SECTION 6 VALUATION ANALYSIS

Using the above Engineer's rating system as described in the above section and in Table 6-1, depreciation percentage for each of the ratings was developed as reported. For example, a rating of 1 assumes a depreciation percent of 100 percent, and thereafter lowered by 20 percentage points for each following rating. For example, Rating 2 assumes a depreciation percent of eighty (80%) while Rating 5 assumes a depreciation percent of zero (0%). Additionally, appraisers can consider the engineer's rating system as "poor" for rating 1, thus 81%-100% depreciation; "fair" for rating 2, thus 61%-80% depreciation; "average" for rating 3, thus 41%-60% depreciation; "good" for rating 4, thus 21-40% depreciation; "excellent" for rating 5, thus 0%-20% depreciation.

The depreciation percentages determined under each of the two methods were then weighted 50/50 to derive the depreciation percent shown in column (j). These percentages were then applied to the RCN amounts to produce the Physical Depreciation values shown in column (k). After subtracting Physical Depreciation from the RCN amounts, it resulted in the RCNLD values shown in column (l).

The value of the Replacement Cost New Less Depreciation ("RCNLD") for the Selling Utility is \$20,141,000 (rounded)

[The total value produced by these calculations is shown in Exhibit 1-A, line 45.]

6.3.5 Original Cost Less Depreciation

Analysis of OCLD for the Guadalupe-Blanco River Authority is presented in Exhibit 1-B. The estimate of OCLD was accomplished in two basic steps. First, estimated Original Cost (column (h)) by using a *reverse-trending* technique whereby appropriate indices were applied to the RCN amounts taken from Exhibit 1A. This method can be illustrated by the following formula:

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SECTION 6 VALUATION ANALYSIS

The Accumulated Physical Depreciation was calculated by applying the same depreciation percentages that were determine in the RCNLD, shown in column (j) of Exhibit 1-A. Or, as repeated in column (i) of Exhibit 1-B.

Multiple data trend indices were used for the reverse-trending analysis to establish the Book Value of the selling utility. For example, the Handy Whitman Index of Public Utility Construction Costs was used.

These calculations produced a total estimated value of the <u>Original Cost Less</u>

<u>Depreciation of \$8,836,000, rounded.</u> [(see Exhibit 1-B, line 45, column (k)].

In reconciling the data analyzed and as reported in estimating the OCLD, multiple data trend indices were used in this assignment and it resulted in excessive computations to derive value and multiple datapoints were dated (based on 2020 bulletin). Thus, minimal weight of 20% was given to OCLD and 80% given to RCNLD based on the higher confidence in the data collected and analyzed in the final reconciliation of the Selling Utility.

6.4 Valuation Using the Income Approach

The valuation of the Guadalupe-Blanco River Authority. also used the Income Approach by utilizing the DCF analysis as previously described. Basically, the DCF analysis computes the present value earnings of the water utility over a multi-period. The DCF analysis for this appraisal assumes purchase by a private "taxable" entity because that is the most likely hypothetical buyer for the Guadalupe-Blanco River Authority.

The DCF analysis, by its construct, relies on certain data inputs and specialized assumptions regarding future conditions and events. Examples include the future rate of inflation and the cost of capital used in determining the discount rate. Following are the assumptions and considerations used for the DCF analyses presented in Exhibit 2.

- 1. The period over which the earnings stream is calculated is the multi-year period from March 22nd, 2023 to March 22nd, 2026 ("the Study Period").
- 2. Average annual usage (gallons) per customer is based on an analysis of historical data and is assumed to remain constant over the Study Period.

- 3. Using the DCF method, a projection of GBRA under new ownership serves as the basis for a test year input to a rate increase calculation. Customer growth in line with recent history is assumed going forward until the maximum number of connections is reached. Afterwards, there is no more growth in connections.
- 4. Income statements, balance sheets and statements of cash flow are forecasted as presented for the Company reflecting higher rates following a rate case.
- 5. Income Taxes are estimated at the income tax rate of 21.0 percent for The Company which reflects a federal income tax rate based on a C-Corporation.
- 6. Capital Expenditures and Depreciation/Amortization: The estimated capital expenditures to start at \$250,000 per year and grow at 2.0 percent for year two based on the high level of capital expenditures in the forecast. Normalized capital expenditures in the terminal period are based on the lower level of capital expenditures in the historical financials. Depreciation and amortization ("D&A") expense forecast was based on the existing net property plant and equipment and the acquisition adjustment was amortized over an estimated thirty-year period.
- 7. Terminal Value Assumptions: Gordon Growth Model was used to value the Company's residual value beyond the explicit forecast periods was used. In the Gordon Growth Model, the terminal value was estimated based on a normalized 2026 operating level, normalized capital expenditures and constant growth assumption of 0.0 percent.
- 8. Weighted Average Cost of Capital was estimated at 7.00 percent. The WACC estimates the weighted average of the cost of equity (Ke) and the cost of debt (Kd). The weight of equity (We) and the weight of debt (Wd) are determined by the capital structure.

Applying a tax rate (t) yields an after-tax cost of debt. The formula for the WACC is arithmetically expressed by the following equation:

$$WACC = [Ke \times We] + [Kd \times Wd \times (1-t)].$$

Cost of Equity Capital (Ke)

Cost of equity was estimated using the modified capital asset pricing model ("MCAPM"). In summary, the MCAPM indicated that investors need to be compensated in two ways: time value of money and risk

- o **Risk-free Rate**: This was estimated at **3.8 percent** based on the 20 Year U.S. Treasury Bond.
- Beta (β): A re-levered beta of 0.75 was extracted based on data analyzed.
- Market Equity Risk Premium: This was estimated at 6.4 percent based on the long-horizon (supply side) equity risk premium from the Kroll Cost of Capital Navigator.

 Size Premium: A size premium of 1.0 percent, given unregulated companies such as GBRA's size typically command a higher size premium based on the Kroll Cost of Capital Navigator, but we reduced the premium to account for the effects of regulation.

o Company Specific Risk Premium: No adjustment was made for a company-specific risk

Cost of Debt (Kd)

 An after-tax cost of debt of 4.5 percent was estimated based on current costs and expected rate increases.

o The weighted debt at 50.0 percent and equity at 50.0 percent in the WACC calculations.

Rate Increases Considered in Forecast

Subsequent to the acquisition of the Selling Utility, the assumption was made that Undine would file for a rate increase reflecting the fair market value adjustments to rate base from the acquisition. Year 2 of the forecast serves as the basis for a test year. The test year was adjusted to determine a new revenue requirement based on the following inputs:

 Acquisition Adjustment: estimated at \$3.5 million (developed based on forecast book values and review of other valuation measures), amortized straight line over 30 years.

Capital Structure:

o Equity: 50 percent

o Debt: 50 percent

Capital Costs;

o Return on Equity target of 10.0 percent, adjusted, based on analysis using the Capital Asset Pricing Model, and

o Pre-tax cost of debt target of 5.6 percent based on current market rates and expected future rate increases.

These factors resulted in a rate increase that was applied to the projected calculations given expected growth, no future rate increases were considered. See Exhibit 2, page 3, (shows the initial rate increase calculation.)

6.5 Valuation Using the Market Approach

The Market Approach (also, known as "Comparable Sales Approach) to valuation relies on recent sales and offering prices of similar property (i.e., comparable sales) that are analyzed to derive an indication of value for the property being appraised. While locating a number of sales transactions involving property similar to the subject can be an easy task, the challenge is finding an adequate sample size and enough details in the data about each sale to make the appropriate adjustments to make them truly comparable to the subject.

Based on utility system valuation practices, Comparable Utilities should be similar in size and have a similar customer mix capital structure and other similar attributes as the utility being analyzed for the purpose of determining a value conclusion.

For this assignment, a total of twenty-four (24) transactions, 8 for water and 16 for wastewater have been analyzed as presented (see Exhibit 3). These transactions selected are not the only sales considered to determine market approach value. While it is likely there are other sales of utility assets in Texas and elsewhere, perhaps most comparable to the selling utility being appraised, such data was not available to the appraiser. Based on research performed and data collected, these were selected because they are considered similar to the subject's property being appraised in amenities and operations in the appraiser's judgment.

Multiple verification sources were used including the Commission's Dockets. All the sales listed in the exhibit involved both private and public water utilities.

The data from the exhibit provided with this report shows the median sale price per customer at \$3,720 for water with 1,494 connections and \$4,731 for wastewater with 61 connections. The connections count was extracted from the engineer's report.

Applying the sales price per customer metrics found in the exhibit to the applicable customer data for the Selling Utility produces the values shown for convenience, in Table 6-5, below.

Table 6-5 Market approach Values for the Selling Utility as of March 22, 2023 Based on Comparable Sales Analysis								
Description	Water	Wastewater	Total Indicated Value					
Sales Price Per Customer	\$3,720	\$4,731	N/A					
No. of Selling Utility Customers	1,494	61	N/A					
Indicated Value (Rounded)	\$5,560,000	\$290,000	\$5,850,000					

Even though market data were collected and analyzed to make reasonable adjustments to the subject, the Market Approach is useful as a value to compare and test the reasonableness of the other value indicators determined under the Cost Approach and Income Approach. Therefore, as indicated above, the value for the Selling Utility, based on the median sales price per customer selected from all the indicators, the indicated **market approach value** is market-based supported at \$5,850,000 (rounded).

6.6 Reconciliation of all Approaches to Value Estimates

The results of the analyses of the estimated FMV for the Selling Utility under each of the valuation approaches are summarized below.

Table 6-6 Summary of Values for the Selling Utility as of March 22, 2023					
Description	Indicated Value				
Cost Approach					
Replacement Cost New Less Depreciation	\$20,141,000				
Original Cost Less Depreciation	\$8,836,000				
Cost Approach Indicated Value (weighted)	\$17,880,000				
Income Approach					
DCF Analysis	\$7,080,000				
Market Approach Indicated Value	\$5,850,000				

As shown in the above table, the Cost Approach - RCNLD analysis produced a value of \$20,141,000 and the Cost Approach - OCLD analysis produced a value of \$8,836,000; and the

SECTION 6 VALUATION ANALYSIS

indicated value of the Cost approach between the RCNLD and OCLD, weighted at 80% and 20%, respectively, resulted to \$17,880,000.

The Income Approach – DCF Analysis indicated a value of \$7,080,000.

The Market Approach indicated value at \$5,850,000 fall within the approach's low and high range of values.

It is the appraiser's opinion that a large portion of the difference between the Cost Approach value at \$17,880,000 and the Income Approach value under the DCF Analysis at \$7,080,000 is perhaps do the amount of property contributed to the Selling Utility by the land developer (i.e., contributions in aid of construction) at the time the system was initially constructed.

It is important to remember that the DCF Analysis relies, as a starting point, on the revenues from rates that are currently in effect for customers of the Selling Utility.⁷

Section 24.238(f)(3) of TAC 16 requires that the determination of the fair market value for the selling utility's assets be based on the total assets present in the system regardless of the funding source used to construct those assets. The section reads as follows:

The appraisal must not take into account the original sources of funding, including developer contributions or customer contributions in aid of construction, for any of the utility plant that is assessed by the engineer or utility valuation experts.

This valuation approach is also codified in TWC §13.305 as follows:

(k) The original sources of funding for any part of the water or sewer assets of the selling utility are not relevant to determine the value of the selling utility's assets. The selling utility's cost of service shall be incorporated into the revenue requirement of the acquiring utility's next rate-base case proceeding.

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⁷ In 2013, the Texas Legislature transferred the economic regulation of water and sewer utilities from the Texas Commission on Environmental Quality (TCEQ) to the PUC. This transfer involved the programs dealing with the regulation of water and sewer rates and services, Certificates of Convenience and Necessity (CCNs) and Sale/Transfer/Mergers.

SECTION 6 VALUATION ANALYSIS

In my expert analysis, a hypothetical buyer (or acquiring utility) would pay a purchase price in anticipation of recovery of this amount through a rate increase from the then current customers' rates. Indeed, no hypothetical buyer would be willing to take the risk of not being able to recover the initial acquisition investments in its next rate case after closing. Considering the foregoing, no weight was given to the market approach, while equal weight was allocated to the Cost Approach and the Income approach, as presented below.

	Indicated Value	Weighted %	Calculation
Engineer's RCN	\$35,625,925	N/A	N/A
Cost Approach	\$17,880,000	50.00%	\$ 8,940,000.00
Income Approach	\$7,080,000	50.00%	\$ 3,540,000.00
Market Approach	\$5,850,000	0.00%	\$ -
		100.00%	\$ 12,480,000.00

Therefore, given the regulated nature of the business enterprise and in consideration of all the facts, circumstances, assumptions, and conditions known and or unknown as of the effective date of value, appraiser's opinion of the Fair Market Value of the Selling Utility as an ongoing business enterprise is \$12,480,000

* * *

SECTION 7 - CERTIFICATION

CERTIFICATION

A signed certification is an integral part of the appraisal report, and is included in accordance with applicable Standards Rules. I certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions
 and limiting conditions and are my personal, impartial, and unbiased professional analyses,
 opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property
 that is the subject of this report within the three-year period immediately preceding the
 agreement to perform this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I, Robinson Wilson) have made a personal inspection of the property that is the subject of this report. With respect to scope of "inspection," I did not examine and test any meter, instrument, or equipment used for the measurement of service of this facility, inspected and entered premises occupied by the selling utility for the purpose of making the examinations and tests.
- In my judgment as a utility valuation expert (appraiser), I rendered analyses, opinions, and conclusions about the subject property and value characteristics in this evaluation report. If I relied on significant assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is competent and qualified to perform the tasks.
- I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.

SECTION 7 CERTIFICATION

- Greg E. Scheig, CFA, CPA/ABV; Managing Director of the Vantage Point Advisors, Inc. (A Stout Risius Ross Company), provided significant assistance to determine the fair market value of the assets of Guadalupe-Blanco River Authority. The significant assistance provided is described, as follows: develop and report an income and market approaches in determining the fair market value of the assets of Guadalupe-Blanco River Authority; provide the conclusions, analyses, and opinions from the data collected to determine the Fair Market Value of the Subject Interest pursuant to Texas Water Code §13.305 and 16 Tex. Admin. Code §24.238, Public Utility Commission of Texas Docket No. 49859.
- Trey Taylor, P.E, significant assistance provided, summarized as follows: a professional engineering opinion of the operational condition of the water system; engineering support for the engineering valuation of the Selling Utility to the appraisers, including the one signing this certification. In addition, but not limited to: engineering valuation performed by engineer and relied upon by appraiser; evaluation of the existing infrastructure; data collection review of readily available information such as asset lists, regulatory compliance items, and other relevant data; a limited condition assessment of the existing facilities; review of regulatory compliance of provided records including participating in general discussions with operators and maintenance staff(s); prepare tabular analysis of the assets and facilities; develop new reproduction cost for each asset and all facilities; develop Engineer's Opinion of Probable Construction Cost (EOPCC); and cost estimate.

Date of Report and Signature: June 7, 2023

Robinson Wilson; ASA, MBA

Appraisal Analytic, Incorporated



Guadalupe-Blanco River Authority (GBRA) Valuation of the Water & Wastewater Plants Effective Date March 22, 2023

Analysis of Replacement Cost New Less Depreciation ("RCNLD")

