
Source Number	Source Name (Activity Status)		Operational Status	Source Type	Depth	Tested GPM	Rated GPM
P1010218A	SW FROM 1010013 CITY OF HOUSTON (A)		EF	P	N/A	N/A	N/A
Drill Date		Source Summary					
None Available							
GPS Latitude (decimal)	GPS Longitude (decimal)	GPS Elevation	GPS Date	Seller			
				TX1010013			

(Inactive/Offline Sources)			
SourceNumber	Name	Status	Depth

Code Explanations

Monitoring Type Codes: (GW) GROUNDWATER , (GUP) GROUNDWATER UNDER THE INFLUENCE - PURCHASED , (SWP) SURFACE WATER - PURCHASED , (GU) GROUNDWATER UNDER THE INFLUENCE OF SURFACE WATER , (N) NO SOURCES , (SW) SURFACE WATER

Activity Status Codes: (A) ACTIVE , (D) DELETED/DISSOLVED , (I) INACTIVE , (P) PROPOSED ,

Operational Status Codes: (E) EMERGENCY , (I) INTERIM/PEAK (O) OTHER , (P) PERMANENT , (S) SEASONAL

Source Types: (G) GROUND WATER , (S) SURFACE WATER , (U) GROUND WATER UNDER THE INFLUENCE

- End of Report -

At the time of your query this data was the most current information available from our database, which is in real time. Every effort was made to retrieve it according to your query. Thank-you for using DWW.

Attachment 4

Capacity Calculations Worksheet

Community Systems (Groundwater)**Fill in green cells only****System Name:** Swea Gardens Estates

PWS ID: 1010218

Inv. No.: 1533288

Community (Y/N)	Y
MHP (≥ 8 units/ac) or Apts? (Y/N)	N
CCN? (Y/N)	N

Maximum Daily Demand (MDD): MGDAverage Daily Demand (ADD): 290.38(43)MDD Date (mm/dd/yyyy): ADD Dates (mm/dd/yyyy):

to

Number of Connections	42
Population	126

	Rate	Units	Conn.	Required	Units	Provided	85% Rule	% Short	Sufficient?(Y/N)
Prod. Capacity:	0.6	gpm/conn	42	25.2	gpm	30.5	N/A	N/A	Y
Production ACR:	0.6	gpm/conn							
Pressure Storage (HD):	50	gal/conn	42	0.0021	MG	0.003	N/A	N/A	Y
HD ACR:		gal/conn							
Elevated Storage (EL):	0	gal/conn	42	0	MG		N/A	N/A	N/A
EL ACR:		gal/conn							
Ground Storage (GR):									
Total Storage*:	N/A	gal/conn	42	0	MG	0	N/A	N/A	N/A
Tot. Storage ACR:		gal/conn							
*Total Storage = GR + EL + ST									
SP Capacity:	0	gpm/conn	42	0	gpm		N/A	N/A	N/A
SP ACR:		gpm/conn							
SP Capacity:	(w/largest pump out of service)				gpm				
SP Peaking Factor:	N/A	-	42	0	gph	0	N/A		N/A

Bacti Samples:

Wholesale Contract? (Y/N)	N	
Maximum Purchase Rate?	0.0423	MGD

	Required	Submitted
Distribution	1	1
Raw	0	0

Capacity Calculations Worksheet

System Name: Swea Gardens Estates

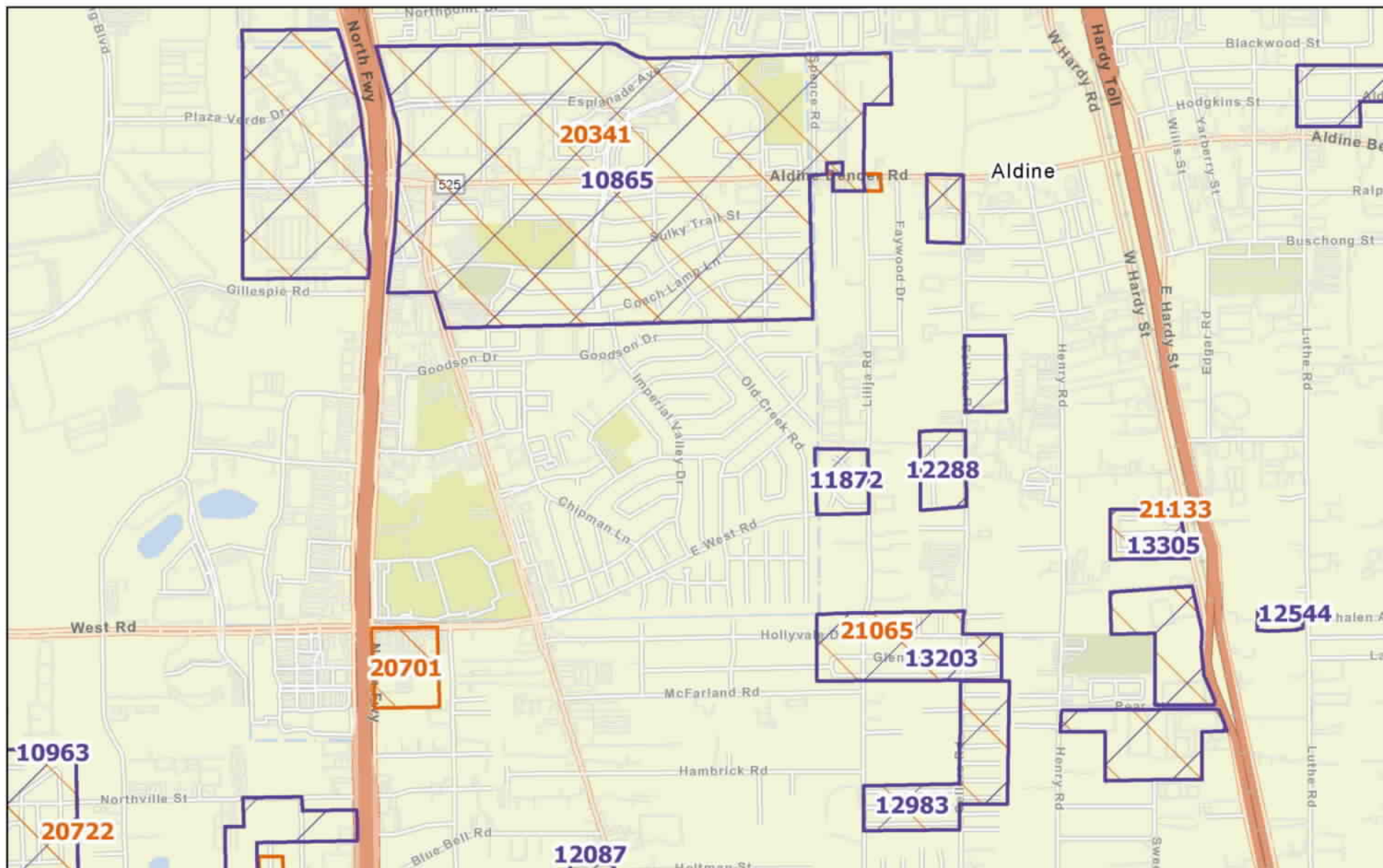
PWS ID: 1010218

Inv. No.: 1533288

Additional Comments:

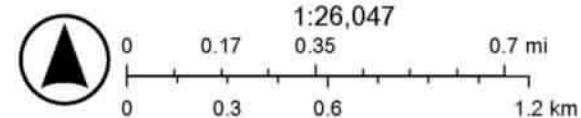
Swea Gardens Estates has a purchase agreement with the City of Houston (PWS ID. 1010013) which states a maximum monthly amount of 1.32 million gallons. 1,320,000 gallons per month/ 30 days/month/ 1400 mins/day = 30.5 gallons per minute

