

Control Number: 43078



Item Number: 63

Addendum StartPage: 0

SOAH DOCKET NO. 473-15-3742.WS  
PUC DOCKET NO. 43078

RECEIVED  
2015 DEC 21 AM 9:42  
STATE OFFICE OF ADMINISTRATIVE HEARINGS  
FILING CLERK

APPLICATION OF FREMONT § BEFORE THE STATE OFFICE  
WATER COMPANY FOR A WATER §  
RATE/TARIFF CHANGE IN KERR § OF  
COUNTY (37993-R) §  
§ ADMINISTRATIVE HEARINGS

**JOINT MOTION TO ADMIT EVIDENCE AND REMAND**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission) representing the public interest, Fred Gregory d/b/a Fremont Water Company (Fremont), and Intervenor Donald R. Allen, Mary C. Allen, and Christine Chartier, either personally or through their duly authorized representatives, (collectively Signatories), files this Joint Motion to Admit Evidence and Remand.

**I. Background**

On July 25, 2014, Fremont filed an Application for a Water Rate/Tariff Change (Application) with the Texas Commission on Environmental Quality (TCEQ). Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities. Fremont's application was filed at the Commission on September 22, 2014. On May 7, 2015, the Commission issued an Order of Referral and Order Setting Prehearing Conference and Requiring Notice for the Application because over 10% of Fremont's ratepayers protested the application.

On June 15, 2015, the State Office of Administrative Hearing (SOAH) Administrative Law Judge (ALJ) held a prehearing conference to establish jurisdiction over the case and take appearances of the parties. On December 21, 2015, the Signatories entered into the attached Unanimous Stipulation and Settlement Agreement (Stipulation).

**II. Motion to Admit Evidence**

The attached Stipulation resolves all of the issues in this proceeding. The Signatories request that the following be admitted into evidence for the limited purpose of supporting the Stipulation and seeking approval of the Stipulation:

1. Application for a Water Rate/Tariff Change of Fremont Water Co. in Kerr County CCN No. 12821 Application No. 37993-R, Docket No. 43078, filed with the Commission on September 22, 2014;

2. Fremont Water Company's Motion for Leave to Amend Pleading and all Attachments, filed on September 3, 2015;
3. Unanimous Stipulation and Settlement Agreement with Agreed Tariffs and Joint Proposed Final Order, filed on December 21, 2015;
4. Affidavit of Fred Gregory in Support of Unanimous Stipulation and Settlement Agreement, filed on behalf of Fremont on December 21, 2015; and
5. Testimony in Support of Unanimous Stipulation and Settlement Agreement of Heidi Graham, Water Utilities Division, filed on behalf of Staff on December 21, 2015.

### **III. Motion to Remand**

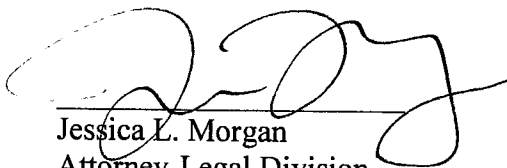
As evidenced by the Stipulation, the Signatories have fully and finally resolved all issues in this proceeding and no hearing is necessary. Therefore, the Signatories request that this docket be remanded to the Commission to allow for review of the Stipulation and approval of the attached Proposed Final Order.

**Dated: December 21, 2015**

Respectfully Submitted,

Margaret Uhlig-Pemberton  
Division Director  
Legal Division

Karen S. Hubbard  
Managing Attorney  
Legal Division



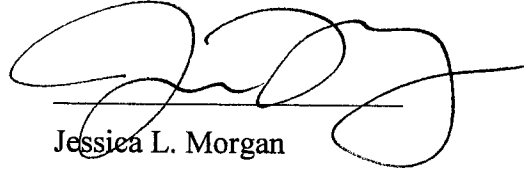
Jessica L. Morgan  
Attorney-Legal Division  
State Bar No. 24079023  
(512) 936-7229  
(512) 936-7268 (facsimile)  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

**SOAH DOCKET NO. 473-15-3742.WS**

**PUC DOCKET NO. 43078**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on December 21, 2015 in accordance with 16 TAC § 22.74.

  
\_\_\_\_\_  
Jessica L. Morgan

**PUC DOCKET NO. 43078**  
**SOAH DOCKET NO. 473-15-3742.WS**

<b>APPLICATION OF FREMONT</b>	§	<b>BEFORE THE STATE OFFICE</b>
<b>WATER COMPANY FOR A WATER</b>	§	
<b>RATE/TARIFF CHANGE IN KERR</b>	§	<b>OF</b>
<b>COUNTY (37993-R)</b>	§	
	§	<b>ADMINISTRATIVE HEARINGS</b>

**UNANIMOUS STIPULATION AND SETTLEMENT AGREEMENT**

This Unanimous Stipulation and Settlement Agreement (Stipulation) is entered into by the parties in this case, who are the Staff (Staff) of the Public Utility Commission of Texas (Commission), Fred Gregory d/b/a Fremont Water Company (Fremont), and Intervenors Donald R. Allen, Mary C. Allen, and Christine Chartier (Intervenors)<sup>1</sup> either personally or through their duly authorized representatives (collectively, Signatories).