			Total	Depreciation Percent						Total		
ine	Asset Description	NARUC	Year of	Replacement Cost New	Based on Age/Life			Engineering A	ssessment	Weighted	Physical	
No.		Acct	Installation			TCEQ Useful Life	Percent	Rating/Condition	Percent	Average	Depreciation	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(0)	(k)	(I)
		Crestvi	ew Subdivision	Wastewater Trea	tment Plant - 6	336 Bayou Drive, Call	houn Coun	ty, TX				
1	6' High Chain-link Perimeter Fence with Gates and Barbed Wire	354	2003	\$26,650	20	20	100.0%	3	60.00%	80.00%	\$21,320	\$5,3
2	Access Drive	354	2003	\$10,000	20	20	100.0%	3	60.00%	80.00%	\$8,000	\$2,0
3	Lift Station at Plant Headworks with 2 submersible pumps and valves	370	2000	\$100,000	23	30	76.7%	4	40.00%	58.33%	\$58,333	\$41.6
4	Static Wedge Wire Screen	380	2021	\$75,000	2	15	13.3%	4	40.00%	26.67%	\$20,000	\$55,0
5	Aeration Basin #1 - Structure	380	2021	\$150,000	2	30	6.7%	4	40.00%	23.33%	\$35,000	\$115,0
6	Aeration Basin #1 - Equipment	380	2021	\$50,000	2	12	16.7%	3	60.00%	38.33%	\$19,167	\$30.8
7	7.5 HP Blower #1 with Sound Enclosure	380	2021	\$15,000	2	15	13.3%	2	80.00%	46.67%	\$7,000	\$8.0
8	7.5 HP Blower #2 with Sound Enclosure	380	2021	\$15,000	2	15	13.3%	2	80.00%	46.67%	\$7,000	\$8.0
9	7.5 HP Blower #3 with Sound Enclosure	380	2021	\$15,000	2	15	13.3%	2	80.00%	46.67%	\$7.000	\$8.0
10	Mechanical Clarifier #1	380	2021	\$100,000	2	30	6.7%	3	60.00%	33.33%	\$33,333	\$66.6
11	Chlorine Contact Tank #1 with "V" notch weir	380	2021	\$30,000	2	30	6.7%	4	40.00%	23.33%	\$7,000	\$23.0
12	Hypochlorite Storage Building	354	2021	\$1,500	2	10	20.0%	3	60.00%	40.00%	\$600	\$9
13	Sodium Hypochlorite Tank	389	2021	\$1,000	2	20	10.0%	4	40.00%	25.00%	\$250	\$7
14	Chlorine Metering System	380	2021	\$2,000	2	7	28.6%	4	40.00%	34 29%	\$686	\$1.3
15	Flow Meter	364	2021	\$6,000	2	15	13.3%	4	40.00%	26.67%	\$1,600	\$4.4
16	Outfall Pipe - Approx. 250 LF	382	2000	\$25,000	23	50	46.0%	4	40.00%	43.00%	\$10.750	\$14.2
17	Aerobic Digester/Sludge Holding Basin #1 - Structure	380	2021	\$100,000	2	30	6.7%	4	40.00%	23.33%	\$23,333	\$76.6
18	Aerobic Digester/Sludge Holding Basin #1 - Equipment	380	2021	\$30,000	2	15	13.3%	3	60.00%	36.67%	\$11,000	\$19.0
19	Shed Building #1 - Wood Siding	354	2003	\$10,000	20	20	100.0%	2	80.00%	90.00%	\$9.000	\$1.0
20	Shed Building #2 - Metal Siding	354	2010	\$5,000	13	20	65.0%	2	80.00%	72.50%	\$3,625	\$1,3
21	85 kW Emergency Generator (Propane), and Site Electrical	355	2010	\$250,000	2	20	10.0%	1	100.00%	55.00%	\$137,500	\$112.5
22	Propane Above Ground Storage Tank	355	2021	\$5,000	2	25	8.0%	4	40.00%	24.00%	\$1,200	\$3.8
42	Sub-total Crestview Subdivision Wastewater		2021	\$1,022,150	- 4	20	0.070		40.0076	24.00%	\$422,697	\$599.45
	Sub-total Crestview Subdivision Wastewater			31,022,100							3422,007	0000,40
				Sewer	Collection Sys	tem						
23	Sanitary Sewer - 8" Gravity	361	2015	\$485,200	8	75	10.7%	4	40.00%	25.33%	\$122.917	\$362.2
24	Manholes	363	2015	\$42,000	8	75	10.7%	4	40.00%	25.33%	\$10.640	\$31,3
25	Sanitary Sewer Service Laterals	363	2015	\$122,000	8	50	16.0%	4	40.00%	28.00%	\$34,160	\$87.8
20			2010	\$649,200		50	10,0%	4 -	40.00%	20.00%	\$167,717	\$481.48
_	Sub-total Sewer Collection System	4		3049,200							\$10/,/1/	3401,40
_			ei	Mile Rooster Dur	on Station 1	ake Placedo Road						
20	CLUISE Chair list Designates Forces with Cotton and Designation	304	2003	S11.050			100.0%	1	100.00%	100.00%	\$11,050	
26	6' High Chain-link Perimeter Fence with Gates and Barbed Wire	304		\$11,050	20	20	100.0%			100.00%	\$11,050	
	Access Drive		2003		20			1	100.00%			3
28	5,000 gal Hydropneumatic Tank #1	330	1998	\$40,000	25	25	100.0%		100.00%	100.00%	\$40,000	
29	34,000 gal Ground Storage Tank #1 with Concrete Ring Beam	330	1983	\$170,000	40	40	100.0%	1	100.00%	100.00%	\$170,000	**
30	Chlorine Metering System	320	2020	\$10,000	3	7	42.9%	4	40.00%	41.43%	\$4,143	\$5,8
31	Distribution System Pumps (2), piping and electric	311	2014	\$20,000	9	10	90.0%	3	60.00%	75.00%	\$15,000	\$5,0
32	Emergency Generator Connection	311	2014	\$5,000	9	20	45.0%	4	40.00%	42.50%	\$2,125	\$2,8
33	Pump Building	304	1993	\$40,000	30	30	100.0%	1	100.00%	100.00%	\$40,000	1
	Sub-total Six-Mile Booster Pump Station			\$300,050							\$286,318	\$13,73

Guadalupe-Blanco River Authority (GBRA) Valuation of the Water & Wastewater Plants Effective Date March 22, 2023

Analysis of Replacement Cost New Less Depreciation ("RCNLD")

				Total	Depreciation Percent					Total		
Line	Asset	NARUC	Year of	Replacement		Based on Age/Life		Engineering As		Weighted	Physical	
No.	Description	Acct.	Installation	Cost New	Actual Age	TCEQ Useful Life	Percent	Rating/Condition	Percent	Average	Depreciation	RCNLD
	· · · · · · · · · · · · · · · · · · ·			Water D	istribution Sy	stem						
34	1.5" Watermain	331	2006	\$624,800	17	75	22.7%	3	60.00%	41.33%	\$258,251	\$366,549
35	2" Watermain	331	2006	\$6,059,160	17	75	22.7%	3	60.00%	41.33%	\$2,504,453	\$3,554,707
36	2.5" Watermain	331	2006	\$1,255,605	17	75	22.7%	3	60.00%	41.33%	\$518,983	\$736,622
37	3" Watermain	331	2006	\$6,750,170	17	75	22.7%	3	60.00%	41.33%	\$2,790,070	\$3,960,100
38	4" Watermain	331	2006	\$2,217,600	17	75	22.7%	3	60.00%	41.33%	\$916,608	\$1,300,992
39	6" Watermain	331	2006	\$10,833,280	17	75	22.7%	3	60.00%	41.33%	\$4,477,756	\$6,355,524
40	Isolation Valves	331	2006	\$150,000	17	35	48.6%	3	60.00%	54.29%	\$81,429	\$68,571
41	Flush Valves	331	2006	\$75,000	17	35	48.6%	3	60.00%	54.29%	\$40,714	\$34,286
42	Water Connections	333	2006	\$4,482,000	17	50	34.0%	3	60.00%	47.00%	\$2,106,540	\$2,375,460
43	Water Meters	334	2013	\$1,195,200	10	10	100.0%	3	60.00%	80.00%	\$956,160	\$239,040
	Sub-total Water Distribution System			\$33,642,815							\$14,650,964	\$18,991,851
44	Site/Land Value (total) for Water and Wastewater plants											\$54,600
45	Total Water & Wastewater Systems Values**			\$35,614,215							\$15,527,696	\$20,141,119

- a Description and data presented in columns a, b, c, d, e, f, and h contain results or datapoints extracted from the Engineer's Opinion of Probable Construction Cost (EOPCC) Report. The EOPCC Report is an addendum to this Report.
- b Column g is the result of the age life method, i.e. (actual age divided by the useful life). It should be mentioned that adjustments were made as necessary to avoid excess depreciation.
- c Year of installation was adjusted from the data provided in the Engineer's Report to reflect depreciation not to exceed 100% total.
- d Column j is the weighted average of the percentage of depreciation derived from Age/Life method and the percentage of depreciation derived from the engineering assessment method. It was weighted 50% per method for balance and objectivity in analysis performed.
- e Column k is based on the use of the weighted average by total replacement cost new
- ** It should be mentioned that Total Water & Wastewater Systems Values indicated the basis of the Cost Approach completed.

Guadalupe-Blanco River Authority (GBRA) Valuation of the Water & Wastewater Plants Effective Date March 22, 2023 Analysis of Original Cost Less Depreciation ("OCLD")

Line		NARUC	Year of	Total Replacement	N. 7 11 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	ost Index Year	H-W Index	Estimated Original	Weighted Depreciation	Total Physical	
No.	Description of Asset	Code	Installation	Cost New	Year	of Value	Factor	Cost	from RCNLD	Depreciation	OCLD
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)
	~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~			1 74 7.4.							
	Crestview Subdi		astewater Trea			u Drive, Ca	lhoun Co	unty, TX			
1	6' High Chain-link Perimeter Fence with Gates and Barbed Wire	354	2003	\$26,650	595	1145	0.5197	\$13,849	80.00%	\$11,079	\$2,770
2	Access Drive	354	2003	\$10,000	595	1145	0.5197	\$5,197	80.00%	\$4,157	\$1,039
3	Lift Station at Plant Headworks with 2 submersible pumps and valves	370	2000	\$100,000	878	1454	0.6039	\$60,385	58.33%	\$35,223	\$25,162
4	Static Wedge Wire Screen	380	2021	\$75,000	836	1601	0.5222	\$39,163	26.67%	\$10,445	\$28,718
5	Aeration Basin #1 - Structure	380	2021	\$150,000	836	1601	0.5222	\$78,326	23.33%	\$18,273	\$60,053
6	Aeration Basin #1 - Equipment	380	2021	\$50,000	836	1601	0.5222	\$26,109	38.33%	\$10,007	\$16,101
7	7.5 HP Blower #1 with Sound Enclosure	380	2021	\$15,000	836	1601	0.5222	\$7,833	46.67%	\$3,655	\$4,177
8	7.5 HP Blower #2 with Sound Enclosure	380	2021	\$15,000	836	1601	0.5222	\$7,833	46.67%	\$3,655	\$4,177
9	7.5 HP Blower #3 with Sound Enclosure	380	2021	\$15,000	836	1601	0.5222	\$7,833	46.67%	\$3,655	\$4,177
10	Mechanical Clarifier #1	380	2021	\$100,000	836	1601	0.5222	\$52,217	33.33%	\$17,404	\$34,813
11	Chlorine Contact Tank #1 with "V" notch weir	380	2021	\$30,000	836	1601	0.5222	\$15,665	23.33%	\$3,655	\$12,011
12	Hypochlorite Storage Building	354	2021	\$1,500	595	991	0.6004	\$901	40.00%	\$360	\$540
13	Sodium Hypochlorite Tank	389	2021	\$1,000	875	1465	0.5973	\$597	25.00%	\$149	\$448
14	Chlorine Metering System	380	2021	\$2,000	836	1601	0.5222	\$1,044	34.29%	\$358	\$686
15	Flow Meter	364	2021	\$6,000	459	1147	0.4002	\$2,401	26.67%	\$640	\$1,761
16	Outfall Pipe - Approx. 250 LF	382	2000	\$25,000	666	1058	0.6295	\$15,737	43.00%	\$6,767	\$8,970
17	Aerobic Digester/Sludge Holding Basin #1 - Structure	380	2021	\$100,000	836	1601	0.5222	\$52,217	23.33%	\$12,182	\$40,035
18	Aerobic Digester/Sludge Holding Basin #1 - Equipment	380	2021	\$30,000	836	1601	0.5222	\$15,665	36.67%	\$5,744	\$9,921
19	Shed Building #1 - Wood Siding	354	2003	\$10,000	595	1040	0.5721	\$5,721	90.00%	\$5,149	\$572
20	Shed Building #2 - Metal Siding	354	2010	\$5,000	595	1040	0.5721	\$2,861	72.50%	\$2,074	\$787
21	85 kW Emergency Generator (Propane), and Site Electrical	355	2021	\$250,000	582	1021	0.5700	\$142,507	55.00%	\$78,379	\$64,128
22	Propane Above Ground Storage Tank	355	2021	\$5,000	582	1021	0.5700	\$2,850	24.00%	\$684	\$2,166
	Sub-total Crestview Subdivision Wastewater			\$1,022,150				\$556,911		\$233,697	\$323,213
				Collection Sys							
23	Sanitary Sewer - 8" Gravity	361	2015	\$485,200	391	595	0.6571	\$318,846	25.33%	\$80,764	\$238,082
24	Manholes	363	2015	\$42,000	378	917	0.4122	\$17,313	25.33%	\$4,385	\$12,928
25	Sanitary Sewer Service Laterals	363	2015	\$122,000	378	595	0.6353	\$77,506	28.00%	\$21,702	\$55,804
	Sub-total Sewer Collection System			\$649,200				\$413,665		\$106,851	\$306,814

Exhibit 1-B

		Six-M	ile Booster Pu	mp Station - La	ke Place	edo Road					
26	6' High Chain-link Perimeter Fence with Gates and Barbed Wire	304	2003	\$11,050	333	595	0.5597	\$6,184	100.00%	\$6,184	\$0
27	Access Drive	304	2003	\$4,000	333	595	0.5597	\$2,239	100.00%	\$2,239	\$0
28	5,000 gal Hydropneumatic Tank #1	330	1998	\$40,000	268	836	0.3206	\$12,823	100.00%	\$12,823	\$0
29	34,000 gal Ground Storage Tank #1 with Concrete Ring Beam	330	1983	\$170,000	182	836	0.2177	\$37,010	100.00%	\$37,010	\$0
30	Chlorine Metering System	320	2020	\$10,000	970	1104	0.8786	\$8,786	41.43%	\$3,640	\$5,146
31	Distribution System Pumps (2), piping and electric	311	2014	\$20,000	900	1454	0.6190	\$12,380	75.00%	\$9,285	\$3,095
32	Emergency Generator Connection	311	2014	\$5,000	900	1454	0.6190	\$3,095	42.50%	\$1,315	\$1,780
33	Pump Building	304	1993	\$40,000	251	595	0.4218	\$16,874	100.00%	\$16,874	\$0
	Sub-total Six-Mile Booster Pump Station			\$300,050				\$99,390		\$89,370	\$10,021
			Water I	Distribution Sys	stem						
34	1.5" Watermain	331	2006	\$624,800	291	760	0.3829	\$239,233	41.33%	\$98,875	\$140,358
35	2" Watermain	331	2006	\$6,059,160	291	760	0.3829	\$2,320,020	41.33%	\$958,864	\$1,361,156
36	2.5" Watermain	331	2006	\$1,255,605	291	760	0.3829	\$480,765	41.33%	\$198,700	\$282,065
37	3" Watermain	331	2006	\$6,750,170	291	760	0.3829	\$2,584,605	41.33%	\$1,068,217	\$1,516,387
38	4" Watermain	331	2006	\$2,217,600	291	760	0.3829	\$849,107	41.33%	\$350,936	\$498,171
39	6" Watermain	331	2006	\$10,833,280	291	760	0.3829	\$4,148,006	41.33%	\$1,714,371	\$2,433,635
40	Isolation Valves	331	2006	\$150,000	291	760	0.3829	\$57,434	54.29%	\$31,181	\$26,253
41	Flush Valves	331	2006	\$75,000	291	760	0.3829	\$28,717	54.29%	\$15,591	\$13,127
42	Water Connections	333	2006	\$4,482,000	390	554	0.7040	\$3,155,199	47.00%	\$1,482,943	\$1,672,255
43	Water Meters	334	2013	\$1,195,200	381	459	0.8301	\$992,094	80.00%	\$793,675	\$198,419
	Sub-total Water Distribution System			\$33,642,815				\$14,855,179		\$6,713,353	\$8,141,826
44	Site/Land Value (total) for Water and Wastewater plants										\$54,600
45	Total Water & Wastewater Systems Values**			\$35,614,215							\$8,836,474

Note:

Data presented in columns a, b, c, and d are datapoints extracted from the EOPCC Report which is an addendum to this Report.

Column h, estimated Original Cost, is calculated by using a reverse-trending technique whereby multiple indices are applied to the RCN amounts.

Column j is based on the use of the weighted average multiplied by the total replacement cost new.

Column k, calculations that produced a total estimated value of the Original Cost Less Depreciation (OCLD).

Exhibit 2: Valuation Summary - Water

GBRA

Exhibit 2, Page 1

Valuation Summary - Water (Values as presented)

Valuation as of March 22, 2023

В	usiness Enterprise Value ("BEV")	Indicated Values
(1)	come Approach Discounted cash flow method	\$6,840,000
М	larket Approaches	
(2)	Guideline transaction method	\$5,560,000

- (1) See Exhibit 2.
- (2) See Exhibit 3.

Exhibit 2: Income Approach - DCF Method -Water

GBRA Exhibit 2, Page 1

Historical Income Statements - Water (Values as presented)

Valuation as of March 22, 2023

Income Statements

	Twelve Months ended					
			Budget			
	Aug-31-2020	Aug-31-2021	Aug-31-2022 (
Revenue						
Total retail water sales	\$1,502,539	\$1,609,743	\$1,795,756			
Total revenue	\$1,502,539	\$1,609,743	\$1,795,756			
Operating expenses						
Salaries	\$348,768	\$356,020	\$411,955			
Benefits	\$146,548	\$149,377	\$166,842			
Supplies and services	\$367,357	\$427,177	\$474,597			
Professional services and fees	\$12,416	\$7,738	\$49,400			
Office expense	\$29,350	\$36,500	\$47,550			
Other operating expense	\$33,798	\$32,021	\$32,726			
Maintenance and repairs	\$116,338	\$56,730	\$328,560			
Administrative and general	\$115,093	\$117,487	\$135,945			
Depreciation	\$68,170	\$77,294	\$0			
Total operating expense	\$1,237,838	\$1,260,343	\$1,647,575			
Operating income	\$264,702	\$349,399	\$148,181			
EBITDA	\$332,872	\$426,693	\$148,181			
Other income / (expense)						
Investment income	\$6,020	\$3,582	\$550			
Net other income / (expense)	\$6,020	\$3,582	\$550			
Net income	\$270,722	\$352,981	\$14 8,731			
Capital Expenditures	\$10,149	\$74,337	\$0			

Source: Internally-prepared income statements for the fiscal years ended August 31, 2020 and August 31, 2021. Internally-prepared budget income statements for the fiscal year ended August 31, 2022.

⁽¹⁾ The income statement for the fiscal year ended August 31, 2022 was the latest available as of the Valuation Date.