Requested Area to transfer CCN #11872 to SP Utility Co



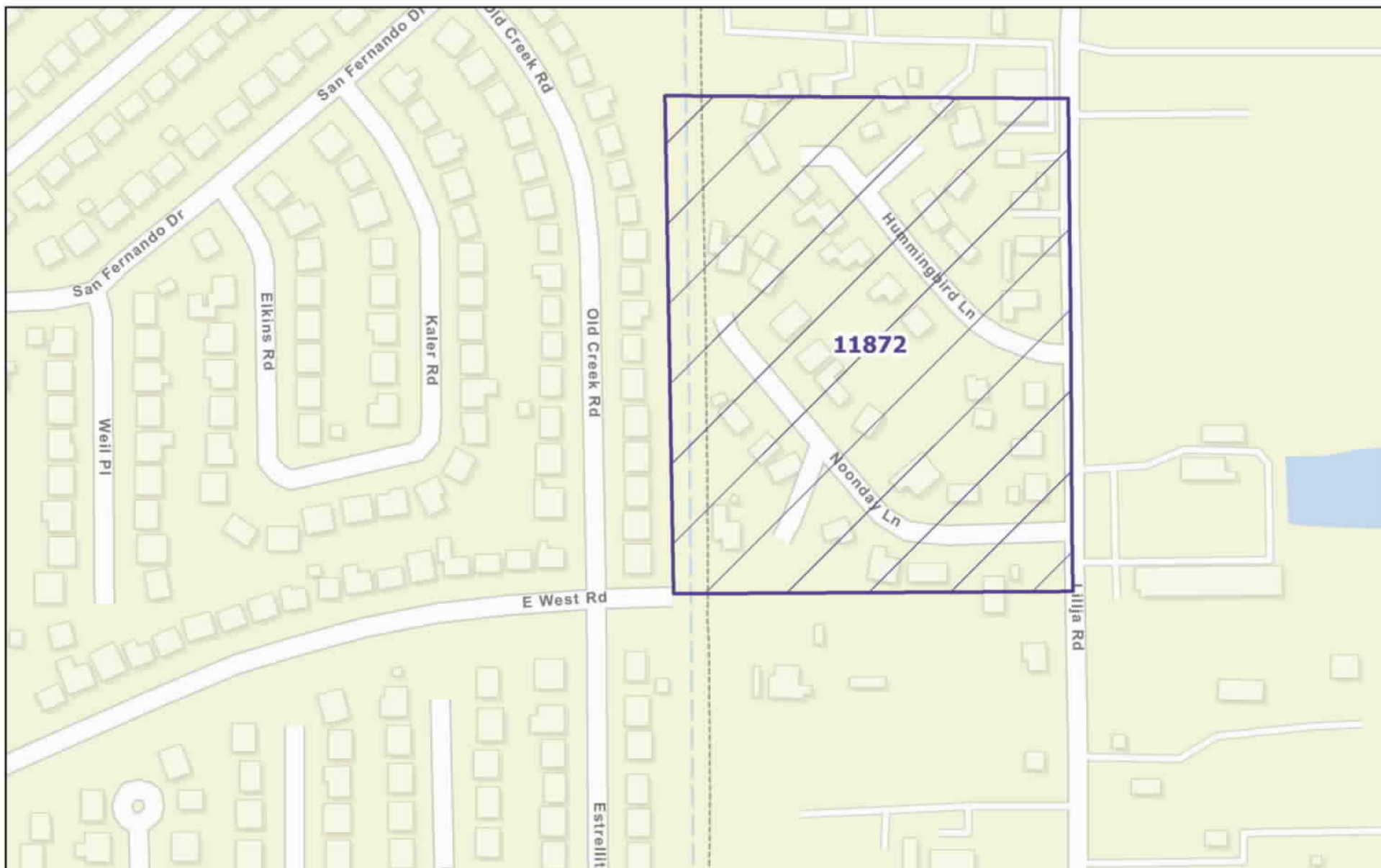
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- Water CCN Service Areas
- Sewer CCN Service Areas



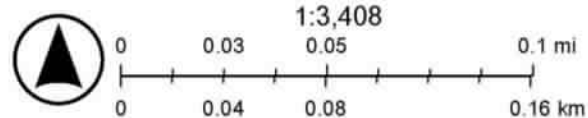
Baylor University, City of Houston, HPB, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, Foursquare, SafeGraph, GeoTechnologies, Inc. METI/

Requested Area to transfer CCN #11872 to SP Utility Co



8/6/2023, 5:53:25 PM

 Water CCN Service Areas



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