**I. BACKGROUND**

On July 25, 2014, Fremont filed its application with the Texas Commission on Environmental Quality (TCEQ), requesting authority for rate and tariff changes (Application). Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities. On May 7, 2015, the Commission issued an Order of Referral and Order Setting Prehearing Conference and Requiring Notice for the Application because over 10% of Fremont’s ratepayers protested the application. For that reason, the Commission concluded that it has original jurisdiction over the Application.

After proper notice, a prehearing conference was held on June 15, 2015. The State Office of Administrative Hearings Administrative Law Judge (ALJ) presiding over that prehearing

---

<sup>1</sup> James H. and Marian R. Myers were initially designated as Intervenors, but requested authorization to withdraw as parties from the ALJ. The ALJ granted that request in SOAH Order No. 3 (July 28, 2015).

conference took appearances and established a procedural schedule for the case. Subsequently, the Signatories engaged in settlement discussions and reached the agreement reflected herein. The Signatories believe that a resolution of this docket pursuant to the terms stated below is reasonable and in the public interest. Settlement will also conserve the resources of the parties and the Commission and will mitigate controversy.

The Signatories jointly request Commission approval of this Stipulation and entry of orders, findings of fact, and conclusions of law consistent with the approval. By this Stipulation, the Signatories resolve all issues among them related to Fremont's application, and agree as follows:

## **II. STIPULATION AND AGREEMENT**

### **1. Agreements as to Rate/Tariff Changes.**

- a. Retail Water Utility Rates.** The Signatories agree that Fremont should be allowed to implement the retail water utility rates contained in Section 1.0 of the tariff included as **Attachment A** to this Stipulation. The effective date will be the first day of the month following Commission approval of the rates contained in Section 1.0 of **Attachment A**.
- b. Tariff Provisions.** The Signatories agree that Fremont should be allowed to implement the other tariff provisions included in **Attachment A** to this Stipulation. The Signatories agree that **Attachment A** to this Stipulation should be the governing water utility rates, terms, treatments, and conditions for Fremont ratepayer customers.

### **2. Agreements Regarding Additional Rate Matters**

- a. **Rate Case Expenses.** The Signatories agree that Fremont shall not seek to recover and shall not collect any rate case expense that it has incurred or will incur in relation to the Application (Application No. 37993-R) or this docket (PUC Docket No. 43078, SOAH Docket No. 473-15-3742.WS).
  - b. **Refunds/Credits.** The Signatories agree that Fremont shall not be required to issue any refunds or credits for the difference between its requested Application rates in effect between January 31, 2015 and the effective date of the Stipulation rates set forth in **Attachment A**. Fremont shall be allowed to keep all revenue collected under the Application rate schedule in effect for that time period.
3. **Proposed Order.** The Signatories jointly propose that the Commission issue a final order in the form attached as **Attachment B**. The Signatories submit the stipulated and agreed upon Findings of Fact and Conclusions of Law included in the proposed order in **Attachment B** for the Commission's adoption of and inclusion in a final order in this case implementing the terms of this Stipulation.

### **III. IMPLEMENTATION OF AGREEMENT**

1. **Obligation to Support this Stipulation.** The Signatories will support this Stipulation before the Commission and will take reasonable steps to support expeditious entry of orders fully consistent with this Stipulation. This provision shall not preclude any party from taking action that is mandatory and nondiscretionary pursuant to a law enacted after the date this Stipulation is filed at the Commission.
2. **Effect of Stipulation.**
  - a. The Stipulation does not adopt any particular methodology underlying the settlement rates or rate design reflected in the Stipulation.

- b. The failure to litigate any specific issue in this docket does not waive any Signatory's rights to contest that issue in any other current or future proceeding. The failure to litigate an issue cannot be asserted as a defense or estoppel, or any similar argument, by or against any Signatory in any other proceeding.
- c. The terms of this Stipulation may not be used either as an admission or concession of any sort or as evidence in any proceeding except to enforce the terms of this Stipulation. Oral or written statements made during the course of the settlement negotiations may not be used for any purposes other than as necessary to support the entry by the Commission of an order implementing this Stipulation. All oral or written statements made during the course of the settlement negotiations are governed by Tex. R. Evid. 408.
- d. The Signatories arrived at this Stipulation through extensive negotiation and compromise. This Stipulation reflects a compromise, settlement and accommodation among the Signatories, and the Signatories agree that the terms and conditions herein are interdependent. The Signatories agree that this Stipulation is in the public interest. All actions by the Signatories contemplated or required by this Stipulation are conditioned upon entry by the Commission of a final order fully consistent with this Stipulation. If the Commission does not accept this Stipulation as presented or enters an order inconsistent with any term of this Stipulation, any Signatory shall be released from all commitments and obligations, and shall have the right to seek hearing on all issues, present evidence, and advance any positions it desires, as if it had not been a Signatory.