GBRA Exhibit 2, Page 2

Historical Income Statements - Water - Common Size (Values as presented)

Valuation as of March 22, 2023

Common Size Income Statements

	Twe	Twelve Months ended					
	Aug-31-2020	Aug-31-2021	Budget Aug-31-2022 (1)				
Revenue		<u> </u>	<u> </u>				
Total retail water sales	100.0%	100.0%	100.0%				
Total revenue	100.0%	100.0%	100.0%				
Operating expenses							
Salaries	23.2%	22.1%	22.9%				
Benefits	9.8%	9.3%	9.3%				
Supplies and services	24.4%	26.5%	26.4%				
Professional services and fees	0.8%	0.5%	2.8%				
Office expense	2.0%	2.3%	2.6%				
Other operating expense	2.2%	2.0%	1.8%				
Maintenance and repairs	7.7%	3.5%	18.3%				
Administrative and general	7.7%	7.3%	7.6%				
Depreciation	4.5%	4.8%	0.0%				
Total operating expense	82.4%	78.3%	91.7%				
Operating income	17.6%	21.7%	8.3%				
EBITDA	22.2%	26.5%	8.3%				
Other income / (expense)							
Investment income	0.4%	0.2%	0.0%				
Net other income / (expense)	0.4%	0.2%	0.0%				
Net income	18.0%	21.9%	8.3%				
Capital Expenditures	0.7%	4.6%	0.0%				

Source: Internally-prepared income statements for the fiscal years ended August 31, 2020 and August 31, 2021. Internally-prepared budget income statements for the fiscal year ended August 31, 2022.

⁽¹⁾ The income statement for the fiscal year ended August 31, 2022 was the latest available as of the Valuation Date.

GBRA Water Exhibit 2, Page 3

Rate Increase Calculation - 11.0% ROE Target, 50/50 Cap Structure (Values as presented)

	12 Mo. Ending		
	TTM March 22,		Calculated
	2023		Revenue Req
Customers	1,494		1,494
\$/Customer/year	\$1,107		\$1,253
Water sales	\$1,653,548		\$1,872,271
Total Revenues	\$1,653,548		\$1,872,271
Cost of Goods Sold	\$689,388		\$744,966
Operating Expenses/Other Taxes	\$477,477		\$477,477
EBITDA	\$486,684		\$649,829
Depreciation	\$13,548		\$23,073
FMV Adjustment Amortization	\$116,667 __		\$116,667
EBIT (Operating Income)	\$356,469		\$510,089
Interest Income	\$0		\$0
Total Other Income	\$0		\$0
STD Interest Expense	\$0		\$0
LTD Interest Expense	\$151,392	5.5%	\$153,717
Total Interest Expense	\$151,392		\$153,717
Earnings Before Tax	\$205,077	_	\$356,372
Current Income Taxes	\$43,066		\$74,838
Deferred Income Taxes	\$0		\$0
Income Taxes	\$43,066		\$74,838
Net Income	\$162,011	10.0%	\$281,534
Debt	\$2,815,339		\$2,815,339
Equity	\$2,815,339		\$2,815,339

		TTM March 22,		⊤TM March 22,
	2023	2024 Test Year	2025	2026
Summary Statistics				
Return on Average Equity		5.75%	9.73%	9.12%
Equity %		50%	50%	50%
Debt %		50%	50%	50%
Income Statement				
Customers	1,494	1,494	1,494	1,494
\$/Customer	\$1,107	\$1,107	\$1,253	\$1,253
Increase	. ,	0.0%	13.2%	0.0%
Sales	1,653,548	1,653,548	1,872,271	1,872,271
Total Revenues	\$1,653,548	\$1,653,548	\$1,872,271	\$1,872,271
Cost of Goods Sold	\$629,890	\$689,388	\$744,966	\$759,866
Operating Expenses	\$4 72,772	\$477,477	\$482,231	\$491,876
Other Taxes	\$0	\$0	\$0	\$0
Total Operating Expenses	\$1,102,662	\$1,166,864	\$1,227,197	\$1,251,741
EBITDA	\$550,887	\$486,684	\$645,074	\$620,530
Depreciation	\$131,300	\$13.548	\$23,073	\$25,292
FMV Acquisition Adj Amort	\$0	\$116,667	\$116,667	\$116,667
EBIT (Operating Income)	\$419,586	\$356,469	\$505,335	\$478,572
Interest Income	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0
Total Other Income	\$0	\$0	\$0	\$0
STD Interest Expense	\$0	\$0	\$6,400	\$0
LTD Interest Expense	\$31,185	\$151,392	\$151,392	\$151,392
Total Interest Expense	\$31,185	\$151,392	\$157,792	\$151,392
Earnings Before Tax	\$388,402	\$205,077	\$347,542	\$327,180
Current Income Taxes	\$0	\$43,066	\$72,984	\$68,708
Income Taxes	\$0	\$43,066	\$72,984	\$68,708
Net Income	\$388,402	\$162,011	\$274,558	\$258,472

Temporary Cash Investments \$0 \$0 \$0 \$19 Total Cash & Cash Equivalents \$31,235 \$30,000 \$30,000 \$49, Accounts Receivable \$118,955 \$118,955 \$134,689 \$134, Other Current Assets \$0 \$0 \$0 \$0 Total Current Assets \$150,189 \$148,955 \$164,689 \$184, Fixed Assets \$4,180,602 \$4,430,602 \$4,685,602 \$4,710, Acc Depr \$2,167,204 \$2,180,752 \$2,203,825 \$2,229, Net Fixed Assets \$2,013,398 \$2,249,850 \$2,481,777 \$2,481, FMV Acquisition Adjustment \$0 \$3,383,333 \$3,266,667 \$3,150, Cither Assets \$0 \$0 \$0 \$0 Total Assets \$2,163,587 \$5,782,138 \$5,913,133 \$5,816, Liabilities and Equity \$0 \$0 \$0 \$0 Accounts Payable \$147,766 \$151,460 \$155,247 \$159, Coher Current Liabilities \$0	Base Case	TTM March 22, 2023	TTM March 22, 2024	TTM March 22, 2025	T⊤M March 22, 2026
Assets \$31,235 \$30,000 \$30,000 \$30,000 \$30,000 \$30,000 \$30,000 \$30,000 \$30,000 \$30,000 \$30,000 \$30,000 \$30,000 \$49,000 \$40,000 \$40,000 \$40,000 \$40,000 <th< th=""><th>Ralance Sheet</th><th></th><th></th><th></th><th></th></th<>	Ralance Sheet				
Cash \$31,235 \$30,000 \$30,000 \$30,000 Temporary Cash Investments \$0 \$0 \$0 \$19, Total Cash & Cash Equivalents \$31,235 \$30,000 \$30,000 \$49, Accounts Receivable \$118,955 \$118,955 \$134,689 \$134, Other Current Assets \$0 \$0 \$0 \$0 Total Current Assets \$150,189 \$148,955 \$164,689 \$184, Fixed Assets \$4,180,602 \$4,430,602 \$4,685,602 \$4,710, Acc Depr -\$2,167,204 -\$2,180,752 -\$2,203,825 -\$2,229, Net Fixed Assets \$2,013,398 \$2,249,850 \$2,481,777 \$2,481, FMV Acquisition Adjustment \$0 \$3,383,333 \$3,266,667 \$3,150, Cither Assets \$0 \$0 \$0 \$0 Total Assets \$2,163,587 \$5,782,138 \$5,913,133 \$5,816, Liabilities and Equity \$0 \$0 \$0 \$0 Accounts Payable \$147,766					
Temporary Cash Investments \$0 \$0 \$0 \$19 Total Cash & Cash Equivalents \$31,235 \$30,000 \$30,000 \$49 Accounts Receivable \$118,955 \$118,955 \$134,689 \$134 Other Current Assets \$0 \$0 \$0 \$0 Total Current Assets \$150,189 \$148,955 \$164,689 \$184 Fixed Assets \$4,180,602 \$4,430,602 \$4,685,602 \$4,710 Acc Depr -\$2,167,204 \$2,180,752 -\$2,203,825 -\$2,229 Net Fixed Assets \$2,013,398 \$2,249,850 \$2,481,777 \$2,481 FMV Acquisition Adjustment \$0 \$3,383,333 \$3,266,667 \$3,150 Other Assets \$0 \$0 \$0 \$0 Total Assets \$2,163,587 \$5,782,138 \$5,913,133 \$5,816, Liabilities and Equity \$0 \$0 \$0 \$0 Accounts Payable \$147,766 \$151,460 \$155,247 \$159, Other Current Liabilities \$0		\$31,235	\$30,000	\$30,000	\$30,000
Total Cash & Cash Equivalents \$31,235 \$30,000 \$49, Accounts Receivable \$118,955 \$118,955 \$134,689 \$134, Other Current Assets \$0 \$0 \$0 \$0 Total Current Assets \$150,189 \$148,955 \$164,689 \$184, Fixed Assets \$4,180,602 \$4,430,602 \$4,685,602 \$4,710, Acc Depr -\$2,167,204 \$2,180,752 -\$2,203,825 -\$2,229, Net Fixed Assets \$2,013,398 \$2,249,850 \$2,481,777 \$2,481, FMV Acquisition Adjustment \$0 \$3,383,333 \$3,266,667 \$3,150, Other Assets \$2,163,587 \$5,782,138 \$5,913,133 \$5,816, Interpretation Adjustment \$0 \$0 \$0 \$0 Other Assets \$2,163,587 \$5,782,138 \$5,913,133 \$5,816, Liabilities and Equity \$0 \$0 \$0 \$0 Short-Term Debt \$0 \$0 \$113,481 \$1,314,881 Total Current Liabilities \$147,7		*	*		\$19,990
Other Current Assets \$0 \$0 \$0 Total Current Assets \$150,189 \$148,955 \$164,689 \$184, Fixed Assets \$4,180,602 \$4,430,602 \$4,685,602 \$4,710, Acc Depr -\$2,167,204 -\$2,180,752 -\$2,203,825 -\$2,229, Net Fixed Assets \$2,013,398 \$2,249,850 \$2,481,777 \$2,481, \$2,481,777 \$2,481,772 \$2,521,733 \$2,515,733 \$2,5215,733 \$2,515,733 \$2,815,733 \$2,815,733				* -	\$49,990
Total Current Assets \$150,189 \$148,955 \$164,689 \$184, Fixed Assets \$4,180,602 \$4,430,602 \$4,685,602 \$4,710, Acc Depr -\$2,167,204 -\$2,180,752 -\$2,203,825 -\$2,229, Net Fixed Assets \$2,013,398 \$2,249,850 \$2,481,777 \$2,481, FMV Acquisition Adjustment \$0 \$3,383,333 \$3,266,667 \$3,150, Other Assets \$0 \$0 \$0 \$0 Total Assets \$2,163,587 \$5,782,138 \$5,913,133 \$5,816, Liabilities and Equity \$0 \$0 \$0 \$0 Accounts Payable \$147,766 \$151,460 \$155,247 \$159, Other Current Liabilities \$0 \$0 \$0 \$0 Short-Term Debt \$0 \$0 \$113,481 \$151,460 \$268,728 \$159, Long-Term Debt \$684,000 \$2,815,339 \$2,815,339 \$2,815, \$2,653,328 \$2,653,328 \$2,653,328 \$2,653,328 \$2,653,328 \$2,653,328 \$	Accounts Receivable	\$118,955	\$118,955	\$134,689	\$134,689
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Net Fixed Assets \$2,013,398 \$2,249,850 \$2,481,777 \$2,481, FMV Acquisition Adjustment Other Assets \$0 \$3,383,333 \$3,266,667 \$3,150, Other Assets \$0 \$0 \$0 \$0 Total Assets \$2,163,587 \$5,782,138 \$5,913,133 \$5,816, Liabilities and Equity Accounts Payable \$147,766 \$151,460 \$155,247 \$159, Other Current Liabilities \$0 \$0 \$0 \$0 \$113,481 \$150,00 \$113,481 \$150,00 \$15	Fixed Assets	\$4,180,602	\$4,430,602	\$4,685,602	\$4,710,893
FMV Acquisition Adjustment \$0 \$3,383,333 \$3,266,667 \$3,150,00 Other Assets \$0 \$0 \$0 \$0 Total Assets \$2,163,587 \$5,782,138 \$5,913,133 \$5,816,00 Liabilities and Equity Accounts Payable \$147,766 \$151,460 \$155,247 \$159,00 Other Current Liabilities \$0 \$0 \$0 \$0 Short-Term Debt \$0 \$0 \$113,481 \$159,00 Total Current Liabilities \$147,766 \$151,460 \$268,728 \$159,00 Long-Term Debt \$684,000 \$2,815,339 \$2,815,339 \$2,815,339 \$2,815,339 \$2,815,339 \$2,815,339 \$2,815,339 \$2,829,066 \$2,841,331,821 \$2,815,339 \$2,829,066 \$2,841,331,821 \$2,815,339 \$2,829,066 \$2,841,331,821 \$2,815,339 \$2,829,066 \$2,841,331,821 \$2,815,339 \$2,829,066 \$2,841,331,821 \$2,815,339 \$2,829,066 \$2,841,331,821 \$2,815,339 \$2,829,066 \$2,841,331,821 \$2,815,339 \$2,829,066 \$2,841,331,8	Acc Depr	-\$2,167,204	-\$2,180,752	-\$2,203,825	-\$2,229,116
Other Assets \$0 \$0 \$0 Total Assets \$2,163,587 \$5,782,138 \$5,913,133 \$5,816, Liabilities and Equity Accounts Payable \$147,766 \$151,460 \$155,247 \$159, Other Current Liabilities \$0 \$0 \$0 Short-Term Debt \$0 \$0 \$113,481 Total Current Liabilities \$147,766 \$151,460 \$268,728 \$159, Long-Term Debt \$684,000 \$2,815,339 \$2,815,339 \$2,815, Equity Common Stock \$1,331,821 \$2,653,328 \$2,853,328 \$2,853,328 \$2,853,328 \$2,853,328 \$2,853,328	Net Fixed Assets	\$2,013,398	\$2,249,850	\$2,481,777	\$2, 4 81,777
Liabilities and Equity \$2,163,587 \$5,782,138 \$5,913,133 \$5,816, Accounts Payable \$147,766 \$151,460 \$155,247 \$159, Other Current Liabilities \$0 \$0 \$0 Short-Term Debt \$0 \$0 \$113,481 Total Current Liabilities \$147,766 \$151,460 \$268,728 \$159, Long-Term Debt \$684,000 \$2,815,339 \$2,815,339 \$2,815, Equity \$1,331,821 \$2,653,328 \$2,815,339 \$2,815,339 \$2,829,066 \$2,841,331,821 \$2,815,339 \$2,829,066 \$2,841,331,821	FMV Acquisition Adjustment	\$0	\$3,383,333	\$3,266,667	\$3,150,000
Liabilities and Equity Accounts Payable \$147,766 \$151,460 \$155,247 \$159,00 Other Current Liabilities \$0 \$0 \$0 Short-Term Debt \$0 \$113,481 Total Current Liabilities \$147,766 \$151,460 \$268,728 \$159,00 Long-Term Debt \$684,000 \$2,815,339 \$2,815,339 \$2,815, Equity \$1,331,821 \$2,653,328					\$0
Accounts Payable \$147,766 \$151,460 \$155,247 \$159, other Current Liabilities Other Current Liabilities \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$113,481 \$0 \$0 \$113,481 \$0 \$0 \$113,481 \$159,00 \$151,460 \$268,728 \$159,00 \$150,00	Total Assets	\$2,163,587	\$5,782,138	\$5,913,133	\$5,816,457
Accounts Payable \$147,766 \$151,460 \$155,247 \$159, other Current Liabilities Other Current Liabilities \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$113,481 \$0 \$0 \$113,481 \$0 \$0 \$113,481 \$159,00 \$151,460 \$268,728 \$159,00 \$150,00	Liabilities and Equity				
Other Current Liabilities \$0 \$0 \$0 Short-Term Debt \$0 \$0 \$113,481 Total Current Liabilities \$147,766 \$151,460 \$268,728 \$159, Long-Term Debt \$684,000 \$2,815,339 \$2,815,339 \$2,815, Equity Common Stock \$1,331,821 \$2,653,328 \$2,653,3		\$147,766	\$151,460	\$155,247	\$159,128
Total Current Liabilities \$147,766 \$151,460 \$268,728 \$159, Long-Term Debt \$684,000 \$2,815,339 \$2,815,339 \$2,815, Equity Common Stock \$1,331,821 \$2,653,328 \$2,829,066 \$2,841,000 \$2,841,000 \$2,841,000 \$2,841,000 \$2,841,000 \$2,841,000 \$2,841,000 \$2,841,000 \$2,841,000 \$2,841,000 \$2,841,000	Other Current Liabilities				\$0
Equity \$684,000 \$2,815,339 \$2,815,339 \$2,815, Common Stock \$1,331,821 \$2,653,328 \$	Short-Term Debt	\$0	\$0	\$113,481	\$0
Equity \$1,331,821 \$2,653,328<	Total Current Liabilities	\$147,766	\$151,460	\$268,728	\$159,128
Common Stock \$1,331,821 \$2,653,328 \$2,65	Long-Term Debt	\$684,000	\$2,815,339	\$2,815,339	\$2,815,339
Ret Earnings \$0 \$162,011 \$175,739 \$188, Common Equity \$1,331,821 \$2,815,339 \$2,829,066 \$2,841,	<u>Equity</u>				
Common Equity \$1,331.821 \$2,815,339 \$2,829,066 \$2,841,	Common Stock	\$1,331,82 1	\$2,653,328	\$2,653,328	\$2,653,328
	Ret Earnings	\$0_	\$162,011	\$175,739	\$188,662
	Common Equity	\$1,331,821	\$2,815,339	\$2,829,066	\$2,841,990
Total Liabilities And Equity \$2,163.587 \$5,782,137 \$5,913,133 \$5,816.	Total Liabilities And Equity	\$2,163,587	\$5,782,137	\$5,913,133	\$5,816,456