- e. This Stipulation is binding on each of the Signatories only for the purpose of settling the issues as set forth herein and for no other purposes. It is acknowledged that a Signatory's support of the matters contained in this Stipulation may differ from the position taken or testimony presented by it in this proceeding or other proceedings. To the extent that there is a difference, a Signatory does not waive its position in any other proceedings. Because this is a stipulated resolution, no Signatory is under any obligation to take the same positions as set out in this Stipulation in other proceedings, whether those proceedings present the same or a different set of circumstances, except as may otherwise be explicitly provided in this Stipulation.
- f. There are no third party beneficiaries of this Stipulation. Although this Stipulation represents a settlement among the Signatories with respect to the issues presented in this docket, this Stipulation is merely a settlement proposal submitted to the Commission, which has the authority to enter an order resolving these issues.
- g. This Stipulation supersedes any prior written or oral agreement in this docket regarding the subject matter of this Stipulation.
- h. The final resolution of this docket does not impose any conditions, obligations or limitations on Fremont's right to file a future rate application and obtain rate relief in accordance with the Texas Water Code.
- i. This Stipulation shall not be binding or precedential upon a Signatory outside this docket and Signatories retain their rights to pursue relief to which they may be entitled in other proceedings.

3. **Execution.** The Signatories agree that this Stipulation may be executed in multiple counterparts and filed with facsimile or computer image signatures.

Executed as shown below:

Dated this 21 day of December, 2015.

**FRED GREGORY D/B/A FREMONT WATER COMPANY**

By: Geoffrey P. Kirshbaum  
Geoffrey P. Kirshbaum  
The Terrill Firm, P.C.  
Attorney for Fred Gregory d/b/a Fremont Water Company

Date: \_\_\_\_\_

**STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS**

By: \_\_\_\_\_  
Jessica L. Morgan  
Attorney for Staff of the Public Utility Commission of Texas

Date: \_\_\_\_\_

**INTERVENORS**

By: \_\_\_\_\_  
Donald R. Allen

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Mary C. Allen

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Christine Chartier

Date: \_\_\_\_\_

**FRED GREGORY D/B/A FREMONT WATER COMPANY**

By: \_\_\_\_\_

Geoffrey P. Kirshbaum  
The Terrill Firm, P.C.  
Attorney for Fred Gregory d/b/a Fremont Water Company

Date: \_\_\_\_\_

**STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS**

By: \_\_\_\_\_

Maria Faconti  
Attorney for Staff of the Public Utility Commission of Texas

Date: \_\_\_\_\_

**INTERVENORS**

By: Donald R. Allen  
Donald R. Allen

Date: Nov. 30, 2015

By: Mary C. Allen  
Mary C. Allen

Date: Nov. 30, 2015

By: Christine Chatter  
Christine Chatter

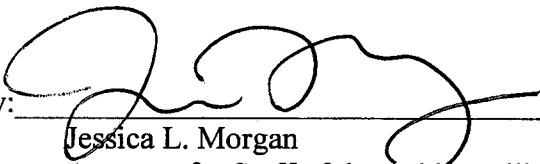
Date: Nov. 30, 2015

**FRED GREGORY D/B/A FREMONT WATER COMPANY**

By: \_\_\_\_\_  
Geoffrey P. Kirshbaum  
The Terrill Firm, P.C.  
Attorney for Fred Gregory d/b/a Fremont Water Company

Date: \_\_\_\_\_

**STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS**

By:   
\_\_\_\_\_  
Jessica L. Morgan  
Attorney for Staff of the Public Utility Commission of Texas

Date: 12/21/2015

**INTERVENORS**

By: \_\_\_\_\_  
Donald R. Allen

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Mary C. Allen

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Christine Chartier

Date: \_\_\_\_\_

# Attachment A



**WATER UTILITY TARIFF**  
**Docket Number: 43078**

Fremont Water Company  
(Utility Name)

938 Saddle Club Drive  
(Business Address)

Kerrville, Texas 78028  
(City, State, Zip Code)

(830) 895-0497  
(Area Code/Telephone)

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

12821

This tariff is effective in the following counties:

Kerr

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

None

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

Fremont Water: PWS No. 1330153

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

TABLE OF CONTENTS

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND REGULATIONS .....	4
SECTION 3.0 -- EXTENSION POLICY .....	11
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN .....	15