Base Case	⊤⊤ M March 22, 2023	TTM March 22, 2024 Test Year	TTM March 22, 2025	TT M M arch 22, 2026
Statement Of Cash Flows				
<u>Operations</u> Net Income		\$162.011	\$274,558	\$258,472
Depreciation		\$13,548	\$23,073	\$25,292
Dec (Inc) In Other Current Assets		\$13,548	\$25,073	\$25,2 9 2
Inc (Dec) In Other Current Liabilities		\$0	\$0	\$0
Total Cash From Operations	•	\$297,155	\$402,350	\$404,311
<u>Investments</u>				
Capital Expenditures		-\$250,000	-\$255,000	-\$25,292
Financing				
New Debt		\$2,131,339	\$0	\$0
Debt Retirements		\$0	\$0	\$0
Common Dividends		\$0	-\$260,831	-\$245,548
Change In Common Stock		\$1,321,507	\$0	\$0
Cash From Financing Activities		\$3,452,84 5	-\$260,831	-\$245,548
Change In TCI/STD		\$0	-\$113,481	\$133,471
Beg Net Cash (Std)		\$0	\$0	-\$113,481
Change In Cash		\$0	-\$113,481	\$133,471
End Net Cash (Std)		\$0	-\$113,481	\$19,990

GBRA Water Exhibit 2, Page 7

Discounted Cash Flow Method - Gordon Growth Model (Values as presented)

	TTM March 22, 2023	TTM March 22, 2024	TTM March 22, 2025	TTM March 22, 2026
Free Cash Flow				
EBIT		\$356,469	\$505,335	\$478,572
Taxes On EBIT	_	(\$74,859)	(\$106,120)	(\$100,500)
NOPLAT		\$281,611	\$399,215	\$378,072
Depreciation		\$13,548	\$23,073	\$25,292
FMV Adj Amortization	_	\$116,667	\$116,667	\$116,667
Gross Cash Flow	_	\$411,825	\$538,954	\$520,030
Increase In Working Capital		(\$3,694)	\$11,948	(\$3,881)
Capital Expenditures		\$250,000	\$255,000	\$25,292
Gross Investment	_	\$246,306	\$266,948	\$21,410
Free Cash Flow	- -	\$165,520	\$272,006	\$498,620
Cash Flow Available To Investors	_ =	\$165,520	\$272,006	\$498,620
Free Cash Flow Valuation Summary				
Free Cash Flow		\$165,520	\$272,006	\$498,620
Terminal Value	_	\$0	\$0	\$7,123,137
Total Operating Cash Flows		\$165,520	\$272,006	\$7,621,757
Time for Discounting		0.50	1.50	2.50
Discount Factor	7.00%	0.9667	0.9035	0.8444
Present Value Of Cash Flows		\$160,014	\$245,755	\$6,435,698
Business Enterprise Value	_ _	\$6,841,466		
Asset Value (rounded)		\$6,840,000		

Weighted Average Cost of Capital

(Values as presented) Valuation as of March 22, 2023

Weighted Average Cost of Capital (WACC)	Cost of Capital	% in Capital Structure	Weighted Cost
(1) Debt	4.5%	50.0%	2.23%
Equity	10.0%	50.0%	5.00%
Weighted average cost of capital			7.23%
Estimated WACC (rounded)			7.00%
Cost of Equity - Modified Capital Asset Pricing Model (MCAPM)			
(2) Risk-free rate			3.8%
(3) Market equity risk premium		6.4%	
(4) Relevered beta	Х	0.75	4.8%
Beta adjusted equity risk premium			4.8%
(5) Size premium			
(6) Company-specific risk adjustment			0.0%
Estimated cost of equity (rounded)			10.00%
Cost of Debt			
(7) Pre-tax cost of debt			5.6%
(8) Income tax rate			21.0%
Estimated after-tax cost of debt			4.5%

- (1) Based on the Company's target capital structure.
- (2) Based on the nominal 20-year U.S. Treasury bond as of March 22, 2023. Source: The Federal Reserve Board.
- (3) Source: 2023 Kroll Cost of Capital Navigator™. Reflects long-horizon equity risk premium (supply side) for the period 1926 2022.
- (4) See Exhibit 2, Page 9 for the estimation of beta
- (5) Unregulated companies of Douglas' size typically command a 4.8 percent size premium based on the Kroll Cost of Capital Navigator. We discounted the premium to account for the effects of regulation
- (6) Represents risk specific to the Company and includes forecast risk, and regulatory risk.
- (7) The Company's cost of borrowing was estimated using the Moody's Seasoned Baa Corporate Bond Yield as of the Valuation Date plus a credit risk spread, if applicable.
- (8) Estimated effective tax rate for the subject company which reflects the combined effects of federal and state income tax payments at a C Corporation level.

GBRA Exhibit 2, Page 9

Weighted Average Cost of Capital - Beta

(Values as presented) Valuation as of March 22, 2023

Guideline Company	Ticker Symbol	Levered Beta	Interest-bearing Debt (\$mil)	Market Capitalization (\$mil)	Market Value of Invested Capital (\$mil)	Debt	Equity	Unlevered Beta (1)
American States Water Company	NYSE:AWR	0.413	\$734.4	\$3,103.6	\$3.838.0	19.1%	80.9%	0.348
American Water Works Company, Inc.	NYSE:AWK	0.558	\$12,464.0	\$26,541.8	\$39,005.8	32.0%	68.0%	0.407
California Water Service Group	NYSE:CWT	0.479	\$1 ,140.7	\$3,048.0	\$4,188.7	27.2%	72.8%	0.370
Essential Utilities, Inc.	NYSE:WTRG	0.781	\$6,874.6	\$10,828.6	\$17,703.2	38.8%	61.2%	0.520
Middlesex Water Company	NASDAQ:MSEX	0.746	\$367.6	\$1,304.6	\$1,672.3	22.0%	78.0%	0.610
SJW Group	NYSE:SJW	0.572	\$1,655.9	\$2,233.6	\$3,889.5	42.6%	57.4%	0.361
The York Water Company	NASDAQ:YORW	0.543	\$140.1	\$615.8	\$755.9	18.5%	81.5%	0.460
	Minimum:	0.413	\$1 40.1	\$615.8	\$755.9	18.5%	57.4%	0.348
Le	ower (First) Quartile:	0.511	\$551.0	\$1,769.1	\$2,755.2	20.6%	64.6%	0.365
	Median:	0.558	\$1,140.7	\$3,048.0	\$3,889.5	27.2%	72.8%	0.407
Uķ	oper (Third) Quartile:	0.659	\$4,265.2	\$6,966.1	\$10,946.0	35.4%	79.4%	0.490
	Maximum:	0.781	\$12,464.0	\$26,541.8	\$39,005.8	42.6%	81.5%	0.610

Selected unlevered beta: 0.41

	_	Target Cap	Structure	Relevered
Subject Company	Unlevered Beta	Debt	Equity	Beta
GBRA	0.41	50.0%	50.0%	0.73

Concluded relevered beta: 0.75

Notes:

Source: S&P Capital IQ.

(1) BU = BL \div [1+(1-T) x (Wd \div We)]; BL = BU x [1+(1-T) x (Wd \div We)].

Definitions:

BU = Beta unlevered;

BL = Beta levered:

T = Estimated tax rate of 21.0%

Wd = Percentage of debt capital in the capital structure; debt capital is comprised of interest-bearing debt; and

We = Percentage of equity capital in the capital structure; equity capital is comprised of the market value of common equity.

Exhibit 3: Market Approach - Water

GBRA Exhibit 3, Page 1

Guideline Transaction Method - Transaction Data (Water) (Values as presented)

Valuation as of March 22, 2023

Announced Date	Buyer Company	Target Company	Customers	Sale Price	Sale Price/ Customer
	Virginia American Water	Town of Waverly	905	\$2,500,000	\$2,762
Apr-13-2021	SJWTX Inc.	Clear Water Estates	230	\$1,000,000	\$4,348
Feb-11-2021	Illinois American Water	Concordia Water Cooperative	150	\$1,700,000	\$11,333
Dec-10-2020	Illinois American Water	Four Lakes Village Condominium HOA	57	\$900,000	\$15,789
Apr-17-2020	Illinois American Water	Village of Sidney	560	\$2,300,000	\$4,107
Apr-16-2020	Illinois American Water	Village of Leonore	68	\$100,000	\$1,471
Jan-24-2020	Aqua America	City of Campbell	3,200	\$7,500,000	\$2,344
Apr-5-2018	Illinois American Water	City of Farmington	1,125	\$3,750,000	\$3,333
		GBRA	1,494		

Minimum:	57	\$100,000	\$1,471
Lower (First) Quartile:	130	\$975,000	\$2,658
Median:	395	\$2,000,000	\$3,720
Upper (Third) Quartile:	960	\$2,812,500	\$6,094
Maximum:	3,200	\$7,500,000	\$15,789

Notes:

Source: Buyer Utility press releases and SEC filings.

GBRA Exhibit 3, Page 2

Guideline Transaction Method - Summary (Water)

(Values as presented)

Valuation as of March 22, 2023

	Financial Metric	Selected Multiple (1)	Indicated BEV
Last Twelve Months ("LTM")			
(2) Connections	1,494	3,720 x	\$5,558,036
Estimated BEV			\$5,558,036
Estimated BEV (rounded)			\$5,560,000

⁽¹⁾ See Exhibit 3, Page 1 for the selected multiples.

⁽²⁾ Engineer reported this count

Exhibit 2: Valuation Summary - Wastewater

GBRA

Exhibit 2, Page 1

Valuation Summary - Wastewater (Values as presented)

Valuation as of March 22, 2023

<u>B</u>	usiness Enterprise Value ("BEV")	Indicated Values
	come Approach Discounted cash flow method	\$340,000
(1)	Discounted cash flow method	\$240,000
M	arket Approaches	
(2)	Guideline transaction method	\$290,000

- (1) See Exhibit 2.
- (2) See Exhibit 3.

Exhibit 2: Income Approach - DCF Method - Wastewater

GBRA Exhibit 2, Page 1

Historical Income Statements - Wastewater (Values as presented)

Valuation as of March 22, 2023

Income Statements

	Twelve Months ended			
			Budget	
	Aug-31-2020	Aug-31-2021	Aug-31-2022 (1	
Revenue				
Total retail wastewater sales	\$59,725	\$59,433	\$63,500	
Total revenue	\$59,725	\$59,433	\$63,500	
Operating expenses				
Salaries	\$39,405	\$66,933	\$49,233	
Benefits	\$15,959	\$27,108	\$19,940	
Supplies and services	\$27,388	\$23,331	\$28,100	
Professional services and fees	\$3,400	\$22,508	\$4,600	
Office expense	\$144	\$515	\$500	
Other operating expense	\$322	\$1,020	\$0	
Maintenance and repairs	\$1,407	\$11,586	\$2,500	
Administrative and general	\$13,004	\$22,088	\$16,247	
Depreciation	\$O	\$0	\$0	
Total operating expense	\$101,029	\$175,088	\$121,120	
Operating income	(\$41,304)	(\$115,656)	(\$57,620)	
EBITDA	(\$41,304)	(\$115,656)	(\$57,620)	
Other income / (expense)				
Investment income	\$O	\$ 0	\$0	
Net other income / (expense)	\$0	\$0	\$0	
Net income	(\$41,304)	(\$115,656)	(\$57,620)	
Capital Expenditures	\$0	\$0	\$10,000	

Source: Internally-prepared income statements for the fiscal years ended August 31, 2020 and August 31, 2021. Internally-prepared budget income statements for the fiscal year ended August 31, 2022.

⁽¹⁾ The income statement for the fiscal year ended August 31, 2022 was the latest available as of the Valuation Date.

GBRA Exhibit 2, Page 2

Historical Income Statements - Wastewater - Common Size (Values as presented)

Valuation as of March 22, 2023

Common Size Income Statements

	Twelve Months ended			
	Aug-31-2020	Aug-31-2021	Budget Aug-31-2022 (1	
Revenue	Aug of Ecco	Aug of Loui	Aug of zozz (
Total retail wastewater sales	100.0%	100.0%	100.0%	
Total revenue	100.0%	100.0%	100.0%	
Operating expenses	100.0%	100.076	100.076	
Salaries	66.0%	112.6%	77.5%	
Benefits	26.7%	45.6%	77.5% 31.4%	
	45.9%	45.6% 39.3%	44.3%	
Supplies and services Professional services and fees	43.9% 5.7%	39.3% 37.9%	7.2%	
Office expense	0.2%	0.9%	0.8%	
Other operating expense	0.5%	1.7%	0.0%	
Maintenance and repairs	2.4%	19.5%	3.9%	
Administrative and general	21.8%	37.2%	25.6%	
Depreciation	0.0%	0.0%	0.0%	
Total operating expense	169.2%	294.6%	190.7%	
Operating income	-69.2%	-194.6%	-90.7%	
EBITDA	-69.2%	-194.6%	-90.7%	
Other income / (expense)				
Investment income	0.0%	0.0%	0.0%	
Net other income / (expense)	0.0%	0.0%	0.0%	
Net income	-69.2%	-194.6%	-90.7%	
Capital Expenditures	0.0%	0.0%	15.7%	

Source: Internally-prepared income statements for the fiscal years ended August 31, 2020 and August 31, 2021. Internally-prepared budget income statements for the fiscal year ended August 31, 2022.

⁽¹⁾ The income statement for the fiscal year ended August 31, 2022 was the latest available as of the Valuation Date.

Rate Increase Calculation - 11.0% ROE Target, 50/50 Cap Structure (Values as presented)

	12 Mo. Ending TTM March 22, 2023		Calculated Revenue Req	
Customers	61		61	
\$/Customer/year	\$972		\$2,520	
Water sales	\$59,300		\$153,725	
Total Revenues	\$59,300		\$153,725	
Cost of Goods Sold	\$15,005		\$15,155	
Operating Expenses/Other Taxes	\$106,264		\$106,264	
EBITDA	-\$61,969		\$32,305	
Depreciation	\$5,389		\$6,590	
FMV Adjustment Amortization	\$5,000		\$5,000	
EBIT (Operating Income)	-\$72,358		\$20,715	
Interest Income	\$0_		\$0	
Total Other Income	\$0		\$0	
STD Interest Expense	\$0		\$0	
LTD Interest Expense	<u>\$6,157</u>	5.5%	\$6,243	
Total Interest Expense	\$6,157		\$6,243	
Earnings Before Tax	-\$78,515	_	\$14,472	
Current Income Taxes	-\$16,488		\$3,039	
Deferred Income Taxes	\$0		\$0	
Income Taxes	-\$16,488		\$3,039	
Net Income	-\$62,027	10.0%	\$11,433	
Debt	\$114,332		\$114,332	
Equity	\$114,332		\$114,332	

	TTM March 22, 2023	TTM March 22, 2024	TTM March 22, 2025	TTM March 22, 202 6
		Test Year		
Summary Statistics				
Return on Average Equity		-54.25%	9.27%	7.35%
Equity %		50%	50%	50%
Debt %		50%	50%	50%
Income Statement				
Customers	61	61	61	61
\$/Customer	\$972	\$972	\$2,520	\$2,520
Increase		0.0%	159.2%	0.0%
Sales	59,300	59,300	153,725	153,725
Total Revenues	\$59,300	\$59,300	\$153,725	\$153,725
Cost of Goods Sold	\$14,856	\$15,005	\$15,155	\$15,307
Operating Expenses	\$106,264	\$106,264	\$107,327	\$108,400
Other Taxes	\$0	\$0	\$0	\$0
Total Operating Expenses	\$121,120	\$121,269	\$122,482	\$123,708
EBITDA	-\$61,820	-\$61,969	\$31,243	\$30,017
Depreciation	\$5,215	\$5,389	\$6,590	\$8,147
FMV Acquisition Adj Amort	\$0	\$5,000	\$5,000	\$5,000
EBIT (Operating Income)	-\$67,035	-\$72,358	\$19,652	\$16,870
Interest Income	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0
Total Other Income	\$0	\$0	\$0	\$0
STD Interest Expense	\$0	\$0	\$53	\$0
LTD Interest Expense	\$1,316	\$6,157	\$6,157	\$6,157
Total Interest Expense	\$1,316	\$6,157	\$6,210	\$6,157
Earnings Before Tax	-\$68,351	-\$78,515	\$13,443	\$10,713
Current Income Taxes	\$0	-\$16,488	\$2,823	\$2,250
Income Taxes	\$0	-\$16,488	\$2,823	\$2,250
Net Income	-\$68,351	-\$62,027	\$10,620	\$8,463

Valuation as of March 2, 2023

	TTM March 22, 202 3	TTM March 22, 2024	TTM March 22, 2025	TTM March 22, 2026
Base Case				
Balance Sheet				
Assets				
Cash	\$1,301	\$1,300	\$1,300	\$1,300
Temporary Cash Investments	\$0	\$0	\$0	\$7,375
Total Cash & Cash Equivalents	\$1,301	\$1,300	\$1,300	\$8,675
Accounts Receivable	\$4,956	\$4,956	\$12,849	\$12,849
Other Current Assets	\$0	\$0	\$0	\$0
Total Current Assets	\$6,258	\$6,256	\$14,14 9	\$21,523
Fixed Assets	\$174,192	\$179,406	\$184,725	\$190,151
Acc Depr	-\$90,300	-\$95,689	-\$102,279	-\$110,426
Net Fixed Assets	\$83,892	\$83,718	\$82,446	\$79,725
FMV Acquisition Adjustment	\$0	\$145,000	\$140,000	\$135,000
Other Assets	\$0	\$0	\$0	\$0
Total Assets	\$90,149	\$234,974	\$236,595	\$236,248
Liabilities and Equity				
Accounts Payable	\$6,157	\$6,311	\$6,469	\$6,630
Other Current Liabilities	\$0	\$0	\$0	\$0
Short-Term Debt	\$0	\$0	\$932	\$0
Total Current Liabilities	\$6,157	\$6,311	\$7,401	\$6,630
Long-Term Debt	\$28,500	\$114,332	\$114,332	\$1 14 ,332
Equity				
Common Stock	\$55,493	\$176,358	\$176,358	\$176,358
Ret Earnings	\$0	-\$62,027	- \$61, 4 96	-\$61,073
Common Equity	\$55,493	\$114,332	\$114,863	\$115,286
Total Liabilities And Equity	\$90,149	\$234,974	\$236,595	\$236,248