APPENDIX A -- SAMPLE SERVICE AGREEMENT

**SECTION 1.0 -- RATE SCHEDULE**

Section 1.01 -- Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons)	<u>Gallage Charge</u>
5/8" x 3/4"	<u>\$13.95</u>	\$4.25 per 1,000 gallons
3/4"	<u>\$20.97</u>	
1"	<u>\$34.95</u>	
1½"	<u>\$69.75</u>	
2"	<u>\$111.60</u>	
3"	<u>\$223.20</u>	

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

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

REGULATORY ASSESSMENT ..... 1.0%  
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$595  
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" x 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non-payment of bill (Maximum \$25.00) ..... \$25.00
- b) Customer's request ..... \$25.00
- c) Other reasons listed under Section 2.0 of this tariff ..... \$25.00

TRANSFER FEE ..... \$25.00  
 THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (Not more than \$5.00 or 10%) ..... 10%  
 A ONE TIME PENALTY MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE ..... \$25.00

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



SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE .....\$25.00

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY.

CUSTOMER REQUESTED METER SIZE CHANGE OUT FEE.....Actual Cost

ACTUAL COST MAY NOT EXCEED THE STANDARD TAP FEE AMOUNT OF \$595. THE CUSTOMER WILL BE RESPONSIBLE FOR FURNISHING AND LAYING THE NECESSARY CUSTOMER SERVICE PIPE FROM THE METER LOCATION TO THE PLACE OF CONSUMPTION AS REQUIRED BY SECTION 2.05 OF THE SERVICE RULES AND POLICIES INCLUDED IN THIS TARIFF.

SECTION 2.0 -- SERVICE RULES AND POLICIES

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

Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - Refusal of Service

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

Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) Customer Deposits

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

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

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

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by P.U.C. SUBST. R. 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, Section 290.46(j). The utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in Title 30 Texas Administrative Code (TAC) §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

Section 2.09 - Meter Requirements, Readings, and Testing

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

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

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.10 - Billing

(A) Regular Billing

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

(B) Late Fees

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

(C) Information on Bill

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

(D) Prorated Bills

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

Section 2.11 - Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.12 - Service Disconnection

(A) With Notice

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

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

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

B) Without Notice

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

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 36 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.16 - Customer Complaints and Disputes

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

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

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

Section 2.17 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.



SECTION 3.0--EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges: No Contribution in Aid of Construction may be required of any customer except as provided for in this approved extension policy.

The utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the utility and the applicant, in compliance with PUC rules and policies, and upon extension of the utility's certified service area boundaries by the PUC unless the utility elects to serve the area under an applicable PUC rule exception if available at the requested service location.

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

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

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

Unless an exception is granted by the Commission, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the Commission if:

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

SECTION 3.0 -- EXTENSION POLICY (Continued)

If an exception is granted by the Commission, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

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

Section 3.03 - Contributions in Aid of Construction

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

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of P.U.C. SUBST. R. 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by P.U.C. SUBST. R. 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.0 -- EXTENSION POLICY (Continued)

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- If service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- For purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The utility will provide a written service application form to the applicant for each request for service received by the utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

# SECTION 4.0

## DROUGHT CONTINGENCY PLAN FOR


FREMONT WATER Co.  
(Name of Utility)  
P.O. Box 291937, Kerrville, TX 78029  
(Address, City, Zip Code)  
12821  
(CCN#)  
1330153  
(PWS #s)  
8/15/2014  
(Date)

### Section 1 Declaration of Policy, Purpose, and Intent

In cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit non-essential water usage. The purpose of the Drought Contingency Plan is to encourage customer conservation in order to maintain supply, storage, or pressure or to comply with the requirements of a court, government agency or other authority.

**Please note:** Water restriction is not a legitimate alternative if a water system does not meet the Texas Commission on Environmental Quality's (TCEQ) capacity requirements under normal conditions or if the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

I FRED GREGORY (print name), being the responsible official for FREMONT WATER Co. (Name of utility), request a minor tariff amendment to include the enclosed Drought Contingency Plan.

  
(Signature)  
8/15/2014  
(Date)

NOTE: HEADWATERS GROUNDWATER CONSERVATION DISTRICT issues the Operating Permit for Fremont's water well, monitors groundwater production from the well and establishes a four level drought index which are the average water levels in selected monitor wells.

Fremont Water Co. uses HGCD's drought index to establish the four Stages in this Drought Contingency Plan.

**Section 2 Public Involvement**

Opportunity for the public to provide input into the preparation of the Plan was provided by:  
(check at least one of the following)

9 scheduling and providing public notice of a public meeting to accept input on the Plan.

The meeting took place at:

Date \_\_\_\_\_ Time: \_\_\_\_\_ Location: \_\_\_\_\_

9 mailed survey with summary of results (attach survey and results)

bill insert inviting comment (attach bill insert)

9 other method \_\_\_\_\_

**Section 3 Public Education**

The FREMONT (name of utility) will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage.

Drought plan information will be provided by:  
(check at least one of the following)

9 public meeting

9 press releases

utility bill inserts

9 other \_\_\_\_\_

**Section 4 Coordination with Regional Water Planning Groups (RWPG)**

The service area of the \_\_\_\_\_ (name of your utility) is located within RWPG \_\_\_\_\_

\_\_\_\_\_ (name of your utility) has mailed a copy of this Plan to the RWPG.

## **Section 5 Notice Requirements**

Written notice will be provided to each customer prior to implementation or termination of each stage of the water restriction program. Mailed notice must be given to each customer 72 hours prior to the start of water restriction. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided. The written notice to customers will contain the following information:

1. the date restrictions will begin,
2. the circumstances that triggered the restrictions,
3. the stages of response and explanation of the restrictions to be implemented, and,
4. an explanation of the consequences for violations.

**The utility must notify the TCEQ by telephone at (512) 239-4691, or electronic mail at [watermon@tceq.state.tx.us](mailto:watermon@tceq.state.tx.us) prior to implementing Stage III and must notify in writing the Public Drinking Water Section at MC - 153, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days of implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions (i.e., Stages III and IV).**

## **Section 6 Violations**

1. First violation - The customer will be notified by written notice of their specific violation.
2. Subsequent violations:
  - a. After written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed \$50.00.
  - b. After written notice, the utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the utility will apply for restoration of service.

## **Section 7 Exemptions or Variances**

The utility may grant any customer an exemption or variance from the drought contingency plan for good cause upon written request. A customer who is refused an exemption or variance may appeal such action of the utility in writing to the Texas Commission on Environmental Quality. The utility will treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances. No exemption or variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

## Section 8 Response Stages

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

### STAGE I - CUSTOMER AWARENESS

Stage I will begin:

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

Stage I will end:

**Every September 30<sup>th</sup>, the utility will mail a public announcement to its customers. No notice to TCEQ required.**

#### Utility Measures:

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

#### Voluntary Water Use Restrictions:

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

### STAGE II - VOLUNTARY WATER CONSERVATION:

**Target:** Achieve a 20 percent reduction in \_\_\_\_\_ (example: total water use, daily water demand, etc.)

The water utility will implement Stage 2 when any one of the selected triggers is reached:

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

- Well level reaches \_\_\_\_\_ ft. mean sea level (m.s.l.)
- Overnight recovery rate reaches \_\_\_\_\_ ft.
- Reservoir elevation reaches \_\_\_\_\_ ft. (m.s.l.)
- Stream flow reaches \_\_\_\_\_ cfs at USGS gage # \_\_\_\_\_
- Wholesale supplier's drought Stage 2



Annual water use equals % of well permit/Water Right/purchased water contract amount

Other \_\_\_\_\_

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

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

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

Requirements for Termination:

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

Utility Measures:

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

*Describe additional measures, if any, to be implemented directly by the utility to manage limited water supplies and/or reduce water demand. Examples include: reduced or discontinued flushing of water mains, activation and use of an alternative supply source(s); use of reclaimed water for non-potable purposes.*

The second water source for None (name of utility) is:  
(check one)

- Other well
- Interconnection with other system
- Purchased water
- Other None

Voluntary Water Use Restrictions:

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

**STAGE III - MANDATORY WATER USE RESTRICTIONS:**

**Target:** Achieve a 30 percent reduction in \_\_\_\_\_ (example: WUI water use, daily water demand, etc.)

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

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

- Well level reaches \_\_\_\_\_ ft. (m.s.l.)
- Overnight recovery rate reaches \_\_\_\_\_ ft.
- Reservoir elevation reaches \_\_\_\_\_ ft. (m.s.l.)
- Stream flow reaches \_\_\_\_\_ cfs at USGS gage # \_\_\_\_\_
- Wholesale supplier's drought Stage III
- Annual water use equals 70 % of well permit/Water Right/purchased water contract amount.
- Other \_\_\_\_\_

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

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

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

**Requirements for Termination:**

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

**Utility Measures:**

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

*Describe additional measures, if any, to be implemented directly by the utility to manage limited water supplies and/or reduce water demand. Examples include: activation and use of an alternative supply source(s); use of reclaimed water for non-potable purposes; offering low-flow fixtures and water restrictors.*

**Mandatory Water Use Restrictions:**

The following water use restrictions shall apply to all customers.