(Values as presented)

Valuation as of March 2, 2023

Base Case	TTM March 22, 2023	TTM March 22, 2024 Test Year	TTM March 22, 2025	TT M Ma rch 22, 2026
Statement Of Cash Flows				
Operations Net Income Depreciation Dec (Inc) In Other Current Assets		-\$62,027 \$5,389	\$10,620 \$6,590	\$8,463 \$8,147
Inc (Dec) In Other Current Liabilities		\$0 \$0	\$0 \$0	\$0 \$ 0
Total Cash From Operations	•	-\$51,483	\$14,475	\$21,772
<u>Investments</u> Capital Expenditures		-\$5,215	-\$5,319	-\$5,425
Financing New Debt Debt Retirements Common Dividends		\$85,832 \$0 \$0	\$0 \$0 -\$10,089	\$0 \$0 -\$8,040
Change In Common Stock Cash From Financing Activities	•	\$120,866 \$206,697	\$0 -\$10,089	\$0 -\$8,040
Change In TCI/STD		\$0	-\$932	\$8,307
Beg Net Cash (Std)		\$0	\$0	-\$932
Change In Cash		\$0	-\$932	\$8,307
End Net Cash (Std)		\$0	-\$932	\$7,375

GBRA Wastewater Exhibit 2, Page 7

Discounted Cash Flow Method - Gordon Growth Model (Values as presented)

Valuation as of March 2, 2023

	TTM March 22, 2023	TTM March 22, 2024	TTM March 22, 2025	TTM March 22, 2026
Free Cash Flow				
EBIT		(\$72,358)	\$19,652	\$16,870
Taxes On EBIT	_	\$15,195	(\$4,127)	(\$3,543)
NOPLAT		(\$57,163)	\$15,525	\$13,327
Depreciation		\$5,389	\$6,590	\$8,147
FMV Adj Amortization	_	\$5,000	\$5,000	\$5,000
Gross Cash Flow	_	(\$46,774)	\$27,116	\$26,475
Increase In Working Capital		(\$154)	\$7,734	(\$162)
Capital Expenditures		\$5,215	\$5,319	\$5,425
Gross Investment	_	\$5,061	\$13,054	\$5,264
Free Cash Flow	- -	(\$51,835)	\$14,062	\$21,211
Cash Flow Available To Investors	- -	(\$51,835)	\$14,062	\$21,211
Free Cash Flow Valuation Summary				
Free Cash Flow		(\$51,835)	\$14,062	\$21,211
Terminal Value		\$0	\$0	\$303,012
Total Operating Cash Flows	_	(\$51,835)	\$14,062	\$324,223
Time for Discounting		0.50	1.50	2.50
Discount Factor	7.00%	0.9667	0.9035	0.8444
Present Value Of Cash Flows		(\$50,111)	\$12,705	\$273,769
Business Enterprise Value	- -	\$236,363		
Asset Value (rounded)		\$240,000		

Weighted Average Cost of Capital

_(Values as presented) Valuation as of March 22, 2023

Weighted Average Cost of Capital (WACC)	Cost of Capital	% in Capital Structure	Weighted Cost
(1) Debt	4.5%	50.0%	2.23%
Equity	10.0%	50.0%	5.00%
Weighted average cost of capital		=	7.23%
Estimated WACC (rounded)			7.00%
Cost of Equity - Modified Capital Asset Pricing Model (MCAPM)			
(2) Risk-free rate			3.8%
(3) Market equity risk premium		6.4%	
(4) Relevered beta Beta adjusted equity risk premium	х	0.75	4.8%
(5) Size premium			1.0%
6) Company-specific risk adjustment			0.0%
Estimated cost of equity (rounded)		-	10.00%
Cost of Debt			
(7) Pre-tax cost of debt			5.6%
(8) Income tax rate			21.0%
Estimated after-tax cost of debt		-	4.5%
Estimated after-tax cost of dept		=	4.0

Notes:

- (1) Based on the Company's target capital structure.
- (2) Based on the nominal 20-year U.S. Treasury bond as of March 22, 2023. Source: The Federal Reserve Board.
- (3) Source: 2023 Kroll Cost of Capital Navigator™. Reflects long-horizon equity risk premium (supply side) for the period 1926 2022.
- (4) See Exhibit 2, Page 9 for the estimation of beta
- (5) Unregulated companies of Douglas' size typically command a 4.8 percent size premium based on the Kroll Cost of Capital Navigator. We discounted the premium to account for the effects of regulation
- (6) Represents risk specific to the Company and includes forecast risk, and regulatory risk.
- (7) The Company's cost of borrowing was estimated using the Moody's Seasoned Baa Corporate Bond Yield as of the Valuation Date plus a credit risk spread, if applicable.
- (8) Estimated effective tax rate for the subject company which reflects the combined effects of federal and state income tax payments at a C Corporation level.

GBRA Exhibit 2, Page 9

Weighted Average Cost of Capital - Beta

_(Values as presented) Valuation as of March 22, 2023

0.11 %	T. 1 . 0 . 1 . 1	Levered	Interest-bearing	Market Capitalization	Market Value of Invested Capital	5.1 4		Unlevered
Guideline Company	Ticker Symbol	Beta	Debt (\$mil)	(\$mil)	(\$mil)	Debt	Equity	Beta (1)
American States Water Company	NYSE:AWR	0.413	\$734.4	\$3,103.6	\$3,838.0	19.1%	80.9%	0.348
American Water Works Company, Inc.	NYSE:AWK	0.558	\$12,464.0	\$26,541.8	\$39,005.8	32.0%	68.0%	0.407
California Water Service Group	NYSE:CWT	0.479	\$1 ,140.7	\$3,048.0	\$4,188.7	27.2%	72.8%	0.370
Essential Utilities, Inc.	NYSE:WTRG	0.781	\$6,874.6	\$10,828.6	\$17,703.2	38.8%	61.2%	0.520
Middlesex Water Company	NASDAQ:MSEX	0.746	\$367.6	\$1,304.6	\$1,672.3	22.0%	78.0%	0.610
SJW Group	NYSE:SJW	0.572	\$1,655.9	\$2,233.6	\$3,889.5	42.6%	57.4%	0.361
The York Water Company	NASDAQ:YORW	0.543	\$140.1	\$615.8	\$755.9	18.5%	81.5%	0.460
	Minimum: [0.413	\$140.1	\$615.8	\$755.9	18.5%	57.4%	0.348
L	ower (First) Quartile:	0.511	\$551.0	\$1,769.1	\$2,755.2	20.6%	64.6%	0.365
_	Median:	0.558	\$1,140.7	\$3,048.0	\$3,889.5	27.2%	72.8%	0.407
υ _ι	pper (Third) Quartile:	0.659	\$4,265.2	\$6,966.1	\$10,946.0	35.4%	79.4%	0.490
	Maximum:	0.781	\$12,464.0	\$26,541.8	\$39,005.8	42.6%	81.5%	0.610

Selected unlevered beta: 0.41

	_	Target Cap Structure		Relevered
Subject Company	Unlevered Beta	Debt	Equity	Beta
GBRA	0.41	50.0%	50.0%	0.73

Concluded relevered beta: 0.75

Notes:

Source: S&P Capital IQ.

(1) BU = BL \div [1+(1-T) x (Wd \div We)]; BL = BU x [1+(1-T) x (Wd \div We)].

Definitions:

BU = Beta unlevered;

BL = Beta levered:

T = Estimated tax rate of 21.0%

Wd = Percentage of debt capital in the capital structure; debt capital is comprised of interest-bearing debt; and

We = Percentage of equity capital in the capital structure; equity capital is comprised of the market value of common equity.

Exhibit 3: Market Approach - Wastewater

(Values as presented)

Valuation as of March 22, 2023

nounced				Sale	Sale Price/
ate Buyer Com		Target Company	Customers	Price	Customer
Jun-22-2020 Essential U	ilities Inc.	East Norriton Township	5,000	\$21,000,000	\$4,200
Apr-9-2020 York Water	Co.	Felton Borough	130	\$914,000	\$7,031
Sep-25-2020 Illinois Ame	ican Water	City of Granite City	12,150	\$18,000,000	\$1,481
Jan-28-2021 Essential U	ilities Inc.	Willistown Township, Chester City	2,300	\$17,500,000	\$7,609
Oct-13-2020 Pennsylvan	a American Water	Borough of Kane Authority	2,100	\$17,500,000	\$8,333
Sep-14-2020 York Water	Co.	Letterkenny Township Municipal Authority	180	\$262,000	\$1,456
May-25-2021 Pennsylvan	a American Water	Royersford Borough	1,600	\$13,000,000	\$8,125
Jul-5-2018 Aqua Illinois		Village of Monteno	3,800	\$25,000,000	\$6,579
Dec-8-2020 Aqua Illinois		Village of Bourbonnais	6,469	\$32,100,000	\$4,962
May-15-2020 Illinois Ame	ican Water	Village of Shiloh	1,515	\$3,600,000	\$2,376
Dec-19-2019 Aqua Ameri	ca	Cheltenham Township	10,200	\$50,250,000	\$4,926
Dec-13-2018 Aqua Penns	ylvania	East Bradford Township	1,250	\$5,000,000	\$4,000
May-13-2021 Pennsylvan	a American Water	Foster Township West End	600	\$3,750,000	\$6,250
Aug-29-2019 York Water	Co.	Jacobus Borough Sewer Authority	700	\$2,112,000	\$3,017
Apr-29-2020 Indiana Am	erican Water	Town of Riley	460	\$1,545,000	\$3,359
Oct-22-2020 New Jersey	American Water	Long Hill Township	2,800	\$12,700,000	\$4,536
		GBRA	0	I	

Minimum: Lower (First) Quartile: Median: Upper (Third) Quartile: Maximum: 130 \$262,000 \$1,456 675 \$3,228,000 \$3,273 1,850 \$12,850,000 \$4,731 4,100 \$18,750,000 \$6,692 12,150 \$50,250,000 \$8,333

Notes:

Source: Buyer Utility press releases and SEC filings.

GBRA Exhibit 3, Page 2

Guideline Transaction Method - Summary (Wastewater)

(Values as presented) Valuation as of March 22, 2023

	Financial Metric	Selected Multiple (1)	Indicated BEV
Last Twelve Months ("LTM")			
(2) Connections	61	4,731 x	\$288,597
Estimated BEV			\$288,597
Estimated BEV (rounded)			\$290,000

Notes:

⁽¹⁾ See Exhibit 3, Page 1 for the selected multiples.

⁽²⁾ Engineer reported this count



Attachment C

Part A: Question 1

Confidential

Purchase Agreement

CONFIDENTIAL

DUCKETN	O.:
STYLE:	Application of Guadalupe-Blanco River Authority and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Calhoun County, Texas
SUBMITTI	NG PARTY: Undine Texas Environmental, LLC
BRIEF DES	CRIPTION OF CONTENTS: Attachment C – Purchase Agreement
BATES STA	AMP OR SEQUENTIAL PAGE NUMBER RANGE: 347 to 463
ENVELOPI	E #: 1 OF 1
ADDITION	AL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 16, 2023



Attachment D

Part B: Question 4

Current Tariffs





Fiscal Year 2023 Budget

flowing solutions

Rates and Rate Structures

CALHOUN COUNTY RWS DIVISION (cont.)	2021	2022	2023	Unit of Measure	% Change	Effective Date
5. 2" Meter:						
Connection Fees-New Connect, plus capital contrib. fee	\$2,100.00	\$2,100.00	\$2,100.00	connection	*	Sep 01
Capital Contribution Fees	\$15,500.00	\$15,500.00	\$15,500.00	connection	3	Sep 01
Monthly Water Fee: up to 16,000 gal	\$530.00	\$570.00	\$570.00	LUE		Sep 01
Water - Block Rate: 16,001-35,000 gal (base rate+usage)	\$12.05	\$12.05	\$12.05	1,000 gal.	×	Sep 01
Water - Block Rate: over 35,000 gal (base rate+usage)	\$14.05	\$14.05	\$14.05	1,000 gal.		Sep 01
Dry Tap Rate	\$407.20	\$447.20	\$447.20	LUE	2	Sep 01
6. 3" Meter:						
Connection Fees-New Connect, plus capital contrib. fee	\$12,000.00	\$12,000.00	\$12,000.00	connection	2	Sep 01
Capital Contribution Fees	\$23,200.00	\$23,200.00	\$23,200.00	connection		Sep 01
Monthly Water Fee: up to 32,000 gal	\$1,079.10	\$1,154.10	\$1,154.10	LUE	÷	Sep 01
Water - Block Rate: 32,001-35,000 gal (base rate+usage)	\$12.05	\$12.05	\$12.05	1,000 gal.	-	Sep 01
Water - Block Rate: over 35,000 gal (base rate+usage)	\$14.05	\$14.05	\$14.05	1,000 gal.	÷.	Sep 01
Dry Tap Rate	\$763.50	\$838.50	\$838.50	LUE		Sep 01
Crestview Subdivision:						
Residential: Monthly Sewer Fees	\$75.00	\$75.00	\$75.00	LUE		Sep 01
Residential: New Connection	@ cost	@ cost	@ cost			Sep 01
Residential: Reactivate Connection	\$225.00	\$225.00	\$225.00	connection		Sep 01
Multi-family/2 Units: Monthly Sewer Fees	\$112.50	\$112.50	\$112.50	month	9	Sep 01
Multi-family/2 Units: New Connection	@ cost	@ cost	@ cost			Sep 01
Multi-family/2 Units: Reactivate Connection	\$337.50	\$337.50	\$337.50	connection	-	Sep 01

DLETO CREEK RECREATION SYSTEM	2021	2022	2023	Unit of Measure	% Change	Effective Date
Day Use Entrance Permit	\$17.00	\$17.00	\$17.00	4 people	8	Sep 01
Individual Passes	\$5.00	\$5.00	\$5.00	day	*	Sep 01
Annual Permit	\$250.00	\$250.00	\$250.00	permit	8	Sep 01
Replacement Annual Permit	\$5.00	\$5.00	\$5.00	permit	*	Sep 01
Camping Fee	\$50.00	\$50.00	\$50.00	night	-	Sep 01
Camping Fee Premium Sites	\$55.00	\$55.00	\$55.00	night	*	Sep 01
Overflow Camping	\$28.00	\$28.00	\$28.00	night	ū.	Sep 01
Camping Extra Vehicle Charge	\$17.00	\$17.00	\$17.00	night	=	Sep 01
Camping Fee (Weekly: 10/1-3/31)	\$200.00	\$200.00	\$200.00	7 nights		Sep 01
Camping Fee (Monthly: 10/1-3/31)	\$475.00	\$475.00	\$475.00	30 nights	:*:	Sep 01
Senior Citizens Camping (10/1-3/31)	\$30.00	\$30.00	\$30.00	night	Ŧ	Sep 01
Primitive Camping	\$28.00	\$28.00	\$28.00	night		Sep 01
Monthly Parking Pass (1/couple: 10/1-3/31)	\$45.00	\$45.00	\$45.00	30 nights	9	Sep 01
Holding Tank Pumpout Fee	\$20.00	\$20.00	\$20.00	pump out	-	Sep 01
Cabin Rental (Small Units)	\$90.00	\$90.00	\$90.00	night	*	Sep 01
Cabin Rental (Large Units)	\$110.00	\$110.00	\$110.00	night		Sep 01
Group Picnic Shelter "C" (enclosed)	\$100.00	\$100.00	\$100.00	day		Sep 01
Group Picnic Shelter "D"	\$75.00	\$75.00	\$75.00	day	-	Sep 01
Holiday Upcharge on all rentals: Easter, Memorial Day, July 4th, Labor	\$10.00	\$10.00	\$10.00	additional chg/night	-	Sep 01



SEWER UTILITY TARIFF Docket No. 50018

<u>Undine Texas Environmental, LLC</u> (Utility Name)

17681 Telge Road (Business Address)

Cypress, TX 77429 (City, State, Zip Code)

(713) 574-5953 (Area Code/Telephone)

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

20557, 20816, 20832, 21019, 21026

This tariff is effective in the following counties:

Brazoria, Chambers, Galveston, Harris, Johnson, Parker, Tarrant, Walker, & Polk

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

<u>Beach City (Bayridge Subdivision, Oaks at Houston Point, and Sunflower Subdivision), Iowa</u> <u>Colony (Spring Crossing and 288 Business Park), Town of Dennis (Sugartree)</u>

THE RATES SET OR APPROVED BY THE CITY FOR THE SYSTEMS ENTIRELY WITHIN ITS CORPORATE BOUNDARY ARE NOT PRESENTED IN THIS TARIFF. THOSE RATES ARE NOT UNDER THE ORIGINAL JURISDICTION OF THE PUBLIC UTILITY COMMISSION OF TEXAS AND WILL HAVE TO BE OBTAINED FROM THE CITY OR UTILITY

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

See attached list

TABLE OF CONTENTS

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

SECTION 1.0 – RATE SCHEDULE	,3
SECTION 2.0 – SERVICE RULES AND POLICIES	12
SECTION 3.0 – EXTENSION POLICY	17

APPENDIX A – SAMPLE SERVICE AGREEMENT

LIST OF SUBDIVISIONS AND SYSTEMS

System Name	WQ Number	County
Cold River Ranch	WQ 0012780-001	Brazoria
Southwood Estates	WQ 0012780-001	Brazoria
Spring Crossing/288 Business Park*	WQ 0012780-001	Brazoria
Mayfair	WQ 0013518-001	Tarrant
Mayfair South	WQ 0013518-001	Tarrant
Mayfair West	WQ 0013518-001	Tarrant
Sugartree**	WQ 0014163-001	Parker
Country Vista WWTP	WQ 0013769-001	Johnson
Grand Ranch	WQ 0013846-001	Johnson
Laguna WWTP	WQ 0014452-001	Galveston
Crystal Palace WWTP	WQ 0012936-001	Galveston
Angle Acres WWTP	WQ 0012420-001	Brazoria
Beechwood WWTP	WQ 0012113-001	Brazoria

^{*} Spring Crossing/288 Business Park subject to City of Iowa Park's jurisdiction

^{**}Sugartree subject to the Town of Dennis's jurisdiction

	Formerly Nerro Supply, LLC	
*Bayridge Subdivision	WQ 0013643-001	Chambers
Greens Bayou Fabrication	WQ 0003792-000	Harris
Yard		
*Oaks at Houston Point	WQ 0013643-001	Chambers
*Sunflower Subdivision	WQ 0013643-001	Chambers
Wildwood Shores	WQ 0014154-001	Walker

^{*} Entirely within the City of Beach City

	Formerly Pure Utilities, L.C.	
Lakeside Village	WQ 0014014-001	Polk
Kalita Point Utilities, Kalita	WQ 0011465-001	Polk
Point		
Kalita Point Utilities, Indian	WQ 0011621-001	Polk
Hill		

SECTION 1.0 - RATE SCHEDULE

Section 1.01 – Rates

Rate Year 1 Effective Date: August 1, 2020 Monthly Minimum Charge Meter Size: All Meters \$75.00 Flat Rate

Rate Year 2 Effective Date: August 1, 2021 Monthly Minimum Charge Meter Size: All Meters \$92.50 Flat Rate

Effective Date: August 1, 2022 Rate Year 3 Meter Size: Monthly Minimum Charge All Meters \$110.00 Flat Rate

Volume charges are determined based on average consumption for winter period which includes the following months: N.A.

RATE CASE EXPENSES \$1.12 per month

Effective Date: August 1, 2020. The rate case expense surcharge will be collected for 36 months or until the full \$85,289.03 of rate case expenses related to Docket No. 50200 is collected, whichever occurs first.

FORM OF PAYMENT: The utility will accept the following forms of payment: Cash X, Check X, Money Order X, Credit Card X, Other (specify Online Payment or Automatic Bank <u>Draft</u>

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS, A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

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

PUBLIC UTILITY COMMISSION (COMMISSION) RULES REQUIRE THE UTILITY TO COLLECT AND REMIT TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIOUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF, INCLUDING COSTS RELATED TO ROAD BORES, ROCK CUTS, AND UNUSUALLY LONG TAPS.

SECTION 1.0 – RATE SCHEDULE (Continued)

T	P FEE (Large Connection Tap)	Actual Co	<u>st</u>
	TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR	R METER	SIZE
	INSTALLED.		

RECONNECTION FEE

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

a) Nonpayment of bill (Maximum \$25.00)	\$25.00
b) Customer's request that service be disconnected	\$50.00
c) After hours reconnection	\$50,00

TRANSFER FEE \$65.00

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

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

RETURNED CHECK CHARGE \$30.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY THE COMMISSION AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

Undine Texas Environmental, LLC Greens Bayou Fabrication Yard

SECTION 1.0 - RATE SCHEDULE

Meter Size All Connections	Monthly Minimum Charge \$2,012 (Includes 0 gallons)	Gallonage Charge \$0.00 per 1,000 gallons
7 III Connections	<u>Φ2,012</u> (metaces σ gations)	Same for all meter sizes
	he utility will accept the following forms Money Order_X_, Credit Card	
	EQUIRE EXACT CHANGE FOR PAYMENTS NG MORE THAN \$1.00 IN SMALL COINS. A WRI	
PUBLIC UTILITY COM	IENT MISSION (COMMISSION) RULES REQUIRE THE SION ON ENVIRONMENTAL QUALITY A FEI	UTILITY TO COLLECT AND REMIT TO
Section 1.02 - Miscellaneou	s Fees	
TAP FEE COVERS TH RESIDENTIAL CONNEC	E UTILITY'S COSTS FOR MATERIALS AND I CTION. AN ADDITIONAL FEE TO COVER UNIQ UDING COSTS RELATED TO ROAD BORES, RO	ABOR TO INSTALL A STANDARD UE COSTS IS PERMITTED IF LISTED
TAP FEE (Large Connectio	n Tap) TY'S ACTUAL COST FOR MATERIALS AND LAI	Actual Cost BOR FOR METER SIZE INSTALLED.
	MUST BE PAID BEFORE SERVICE CAN BE RED FOR THE FOLLOWING REASONS (OR OTHER	
	oill (Maximum \$25.00)st that service be disconnected	
THE TRANSFER FEE	WILL BE CHARGED FOR CHANGING AN ACCO E SERVICE IS NOT DISCONNECTED.	

Greens Bayou Fabrication Yard

SECTION 1.0 - RATE SCHEDULE (Continued)

LATE CHARGE (ETHER \$5.00 OR 10% OF THE BILL)
RETURNED CHECK CHARGE \$50.00 RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.
CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)
COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL
GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE; WHEN AUTHORIZED IN WRITING BY THE COMMISSION AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 1.0 - RATE SCHEDULE

Meter Size 5/8" or 3/4" 1"	Monthly Minimum Charge \$25.00 (Includes 10,000 gallons) \$25.00	Gallonage Charge \$2.00 per 1,000 gallons Same for all meter sizes
Cash X, Check X THE UTILITY	NT: The utility will accept the following _, Money Order_X_, Credit Card, or May require exact change for paymade using more than \$1.00 in Small contains.	Other (specify) MENTS AND MAY REFUSE TO ACCEPT
PUBLIC UTILI	SESSMENT	IRE THE UTILITY TO COLLECT AND REMIT
Section 1.02 - Misce	llaneous Fees	
TAP FEE COV RESIDENTIAL	/ERS THE UTILITY'S COSTS FOR MATERIALS CONNECTION. AN ADDITIONAL FEE TO COVE FF, INCLUDING COSTS RELATED TO ROAD BO	AND LABOR TO INSTALL A STANDARD R UNIQUE COSTS IS PERMITTED IF LISTED
	nnection Tap)	
TAP FEE IS TH	IE UTILITY'S ACTUAL COST FOR MATERIALS A	ND LABOR FOR METER SIZE INSTALLED.
RECONNECTION I	FEE	
	IECT FEE MUST BE PAID BEFORE SERVICE CAI NNECTED FOR THE FOLLOWING REASONS (OF ARIFF):	
a) Non paym	nent of bill (Maximum \$25.00)	\$25.00
	's request that service be disconnected	
THE TRANSFI	ER FEE WILL BE CHARGED FOR CHANGING AN HEN THE SERVICE IS NOT DISCONNECTED.	

Wildwood Shores

SECTION 1.0 -- RATE SCHEDULE (Continued)

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

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$25.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY THE COMMISSION AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC \S 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge	Gallonage Charge
5/8" or 3/4"	\$42,49 (Includes 5,000 gallons)	\$2.00 per 1000 gallons over the minimum
Cash X, C	MENT: The utility will accept the following theck X, Money Order X, Credit CITY MAY REQUIRE EXACT CHANGE FOR PAYMENTING MORE THAN \$1.00 IN SMALL COINS. A WR	Card, Other (specify)
REGULATORY TOTO RULL	' ASSESSMENTes require the utility to collect a fee of on	NE PERCENT OF THE RETAIL MONTHLY BILL.
Section 1.02 - M	liscellaneous Fees	
	OVERS THE UTILITY'S COSTS FOR MATERIALS AND IAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO CO ARIFF.	
TAP FEE (Unique FOR EXAM	ue costs) APLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF S	SUBDIVISIONS OR RESIDENTIAL AREAS.
TAP FEE (Large TAP FEE IS	e meter) S THE UTILITY'S ACTUAL COST FOR MATERIALS AN	D LABOR FOR METER SIZE INSTALLED.
	NNECT FEE MUST BE PAID BEFORE SERVICE CAN B CONNECTED FOR THE FOLLOWING REASONS (OR OT	
	payment of bill (Maximum \$25,00) omer's request that service be disconnected	
THE TRAN	E	CCOUNT NAME AT THE SAME SERVICE
LATE CHARGE TCEQ RUL MAY NOT	E (ETTHER \$5.00 OR 10% OF THE BILL) ES ALLOW A ONE-TIME PENALTY TO BE CHARGED BE APPLIED TO ANY BALANCE TO WHICH THE PENA	ON DELINQUENT BILLS. A LATE CHARGE ALTY WAS APPLIED IN A PREVIOUS BILLING.
RETURNED CH	HECK CHARGE D CHECK CHARGES MUST BE BASED ON THE UTILIT	Y'S DOCUMENTABLE COST.

Lakeside Village

SECTION 1.0 -- RATE SCHEDULE (Continued)

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

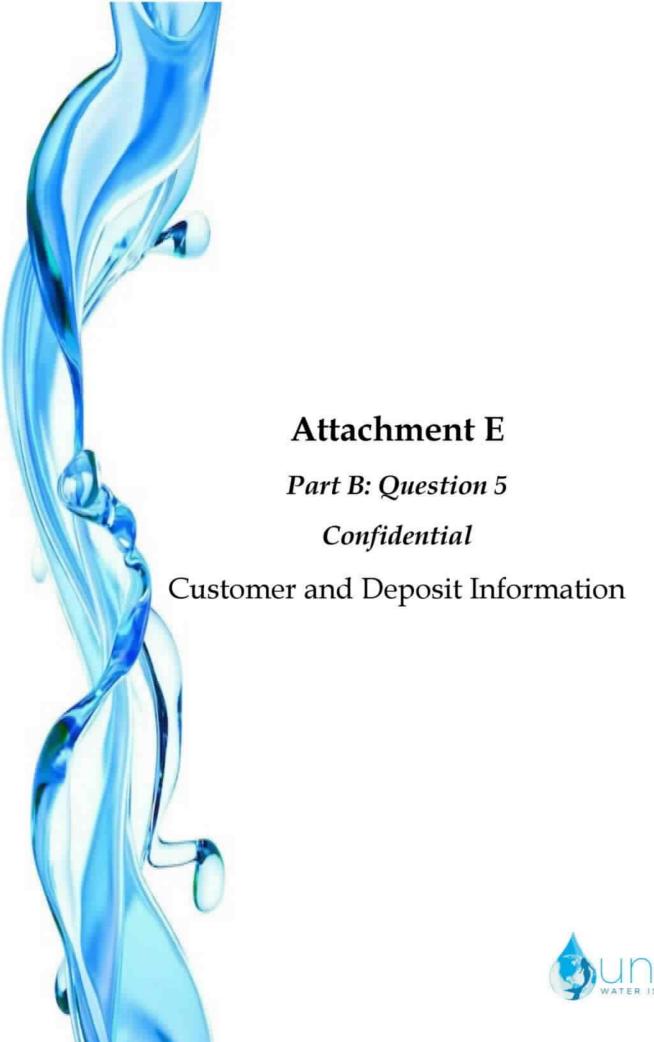
Kalita Point and Indian Hill Harbor

SECTION 1.0 -- RATE SCHEDULE

Residential Monthly Flat Rate: \$30.00 flat fee per month

Volume charges are determined based on average consumption for winter period which includes the following months: N/A

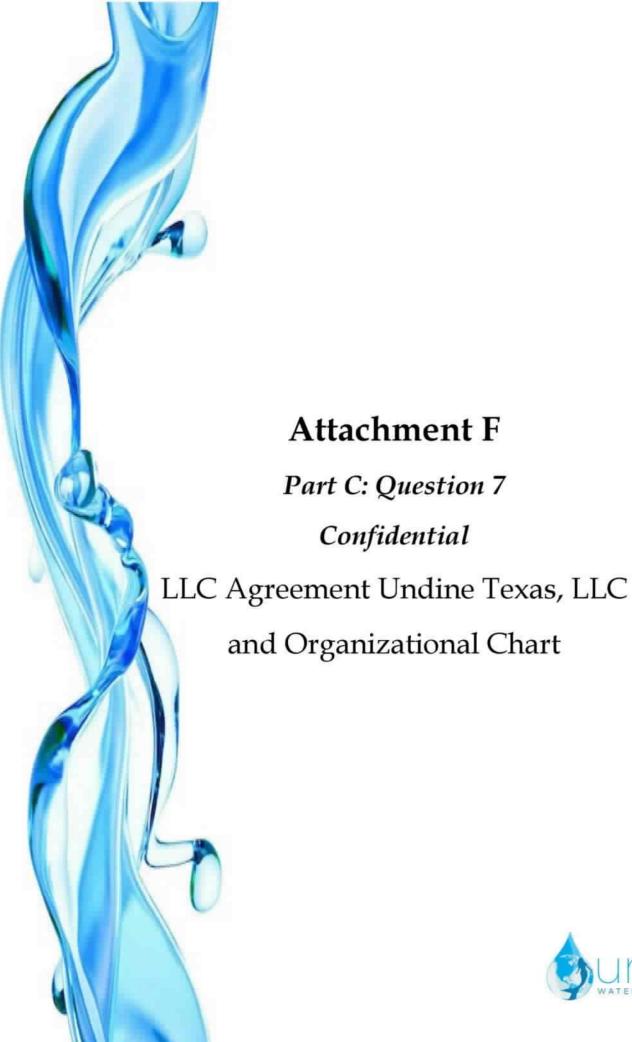
FORM OF PAYMENT: The utility will accept the following forms of payment: Cash_X_, Check_X_, Money Order_X_, Credit Card, Other (specify)_ THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.
REGULATORY ASSESSMENT
Section 1.02 - Miscellaneous Fees
TAP FEE TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION.
RECONNECTION FEE THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):
a) Non-payment of bill (Maximum \$25.00)
b) Customer's request that service be disconnected \$250.00
TRANSFER FEE
LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.
RETURNED CHECK CHARGE \$20.00 RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITYES DOCUMENTABLE COST.
CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)\$50,00
COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL



CONFIDENTIAL

DOCKET N	O.:
STYLE:	Application of Guadalupe-Blanco River Authority and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Calhoun County, Texas
SUBMITTI	NG PARTY: Undine Texas Environmental, LLC
BRIEF DES	CRIPTION OF CONTENTS: Attachment E – Customer and Deposit Information
BATES STA	MP OR SEQUENTIAL PAGE NUMBER RANGE: 478
ENVELOPE	C#: 1 OF 1
ADDITION	AL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 16, 2023



CONFIDENTIAL

DOCKET NO.:	
STYLE:	Application of Guadalupe-Blanco River Authority and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Calhoun County, Texas
SUBMITTI	NG PARTY: Undine Texas Environmental, LLC
	SCRIPTION OF CONTENTS: Attachment F – Limited Liability Company Undine Texas Environmental, LLC and Organizational Chart
BATES ST	AMP OR SEQUENTIAL PAGE NUMBER RANGE: 480 to 487
ENVELOP	E#: 1 OF 1
ADDITION	AL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 16, 2023



Attachment G

Part C: Question 7

Certificates of Account Status

Party Information

The legal name of the seller party is Guadalupe-Blanco River Authority It does not conduct business under an assumed name.

The legal name of the CCN owner party is Undine Texas Environmental, LLC. It does not conduct business under an assumed name.

The seller party, Guadalupe-Blanco River Authority, operates as a Government-owner corporation. The business was formed in 1933 under Section 59, Article 16 of the Constitution of Texas by the Texas legislature.

The CCN owner party, Undine Texas Environmental, LLC, operates as a operates as a domestic limited liability company. The business was formed on April 15, 2013.

The primary business of Guadalupe-Blanco River Authority is to protect, conserve, reclaim and steward the resources of the ten-county District in order to ensure and promote quality of life for those served.

Undine, LLC is the Sole Member of Undine Texas, LLC which is the Sole Member of buyer Undine Texas Environmental, LLC which was registered on November 25, 2015. The Primary business of Undine, LLC is owning and operating water and wastewater utilities.



I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF

DELAWARE, DO HEREBY CERTIFY "UNDINE, LLC" IS DULY FORMED UNDER THE

LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A

LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF

THE TWENTY-FIRST DAY OF MARCH, A.D. 2023.

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

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

AVS OF THE PARTY O

Authentication: 202971586

Date: 03-21-23

5831919 8300 SR# 20231090163

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



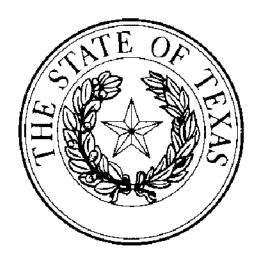
Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Application for Registration for Undine, LLC (file number 802339315), a DELAWARE, USA, Foreign Limited Liability Company (LLC), was filed in this office on November 25, 2015.

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

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on March 22, 2023.