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

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

**STAGE IV - CRITICAL WATER USE RESTRICTIONS:**

**Target:** Achieve a 40 percent reduction in \_\_\_\_\_ (example: total water use, daily water demand, etc.)

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

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

- Well level reaches \_\_\_\_\_ ft. (m.s.l.)
- Overnight recovery rate reaches \_\_\_\_\_ ft.
- Reservoir elevation reaches \_\_\_\_\_ ft. (m.s.l.)
- Stream flow reaches \_\_\_\_\_ cfs at USGS gage # \_\_\_\_\_

- Wholesale supplier's drought Stage IV
- Annual water use equals \_\_\_\_\_ % of well permit/Water Right/purchased water contract amount
- Supply contamination
- Other \_\_\_\_\_

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

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

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

**Requirements for Termination:**

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

**Operational Measures:**

The utility shall visually inspect lines and repair leaks on a daily basis. Flushing is prohibited except for dead end mains and only between the hours of 9:00 p.m. and 3:00 a.m. Emergency interconnects or alternative supply arrangements shall be initiated. All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers. *Describe additional measures, if any, to be implemented directly to manage limited water supplies and/or reduce water demand.*

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

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

**SYSTEM OUTAGE or SUPPLY CONTAMINATION**

Notify TCEQ Regional Office immediately.  
TCEQ-10330 (9/04)

# APPENDIX A

## SERVICE AGREEMENT

Fremont Water Co.  
P.O. BOX 291937  
Kerrville, TX 78029-1937

- I. **PURPOSE.** The Fremont Water Co. is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the Fremont Water Co. will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.
- II. **RESTRICTIONS.** The following unacceptable practices are prohibited by State regulations.
  - A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
  - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
  - C. No connection which allows water to be returned to the public drinking water supply is permitted.
  - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
  - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the Fremont Water Co. and:
  - A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.
  - B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.
  - C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.
  - D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
  - E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.
- IV. **ENFORCEMENT.** If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

Customer's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Service Address: \_\_\_\_\_

Billing Address: \_\_\_\_\_

# Attachment B

**PUC DOCKET NO. 43078**  
**SOAH DOCKET NO. 473-15-3742.WS**

<b>APPLICATION OF FREMONT</b>	§	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER COMPANY FOR A WATER</b>	§	
<b>RATE/TARIFF CHANGE IN KERR</b>	§	<b>OF TEXAS</b>
<b>COUNTY (37993-R)</b>	§	

**PROPOSED FINAL ORDER**

This Order addresses the application of Fremont Water Company (Fremont) for an increase in water rates charged to its customers in Kerr County, Texas. The proposed rate/tariff change took effect January 31, 2015. The parties, Staff (Staff) of the Public Utility Commission of Texas (Commission), Fred Gregory d/b/a Fremont Water Company (Fremont), and Intervenors Donald R. Allen, Mary C. Allen, and Christine Chartier (Intervenors) entered into a Unanimous Stipulation (Stipulation) that resolves all issues in this proceeding and sets forth revised rates to take effect on the first day of the month following issuance of this Order. Fremont's application is approved solely to the extent consistent with the Stipulation.

The Commission adopts the following findings of fact and conclusions of law:

**I. Findings of Fact**

**Procedural History**

1. On July 25, 2014, Fremont filed an application requesting authority for water rate and tariff changes (Application). The Texas Commission on Environmental Quality (TCEQ) designated it Application No. 37993-R. In the Application, Fremont requested an overall increase in its revenue requirement of \$23,073 per year for a total annual revenue requirement of approximately \$68,926 per year.
2. The 12-month test year employed in Fremont's filing ended on December 31, 2013.
3. On August 13, 2014, Fremont amended the Application which revised its requested overall increase in its revenue requirement to \$20,949 per year for a total annual revenue requirement of approximately \$62,846 per year.



4. Effective September 1, 2014, TCEQ's jurisdiction over Fremont's application transferred to the Commission. PUC Docket No. 43078 was assigned to the Application when it was refiled with the Commission on September 22, 2014.
5. On October 30, 2014, the Commission found the Application administratively complete and required re-noticing to reflect a new proposed effective date that was at least 60 days after the date the Application and notice were deemed administratively complete.
6. Fremont mailed notice of its Application to all of its customers on or about November 12, 2014 that notified them of a January 31, 2015 effective date for the proposed rate change.
7. On May 7, 2015 the Commission referred this case to the State Office of Administrative Hearings (SOAH) for processing. The Application was assigned SOAH Docket No. 473-15-3742.WS.
8. On June 15, 2015, the SOAH Administrative Law Judge (ALJ) conducted the prehearing conference that established jurisdiction over the case and admitted parties. The following parties were admitted: Staff, Fremont, and Intervenors Donald R. Allen, Mary C. Allen, Christine Chartier, James H. Myers, and Marian R. Myers.
9. On June 19, 2015, the SOAH ALJ issued Order No. 1 which set out a procedural schedule for the case.
10. On July 20, 2015, the SOAH ALJ issued Order No. 2 which encouraged the parties to mediate the case and required Staff to provide a status report on mediation results no later than August 25, 2015.
11. On July 21, 2015, James H. Myers and Marian R. Myers moved to withdraw as Intervenors to the proceeding.
12. On July 28, 2015, the SOAH ALJ issued Order No. 3 granting the Motion to Withdraw.
13. On August 11, 2015, the SOAH ALJ issued Order No. 4 establishing a procedural schedule for a hearing on the merits.
14. On September 3, 2015, Fremont filed a Motion for Leave to Amend Pleading including attachments amending the application for a rate change.
15. On September 23, 2015, the SOAH ALJ in Order No. 5 granted the Motion for Leave to Amend Pleading and the amended application and attachments are considered the active application.

16. On December 21, 2015, the Signatories filed a Joint Motion to Admit Evidence and to Remand the Proceeding to the Commission, with attachments consisting of a signed Stipulation, agreed proposed tariff, and proposed final order. Fremont filed the Affidavit of Fred Gregory and Staff filed Testimony of Staff witness Heidi Graham in support of the Stipulation.
17. On \_\_\_\_\_, the ALJ granted the parties' Joint Motion to Admit Evidence and to Remand the Proceeding to the Commission. The following evidence was admitted into the record in support of the Stipulation settlement:
  - a. Application for a Water Rate/Tariff Change of Fremont Water Company in Kerr County (377993-R);
  - b. Fremont Water Company's Motion for Leave to Amend Pleading and all attachments;
  - b. Unanimous Stipulation and Settlement Agreement with Attachments;
  - c. Affidavit of Fred Gregory in Support of Unanimous Stipulation and Settlement Agreement; and
  - d. Direct Testimony in Support of Stipulation of Heidi Graham, Water Utilities Division.

**Description of the Stipulation**

18. The Signatories stipulated that Fremont should be allowed to implement the retail water utility rates contained in Section 1.0 of the agreed proposed tariff included in Attachment A to the Stipulation effective the first day of the month following issuance of this Order.
19. The Signatories stipulated that Fremont should be allowed to implement the other tariff provisions included in the agreed proposed tariff in Attachment A to the Stipulation.
20. The Signatories stipulated that the proposed tariff included with the Stipulation as Attachment A should be the governing water utility rates, terms, treatments, and conditions for Fremont's water system and service area specified in the tariff.
21. The Signatories stipulated that Fremont shall not recover or collect any rate case expenses incurred in connection with the Application or this proceeding.
22. The Signatories stipulated that Fremont shall not be required to issue refunds or credits for the difference between its requested rates in effect between January 31, 2015 and the first day of the month following issuance of this Order and the rate schedule included in the

Commission-issued tariff attached hereto. Fremont should be allowed to keep all revenue collected under the rate schedule in effect for that time period.

**Consistency of the Stipulation with the Texas Water Code and Commission Requirements**

23. Considered in light of Fremont's application, responses to discovery requests, and information exchanged through confidential privileged settlement negotiations, the Stipulation is the result of compromise from each party, and these efforts, as well as the overall result of the Stipulation, support the reasonableness and benefits of the terms of the Stipulation.
24. The rates, terms, and conditions of the tariff resulting from the Stipulation are just and reasonable and consistent with the public interest when the benefits of avoiding an expensive contested case hearing are considered.

**II. Conclusions of Law**

1. Fremont is a "public utility" as defined in Tex. Water Code Ann. § 13.002(23).
2. Prior to September, 1, 2014, the TCEQ had jurisdiction to consider Fremont's Application for a rate increase pursuant to Tex. Water Code Ann. §§ 13.181 and 13.187.
3. Pursuant to revised Tex. Water Code Ann., Chapter 13, effective September 1, 2014, jurisdiction over water utility ratemaking now vests in the Commission.
4. The Commission has jurisdiction to consider Fremont's Application for a rate increase and conduct both formal and informal ratemaking hearings pursuant to Tex. Water Code Ann. §§ 13.041, 13.181, and 13.187 using procedures set forth in 30 Tex. Admin. Code, Chapter 291 before September 1, 2014, now adopted by the Commission as 16 Tex. Admin. Code, Chapter 24, Subchapter B.
5. This docket was processed in accordance with the requirements of the Texas Water Code and the Texas Administrative Procedure Act.
6. Proper notice of the Application was given by Fremont as required by Tex. Water Code § 13.187; 30 Tex. Admin. Code §§ 291.22 and 291.28; 16 Tex. Admin. Code §§ 24.22 and 24.28; and Tex. Gov't Code §§ 2001.051 and 2001.052.
7. This docket contains no remaining contested issues of fact or law.
8. The Stipulation, taken as a whole, is a just and reasonable resolution of all issues it addresses, results in just and reasonable rates, terms and conditions, is consistent with the

relevant provisions of Tex. Water Code Ann., Chapter 13, is consistent with the public interest, and should be approved.

9. The rates agreed to in the Stipulation are just and reasonable, comply with the ratemaking provisions in Tex. Water Code Ann., Chapter 13, and are not unreasonably discriminatory, preferential, or prejudicial.
10. The rates resulting from the Stipulation are just and reasonable, and consistent with Tex. Water Code Ann., Chapter 13.