Phone; (512) 463-5555

Prepared by: SOS-WEB

Jane Nelson Secretary of State

TID: 10264



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for Undine Texas Environmental, LLC (file number 801768069), a Domestic Limited Liability Company (LLC), was filed in this office on April 15, 2013.

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

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on March 22, 2023.



Jane Nelson Secretary of State

Fax: (512) 463-5709 Dial: 7-1-1 for Relay Services 492 TID: 10264 Document: 1231340120003



Attachment H

Part C: Question 9

Confidential

Officers of Undine Texas

Environmental, LLC

CONFIDENTIAL

DOCKET NO.:	
STYLE:	Application of Guadalupe-Blanco River Authority and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Calhoun County, Texas
SUBMITTI	NG PARTY: Undine Texas Environmental, LLC
	CRIPTION OF CONTENTS: Attachment H – Officers of Undine Texas ral, LLC Information
BATES STA	AMP OR SEQUENTIAL PAGE NUMBER RANGE: 494
ENVELOPI	E #: 1 OF 1
ADDITION	AL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 16, 2023



Attachment I

Part D

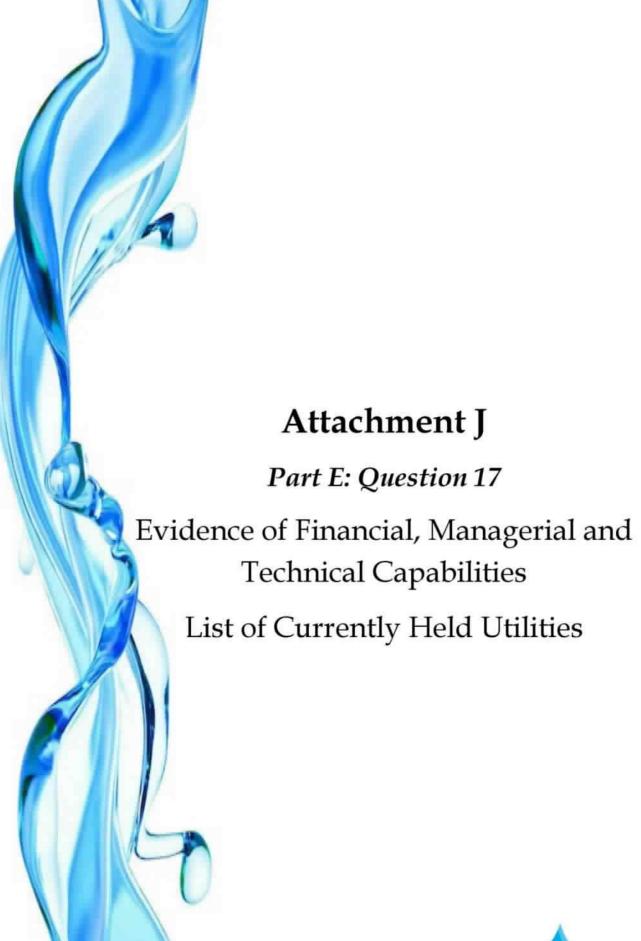
Confidential

Financial Information

CONFIDENTIAL

DOCKET N	O.:
STYLE:	Application of Guadalupe-Blanco River Authority and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Calhoun County, Texas
SUBMITTI	NG PARTY: Undine Texas Environmental, LLC
BRIEF DES	CRIPTION OF CONTENTS: Attachment I – Financial Information
BATES STA	MP OR SEQUENTIAL PAGE NUMBER RANGE: 496 to 538
ENVELOPE	E#: 1 OF 1
ADDITION	AL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 16, 2023



ATTACHMENT "I" STM FILING UNDINE TEXAS ENVIRONMENTAL, LLC.

Who We Are - Proven Expertise

Name and Title	W&WW Industry Exp.	Summary
Ed Wallace President	35 years of total experience	 Founded AquaSource in 1996 Founded Ni America in 2007 Eight year career with Coopers and Lybrand Director at Credit Suisse First Boston
Carey Thomas Sr. Vice President	 25 years of total experience 	 One of 16 Original Investors at AquaSource One of 10 Original Investors at Ni America Former Sr. VP of Administration and HR for AquaSource and Ni America Overall responsibility for Transition and Administration
Andy Thomas Sr. Vice President	 30 years of total experience 	 One of 16 Original Investors at AquaSource One of 10 Original Investors at Ni America Former Sr. VP of Capital Projects and Due Diligence for AquaSource and Ni America
Vance Tillman Chief Financial Officer	33 years of total experience	 Former CFO of Big City Access Holdings, LLC Former CFO of Tideland Signal Corporation Twenty year progressively responsible career with Gulf States Toyota automotive conglomerate culminating as CFO of financial services business unit
Mike Ashfield Sr. Vice President Acquisitions	 19 years of total experience 	 VP Transactions at Ni America Former Sr. VP of Transactions at AquaSource Nine year career with Coopers and Lybrand Coordinated due diligence protocol and administered definitive document negotiations at AquaSource and Ni America
Rick Melcher Manager of Public Relations Jeff Goebel	 22 years of total experience 23 years of total experience 	 Former Public Relations Manager and Spokesperson for AquaSource and Ni America Project Coordinator for AquaSource
Manager Business Development		Business Development for Quadvest for 10 years 540

List of Utilites Currently Owned or Operated by Undine Texas Environmental, LLC

Utilitiy Name	Connection Count
Country Vista	110
Grand Ranch	70
Mayfair	201
Sugartree	155
Angle Acres WWTP	36
Beechwood WWTP	136
Spring Crossing	1
Cold River Ranch	468
Southwood Estates	83
Laguna Harbor	1087
Bayridge STP	121
Wildwood/HUI Enterprises	155
Greens Bayou/KBR	6
Lakeside Village	137
Indian Hills Harbor	46
Kalita Point	40
Stonehedge	37
Conroe Resort	335
Crestview WWTP	68

Total Connection Count: 3,292



Attachment K

Part E: Question 21

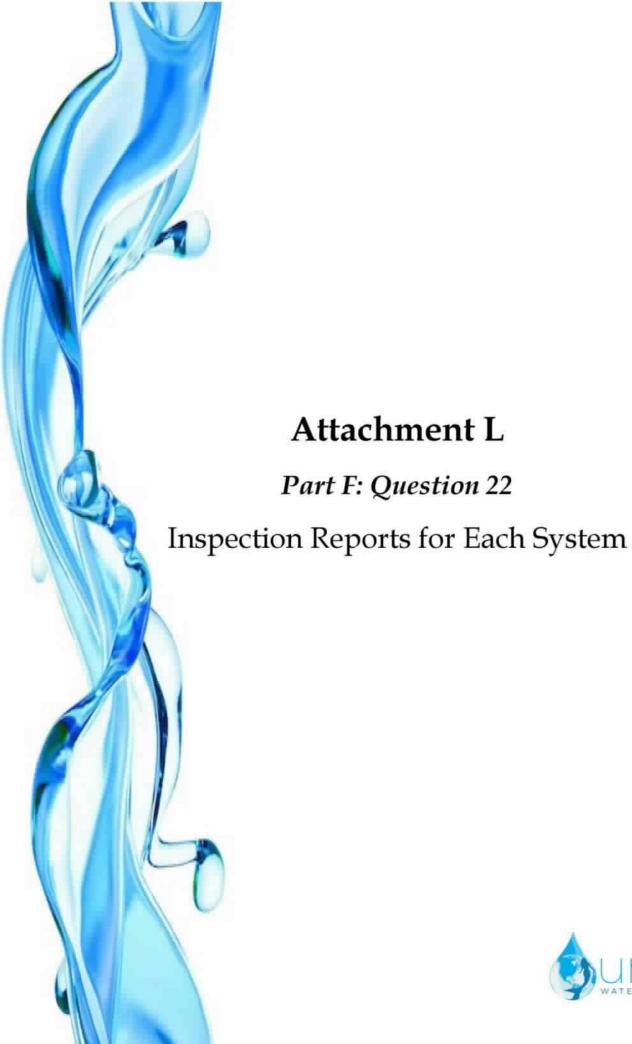
Utilities Within 2 Miles

25+ Acre Landowners

2 Mile Mailing List - Crestview Subdivision

City of Port Lavaca	202 North Virginia	Port Lavaca	TX	77979
GBRA	2225 E. Common Street	New Braunfels	TX	78130
Calhoun County Drainage District 11	186 County Rd 101 Rm 7	Port Lavaca	TX	77979
Calhoun County GCD	131-A N. VIRGINIA ST.	Port Lavaca	TX	77979
Calhoun County Judge Richard Meyer	211 S. Ann St. Ste. 301	Port Lavaca	TX	77979

No 25+ Acre Landowners



					_				
		Part F: TCEQ P	ublic W	/ater System or Sev	wer (Waste	water) Information		
C		ete Part F for <u>EACH</u> Public th a separate sheet with this							
22.	A.	For Public Water System (PWS):						
		•		S Identification Num	ıber:			(7 digit II))	
			·- · · · ·						
		D	TOE						
		Date of la	ist ICE						
				Subdivisions ser	ved:				
	В.	For Sewer service:							
		TCEQ Water Quality	(WQ) D	Discharge Permit Num	ıber:	WQ 13	3954_ 001	(8 digit II))	
			Nam	e of Wastewater Fac	ility:	Crest	view Subdivision	1	
				Name of Perm	itee:	Gu	adalupe-Blanc	o River Authority	
		Date of la	ast TCE	Q compliance inspec	tion:			(attach TCEQ letter)	
							view Subdivision		
		Date of application to tra	msfer po						
23.	Liet	the number of <i>existing</i> conne	etione l	h: matar/aannaatian t	tsano :	to be af	facted by the proposes	d transaction:	
23,				——————————————————————————————————————	ıype,			u transaction.	
	Wat	Non-metered		2		Sewer 68	Residential		
		5/8" or 3/4"		3"		- 50	Commercial		
		1"		4"			Industrial		
		1 1/2"		Other			Other		
		Total Water Conne	ctions:			Т	otal Sewer Connection	ns: 68	
24.	A. B.	Are any improvements req No Yes Provide details on each rec Commission standards (att	quired m	najor capital improve	ment i	necessa	ry to correct deficienc	cies to meet the TCEQ or	
		Description of the Cap	ital Im	provement:	Es	timated	Completion Date:	Estimated Cost:	
		Please See Atta					•		
	L	C. Is there a moratoriu		ew connections?					
25.	Does	the system being transferred	operate	within the corporate	boun	daries c	of a municipality?		
		No Ye	_	·				(name of municipality)	
							mers within the muni		
			1:						
				Water:			Sewer:		

26.	A.	Does the system being tra	ansferred pu	irchase water or	sewer treatment c	apacity from another	source?
		No Yes:	If yes, atta	ich a copy of pu	rchase agreement	or contract.	
	Capaci	ity is purchased from:					
		,	Water:			-	
		;	Sewer:				
	В.	Is the PWS required to pu	irchase wat	er to meet capac	rity requirements of	or drinking water stan	dards?
		No Yes					
	C.	What is the amount of wa the percent of overall den					tract? What is
			Amount	in Gallons	Percent o	of demand	
		Water: Sewer:				00%	
	D.	Will the purchase agreem	ent or conti	ract be transferre	ed to the Transfere	ee?	
		No Yes:					
27.	Does the area?	PWS or sewer treatment plant No Yes:	have adequ	nate capacity to i	neet the current as	nd projected demands	in the requested
28.		name, class, and TCEQ license ility service:	number of	the operator that	t will be responsib	le for the operations of	of the water or
	N:	ame (as it appears on license)	Class	License No.		Water or S	ewer
	Please Se	e Attachment M					
			Part G: N	1apping & Affi	davits		
	AL	L applications require mappi Read question 29 A and B	ng informa	ition to be filed	in conjunction w		ition.
29.		or applications requesting to tra apping information with each of				y adjustment, provide	e the following
		A general location (boundary, city, or to)				ea in reference to the ed to:	nearest county
				equests to transf be provided for		vice areas for both wa	ater and sewer,
				p, graphic, or og document.	diagram of the re	equested area is not	considered an

Query Home Customer Search RE Search ID Search Document Search Search Results Permit Detail TCEQ Home

Central Registry

The Customer Name displayed may be different than the Customer Name associated to the Additional IDs related to the customer. This name may be different due to ownership changes, legal name changes, or other administrative changes.

Detail of: Wastewater Permit WQ0013954001

For: CRESTVIEW SUBDIVISION (RN102805645 ...)

636 BAYOU DR, PORT LAVACA

Permit Status: ACTIVE

Held by: GUADALUPE-BLANCO RIVER AUTHORITY (CN601180565 ...) View 'Issued To' History ...

OWNER Since 12/30/1997 View Compliance History ...

Mailing Address: 933 COURT ST SEGUIN, TX 78155 -

Notice of Violations Current TCEQ Rules

NOV Date	Status	Citation/Requirement Provision	Allegation	Classification	Self Reporting Indicator
07/26/2022	ACTIVE	30 TAC Chapter 217, SubChapter B 217.33(c); 30 TAC Chapter 217, SubChapter B 217.33(c)(4) (A); PERMIT 30 TAC Chapter 217.33(c); PERMIT 30 TAC Chapter 217.33(c)	Failed to provide the required secondary flow measurement device.	MODERATE	NO
07/26/2022	RESOLVED	30 TAC Chapter 305, SubChapter F 305.125(1); 30 TAC Chapter 319, SubChapter A 319.11(c); PERMIT Monitoring and Reporting Reqs. No. 2a; PERMIT Monitoring and Reporting Reqs. No. 2a	Failed to properly analyze effluent samples.	MINOR	NO

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Statewide Links: Texas.gov | Texas Homeland Security | TRAIL Statewide Archive | Texas Veterans Portal

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Last Modified 2023-01-11 - Production v2.1.5



Attachment M

Part F: Question 28

Confidential

Operators Information

CONFIDENTIAL

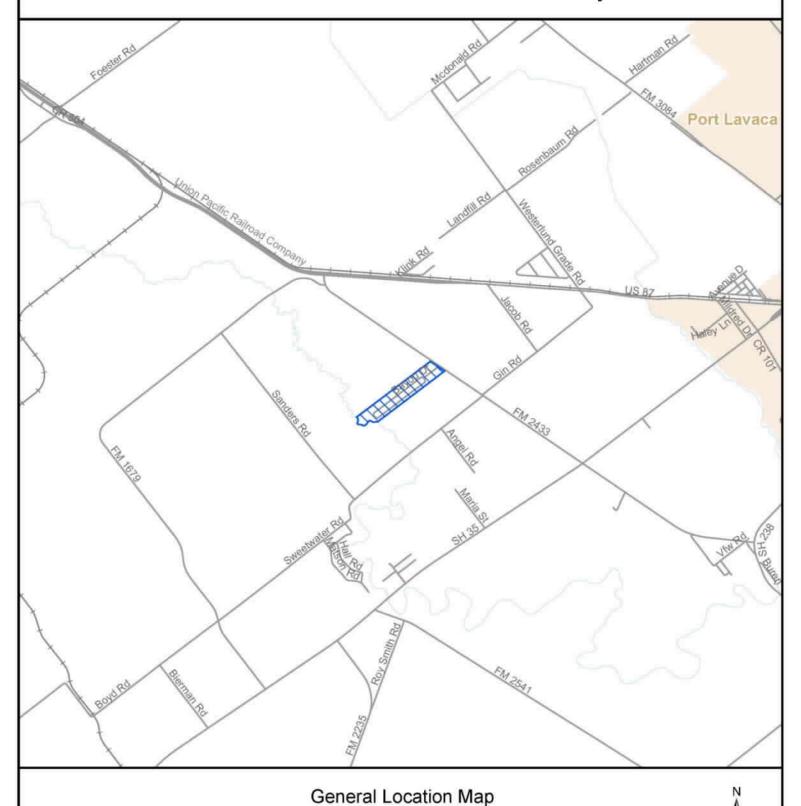
DOCKET N	O.:							
STYLE:	Application of Guadalupe-Blanco River Authority and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Calhoun County, Texas							
SUBMITTI	NG PARTY: Undine Texas Environmental, LLC							
BRIEF DES	BRIEF DESCRIPTION OF CONTENTS: Attachment M – Operators Information							
BATES STA	BATES STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 549 to 550							
ENVELOPI	ENVELOPE #: 1 OF 1							
ADDITION	AL INFORMATION REQUIRED BY PROTECTIVE ORDER:							

DATE SUBMITTED TO COMMISSION: August 16, 2023





Transfer Facilities from Guadalupe Blanco River Authority to Undine Texas Environmental, LLC (CCN No. 20816) and Amend CCN No. 20816 in Calhoun County



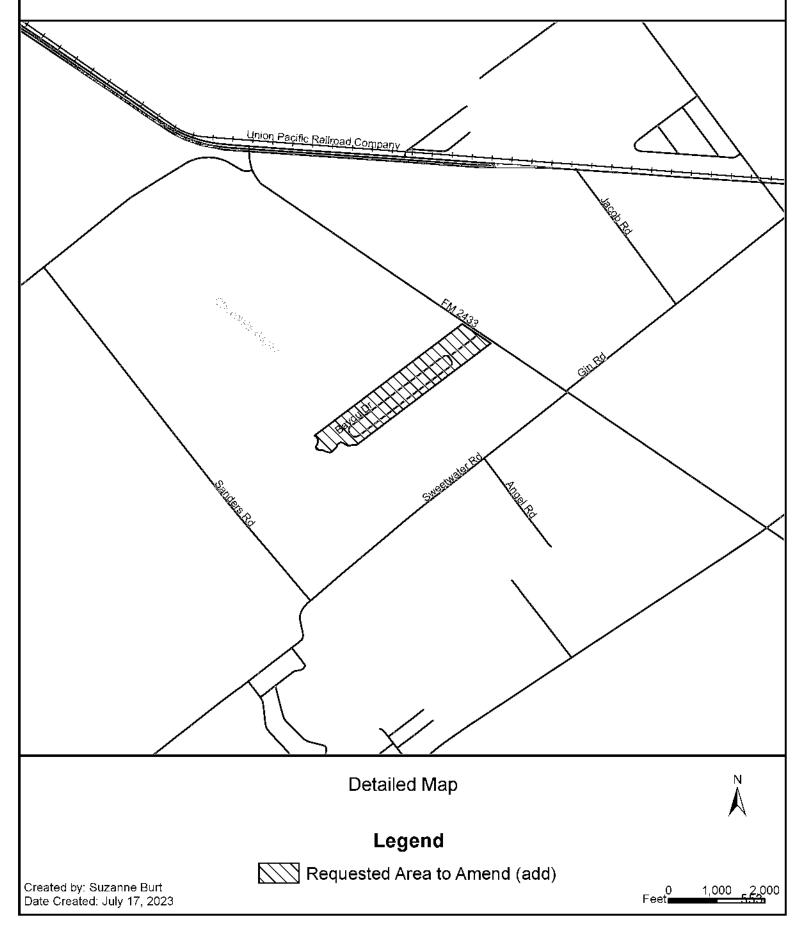
Legend

Requested Area to Amend (add)

Feet 2,000 4,000

Created by: Suzanne Burt Date Created: July 17, 2023

Transfer Facilities from Guadalupe Blanco River Authority to Undine Texas Environmental, LLC (CCN No. 20816) and Amend CCN No. 20816 in Calhoun County



Transfer Facilities from Guadalupe Blanco River Authority to Undine Texas Environmental, LLC (CCN No. 20816) and Amend CCN No. 20816 in Calhoun County Customer Locations - Sewer (No Tracts with 25+ Acres) Legend **Customer Locations** Created by: Suzanne Burt Requested Area to Amend (add) 0 Feet∎ 500 Date Created: July 25, 2023



Attachment O

Part H

CCN Descriptions

Undine Texas Environmental, LLC - Transfer GBRA's Facilities and Amend Sewer CCN 20816

County within: Calhoun
CCN overlaps: None
City limits within: None
ETJs within: None

Districts within: Calhoun County Drainage District 11

Guadalupe Blanco River Authority

GCDs within: Calhoun County GCD

Entities within 2 miles/Notice list:

City of Port Lavaca

GBRA

Calhoun County Drainage District 11

Calhoun County GCD

Calhoun County Judge Richard Meyer

No Landowners with 25 + acres within the Requested area.