### **III. Ordering Paragraphs**

1. Fremont Water Company's application seeking authority to (1) change its water utility rates and tariff, and (2) for other related relief is approved consistent with the above Findings of Fact and Conclusions of Law and the Stipulation.
2. Rates, terms, and conditions consistent with the Stipulation are approved.
3. The proposed tariff submitted with the Stipulation as Attachment A is approved effective the first day of the month following Commission issuance of this Order.
4. Fremont will not seek rate case expenses, either for its application, this docket in front of the Commission, or its predecessor docket in front of TCEQ.
5. Fremont is not required to issue any refunds or credits for the difference between its requested rates in effect since January 31, 2015 and any of the rate schedules in Attachment A.
6. The entry of this Order consistent with the Stipulation does not indicate the Commission's endorsement of any principle or method that may underlie the Stipulation. Neither should entry of this Order be regarded as a precedent as to the appropriateness of any principle or methodology underlying the Stipulation.
7. All other motions, requests for entry of specific findings of fact, conclusions of law, and ordering paragraphs, and any other requests for general or specific relief, if not expressly granted in this Order, are denied.

**SIGNED AT AUSTIN, TEXAS the \_\_\_\_ day of \_\_\_\_\_ 2015.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

---

**DONNA L. NELSON, CHAIRMAN**

---

**KENNETH W. ANDERSON, JR., COMMISSIONER**

---

**BRANDY MARTY MARQUEZ, COMMISSIONER**

**SOAH DOCKET NO. 473-15-3742.WS  
PUC DOCKET NO. 43078**

<b>APPLICATION OF FREMONT</b>	§	<b>BEFORE THE STATE OFFICE</b>
<b>WATER COMPANY FOR A WATER</b>	§	
<b>RATE/TARIFF CHANGE IN KERR</b>	§	<b>OF</b>
<b>COUNTY (37993-R)</b>	§	
	§	<b>ADMINISTRATIVE HEARINGS</b>

**JOINT MOTION TO ADMIT EVIDENCE AND REMAND**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission) representing the public interest, Fred Gregory d/b/a Fremont Water Company (Fremont), and Intervenors Donald R. Allen, Mary C. Allen, and Christine Chartier, either personally or through their duly authorized representatives, (collectively Signatories), files this Joint Motion to Admit Evidence and Remand.

**I. Background**

On July 25, 2014, Fremont filed an Application for a Water Rate/Tariff Change (Application) with the Texas Commission on Environmental Quality (TCEQ). Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities. Fremont's application was filed at the Commission on September 22, 2014. On May 7, 2015, the Commission issued an Order of Referral and Order Setting Prehearing Conference and Requiring Notice for the Application because over 10% of Fremont's ratepayers protested the application.

On June 15, 2015, the State Office of Administrative Hearing (SOAH) Administrative Law Judge (ALJ) held a prehearing conference to establish jurisdiction over the case and take appearances of the parties. On December 17, 2015, the Signatories entered into the attached Unanimous Stipulation and Settlement Agreement (Stipulation).

**II. Motion to Admit Evidence**

The attached Stipulation resolves all of the issues in this proceeding. The Signatories request that the following be admitted into evidence for the limited purpose of supporting the Stipulation and seeking approval of the Stipulation:

1. Application for a Water Rate/Tariff Change of Fremont Water Co. in Kerr County CCN No. 12821 Application No. 37993-R, Docket No. 43078, filed with the Commission on September 22, 2014;

2. Fremont Water Company's Motion for Leave to Amend Pleading and all Attachments, filed on September 3, 2015;
3. Unanimous Stipulation and Settlement Agreement with Agreed Tariffs and Joint Proposed Final Order, filed on December 21, 2015;
4. Affidavit of Fred Gregory in Support of Unanimous Stipulation and Settlement Agreement, filed on behalf of Fremont on December 21, 2015; and
5. Testimony in Support of Unanimous Stipulation and Settlement Agreement of Heidi Graham, Water Utilities Division, filed on behalf of Staff on December 21, 2015.

### **III. Motion to Remand**

As evidenced by the Stipulation, the Signatories have fully and finally resolved all issues in this proceeding and no hearing is necessary. Therefore, the Signatories request that this docket be remanded to the Commission to allow for review of the Stipulation and approval of the attached Proposed Final Order.

**Dated: December 21, 2015**

Respectfully Submitted,

Margaret Uhlig-Pemberton  
Division Director  
Legal Division

Karen S. Hubbard  
Managing Attorney  
Legal Division

---

Jessica L. Morgan  
Attorney-Legal Division  
State Bar No. 24079023  
(512) 936-7229  
(512) 936-7268 (facsimile)  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

**SOAH DOCKET NO. 473-15-3742.WS**

**PUC DOCKET NO. 43078**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on December 21, 2015 in accordance with 16 TAC § 22.74.

---

Jessica L. Morgan