Written Description

The proposed utility service area is located approximately <u>4 miles west/southwest</u> of downtown <u>Port Lavaca</u>, TX, and is generally bounded on the north by <u>367 feet north of Bayou Drive</u>; on the east by <u>FM 2433</u>; on the south by <u>Sweetwater Road</u>; and on the west by <u>Chocolate Bayou</u>.

Approximately 60 acres and 68 current customers.



Attachment P

Part D: Question 12

Confidential

Capital Improvements

CONFIDENTIAL

DOCKET N	O.:
STYLE:	Application of Guadalupe-Blanco River Authority and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Calhoun County, Texas
SUBMITTI	NG PARTY: Undine Texas Environmental, LLC
BRIEF DES	CRIPTION OF CONTENTS: Attachment P – Capital Improvements
BATES STA	MP OR SEQUENTIAL PAGE NUMBER RANGE: 558 to 562
ENVELOPE	E#: 1 OF 1
ADDITION	AL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: August 16, 2023



Attachment Q

Wastewater Permit and Transfer Application



TCEQ Use Only

TCEO Coro Data Form

				M 6	VI	- L	CI L	A 1 '		В		
		structions regardi <mark>1eral Inforn</mark>		of this	form, p	please	read	the Co	re Data	Form Instructions	or call 512-	239-5175,
1. Reason f	or Submis	sion (If other is c	hecked pleas	e descri	ibe in s	space	provid	ed.)				
☐ New Pe	ermit, Regis	stration or Authori	zation (Core I	Data Fo	rm sho	ould be	subn	nitted v	vith the	program applicatio	n.)	
Renewa	al (Core Da	ata Form should b	e submitted w	vith the	renewa	al form	1)	\boxtimes	Other	Wastewater	Permit	Transfer
2. Custome	r Referenc	e Number <i>(if iss</i>	ued)	Follow	this lin	k to se	arch	3. Re	gulate	l Entity Reference	e Number (if issued)
CN 6011	180565	#1 1 18		for CN Ce	or RN ntral Re	numbe egistry*	ers in *	Rì	1028	805645		
SECTION	II: Cu	stomer Info	rmation									
4. General C	ustomer l	nformation	5. Effective	Date f	or Cus	stome	r Infor	matio	n Upda	tes (mm/dd/yyyy)	4/18/3	2022
☐ New Cus				Update						_	_	Entity Ownership
										f Public Accounts)		_
				-				_			rrent and	active with the
Texas Sec	retary o	f State (SOS)	or Texas C	ompti	roller	of P	ublic	Acco	ounts	(CPA).		
6. Customer	r Legal Na	me (If an individua	, print last nam	e first: e	g: Doe,	John)		<u>I</u>	f new Cu	istomer, enter previ	ious Custom	<u>ier below:</u>
Undine To	exas En	vironmental,	LLC									
7. TX SOS/C	PA Filing	Number	8. TX State	Tax ID	(11 digit	ts)		18	. Feder	al Tax ID (9 digits)	1	S Number (if applicable)
80176806	59		N/A					4	46-316881 N			
11. Type of	Customer	: Corporati	on			Individ	lual		Partnership: ☐ General ☐ Limited			
Government:	: 🗌 City 🔲	County 🗀 Federal 🗆] State ☐ Othe	Г		Sole F	roprie	torship	· 🗵	Other: LLC		
12. N umber ⊠ 0-20 □	of Employ _ 21-100	rees 101-250	251-500		501 ar	nd high	ìе́г		3. Inde ⊠ Yes	pendently Owned	l and Opera	ated?
14. Custome	er Role (Pr	oposed or Actual) -	as it relates to	the Reg	julated	Entity I	isted o	n this fo	orm. Plea	ase check one of the	following	
Owner		Operat	tor		X 0	wner 8	Qper	ator				
☐ Occupation	nal Licens	ee 🔲 Respo	nsible Party		☐ Vo	oluntar	y Clea	anup A	pplicant	☐Other:		
	17681	Telge Road						••				
15. Mailing Address:												
Audiess.	City	Cypress		St	tate	TX		ZIP	774	29	ZIP + 4	_
16. Country	Mailing In	formation (if outsi	de USA)				17. 1	E-Mail	Addres	is (if applicable)		
							cth	omas	@unc	linellc,com		
18. Telephor	ne Numbe	r		19. Ex	tensi	on or	Code			20. Fax Numbe	r (if applica	ble)
(713)57	74-5953									(713)647	-0277	
SECTION	III: R	egulated En	tity Info	rmati	ion					· ·		
_						y" is s	electe	d belov	v this fo	rm should be acco	mpanied by	/ a permit application)
l	ulated Enti		to Regulated							Entity Information		, gapanaanaany
The Regul	ated Ent	ify Name sub	mitted may	/ he III	ndate	ed in	orde	r to n	eet Ti	CEQ Agency D	ata Stani	dards (removal

ECTION III: Regulated Entity Information								
21. General Regulated Entity Information (If 'New Regulated Entity" is selected below this form should be accompanied by a permit application)								
☐ New Regulated Entity ☐ Update to Regulated Entity Name ☐ Update to Regulated Entity Information								
The Regulated Entity Name submitted may be updated in order to meet TCEQ Agency Data Standards (removal of organizational endings such as Inc, LP, or LLC).								
22. Regulated Entity Name (Enter name of the site where the regulated action is taking place.)								
Crestview Subdivision Wastewater Treatment Facility								

	T		_										
23. Street Address of	933 E	East Co	urt Stree	et								_ .	
the Regulated Entity: (No PO Boxes)													
, individual solution	City	Se	guin	St	ate	TX	ZI	IP.	78155		ZIP + 4		
24. County													
		Enter F	hysical L	ocation	Descript	tion if no st	reet	address	is provid	ed.			
25. Description to Physical Location:	Locat	ted at 6	36 Bayo	u Dri	ve, in C	Calhoun C	Cour	nty, Te	xas 779	979			
26. Nearest City									State		Nea	rest ZIP Code	
Port Lavaca									TX		77:	979	
27. Latitude (N) In Decir	nal:	28.	6022701	N		28. L	ong	itude (V	/) In Deci	mal:	96.6966	27W	
Degrees	Minutes		5	Seconds		Degre	968		Min	nutes		Seconds	
29. Primary SIC Code (4	digits)	30. Seco	ndary SIC	Code (4	l digits)	31. Prima (5 or 6 digit	-	IAICS Co	ode	32. S € (5 or 6	econdary NA	ICS Code	
4952												•	
33. What is the Primary	Busines	s of this	entity?	(Do not re	peat the Si	C or NAICS des	 scriptic	on.)					
Wastewater Utilitie	es												
34. Mailing	<u> </u>	17681 Telge Road											
Address:													
	City	City Cypress			State TX			ZIP 77429			ZIP ÷ 4		
35. E-Mail Address	:					cthom	as@)undinel	lc.com				
36. Teleph	one Num	ıber	-·	37	. Extensi	on or Code			38.	Fax Nu	nber (if appi	icable)	
(713)	574-5953	r		_						(71	3) 647-277		
9. TCEQ Programs and ID orm. See the Core Data Form) Numbe instruction	rs Check is for addit	all Programs ional guidan	s and wri	te in the pe	ermits/registra	ation	numbers	that will be	affected	by the updates	submitted on this	
☐ Dam Safety	Dis	stricts		□ Ec	lwards Aqı	uifer] Emissic	ns Invento	ry Air	☐ Industria	l Hazardous Waste	
Municipal Solid Waste	│ │ Ne	w Source I	Review Air		3SF] Petrolet	ım Storage	Tank	PWS		
Sludge	Sto	orm Water		☐ Tit	tle V Air			Tires			Used Oi		
Voluntary Cleanup	<u></u> ⊠ Wa	iste Water			astewater	Agriculture	[Water F	Rights		Other:		
SECTION IV: Pre	⊥ :parer	Infor	mation						-		<u> </u>		
40. Name: Jeff Goebel						41. Title:	:	Mgr.	Busine	ss Dev	elopment	····	
	43. Ext./0	Code	44. Fax	Numbe	 er	45. E-M	lail A	Address					
(713)574-5953				647-0					ellc.cor	 n			
SECTION V: Aut	horize	ad Sim	. `			100						,	
6. By my signature below, ignature authority to submi	I certify,	, to the be	st of my ki										

identified in field 39.

Company:	Undine Texas Environmental, LLC	Job Title:	President	t			
Name (In Print):	Ed Wallace		Phone: (713) 574- 5953				
Signature:	Solvalla			Date:	7/14/23		

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

APPLICATION TO TRANSFER A WASTEWATER PERMIT **OR CAFO PERMIT**

If you have questions about completing this form please contact the Applications Review and Processing Team at 512-239-4671.

SECTION 1. CURRENT PERMIT INFORMATION
What is the Permit Number? <u>WQ0013954001</u>
What is the EPA I.D. Number? TX <u>0118923</u>
What is the Current Name on the Permit?
Crestview Subdivision Wastewater Treatment Facility
What is the Customer Number (CN) for the current permittee? CN 601180565
What is the Regulated Entity Reference Number (RN): RN 102805645
For Publicly Owned Treatment Works (POTWs) Only:
a) Does this permit require implementation of an approved pretreatment program by the
POTW? Yes □ No ⊠
b) Does this permit have a domestic reclaimed water authorization associated with it? NOTE: The domestic reclaimed water authorization associated with this permit will be cancelled on the same date the transfer took place . See instructions for more information. Yes □ No ⊠
SECTION 2. FACILITY OWNER (APPLICANT) INFORMATION

A. What is the Legal Name of the facility owner?

Undine Texas Environmental, LLC

What is the Customer Number (CN) issued to this entity? CN 604519330

B. Complete and attach a Core Data Form (TCEQ-10400) for this customer.

SECTION 3. CO-APPLICANT INFORMATION

Complete this section only if another person or entity is required to apply as a co-permittee.

A. What is the Legal Name of the co-applicant applying for this permit?

N/A

- **B.** What is the Customer Number (CN) issued to this entity? CN
- C. Complete and attach a Core Data Form (TCEQ-10400) for this customer.

SECTION 4. APPLICATION CONTACT INFORMATION

This is the person TCEQ will contact if additional information is needed about this application.

Application Contact First and Last Name: Jeff Goebel

Title: Mgr. Business Development Credentials:

Company Name: Undine Texas Environmental, LLC

Mailing Address: 17681 Telge Road

City, State, and Zip Code: Cypress, TX 77429

Phone Number: 713-574-5953 Fax Number: 713-647-0277

E-mail Address: jgoebel@undinellc.com

SECTION 5. PERMIT CONTACT INFORMATION

This is the person TCEQ will contact if additional information is needed during the term of the permit.

Permit Contact First and Last Name: Carey A. Thomas

Title: <u>Sr. Vice President</u> Credentials:

Company Name: <u>Undine Texas Environmental, LLC</u>

Mailing Address: 17681 Telge Road

City, State, and Zip Code: Cypress, TX 77429

Phone Number: <u>713-574-5953</u> Fax Number: <u>713-647-0277</u>

E-mail Address: cthomas@undinellc.com

SECTION 6. SITE INFORMATION

Site Name: Crestview Subdivision Wastewater Treatment Facility

SECTION 7. LEASE AND EASEMENT REQUIREMENTS

A. Landowner where the facility is or will be located:

Landowner Name: Undine Texas Environmental, LLC

If this individual is not the same person as the facility owner or co-applicant, attach one

of the following documents:

- A lease agreement or deed recorded easement, if the facility is NOT a fixture of the land, or
- A deed recorded easement if the facility IS a fixture of the land.
- **B.** Landowner of the effluent disposal site:

Landowner Name: N/A

If this individual is not the same person as the facility owner or co-applicant, attach a lease agreement.

C. For CAFOs: Attach the following records:

- Warranty Deed or Property Tax Records
- Lease Agreement (for land management units that are not owned by the facility owner or co-applicant)

Facility Size on the proof of ownership, in acres: N/A

SECTION 8. TRANSFER DATE

What is the date that the transfer of operator or ownership will occur? 3/5/23

SECTION 9. REPORTING AND BILLING INFORMATION

A. Please identify the individual for receiving the reporting forms.

First and Last Name: <u>Carey A Thomas</u>

Title: Sr. Vice President Credentials:

Company Name: Undine Texas Environmental, LLC

Mailing Address: 17681 Telge Road

City, State, and Zip Code: Cypress, TX 77429

Phone Number: 713-574-5953 Fax Number: 713-647-0277

E-mail Address: cthomas@undinellc.com

B. Please identify the individual for receiving the annual fee invoices.

First and Last Name: <u>Carey A Thomas</u>
Title: Sr. Vice President Credentials:

Company Name: <u>Undine Texas Environmental</u>, <u>LLC</u>

Mailing Address: 17681 Telge Road

City, State, and Zip Code: Cypress, TX 77249

Phone Number: <u>713-574-5953</u> Fax Number: <u>713-647-0277</u>

E-mail Address: cthomas@undinellc.com

SECTION 10. DELINQUENT FEES OR PENALTIES

Do you owe fees to the TCEQ? Yes \square No \boxtimes

Do you owe any penalties to the TCEQ? Yes \square No \boxtimes

If you answered yes to either of the above questions, provide the amount owed, the type of fee or penalty, and an identifying number.

TRANSFEROR SIGNATURE (Current Facility Owner)

Facility Owner Name: Darrell Michale

I consent to the transfer of the permit and I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. I further certify that I am authorized under 30 Texas Administrative Code Section 305.44 to sign this document and can provide documentation in proof of such authorization upon request.

mature: Danil Necko	Blanco River Authority Date: 08/14/2023
SUBSCRIBED AND SWORN to before	me by the said <u>Darrell Nichols</u> on
this 14th day of August	, 2023
My commission expires on the 19th	day of, 20 25
	Mary & Lowert
(Seal)	Notary Public
MARY C. NEWMAN My Notery ID # 5132625 Expires May 19, 2025	Comal County, Texas

TRANSFEREE SIGNATURE (New Facility Owner)

I certify that a change of ownership of the facility for the subject permit has been issued will occur as indicated in the application. As a condition of the transfer, I do hereby declare that:

The transferee will be the owner of the existing treatment facility from which wastewater is discharged, deposited or disposed or the facilities required to comply with the permit will be constructed as described in the application considered by the TCEQ prior to the issuance of the permit.

The transferee possesses a copy of the permit, understands the terms and conditions therein, and does accept and assume all obligations of the permit.

The transferee assumes financial responsibility for the proper maintenance and operation of all waste treatment and disposal facilities required by the permit or which may be required to comply with the permit terms and conditions. The transferee certifies that the transfer is not made for the purpose of avoiding liability for improper actions carried out prior to the date of transfer. Neither is the transfer made for the purpose of transferring responsibility for improper operations to an insolvent entity.

The transferee certifies under penalty of law that this document is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for known violations and revocation of this permit.

New Facility Owner: Ed Wallace

Title: President

Signature: Date: 7/19/23

SUBSCRIBED AND SWORN to before me by the said Analy On this 14th day of young yo