

Control Number: 48111



Item Number: 25

Addendum StartPage: 0

**DOCKET NO. 48111**

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**APPLICATION OF H2O SYSTEMS §  
PLUS/COLETO WATER SYSTEM §  
AND JRM WATER, LLC DBA JRM §  
TO TRANSFER FACILITIES AND §  
CERTIFICATE RIGHTS IN §  
VICTORIA COUNTY §**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**JOINT PROPOSED NOTICE OF APPROVAL  
AND MOTION TO ADMIT EVIDENCE**

**COME NOW** the Staff of the Public Utility Commission of Texas (Staff), H2O Systems Plus, Inc./Coletto Water System (H2O) and JRM Water, L.L.C. dba JRM (JRM) (collectively, the Parties) and jointly file this Proposed Notice of Approval and Motion to Admit Evidence. In support thereof, the Parties show the following:

**I. BACKGROUND**

On February 27, 2018, H2O and JRM filed an application for sale, transfer, or merger of facilities and certificate rights in Victoria County, Texas. Specifically, JRM seeks approval to acquire facilities and to transfer all water service area from H2O under water Certificate of Convenience and Necessity (CCN) No. 11548. The requested area includes approximately 437 acres and 211 connections.

On January 24, 2019, Order No. 7 was issued, establishing a deadline of March 8, 2019, for the parties to file joint proposed findings of fact and conclusions of law. This pleading is therefore timely filed.

**II. MOTION TO ADMIT EVIDENCE**

The Parties request the entry of the following items into the record of this proceeding:

- (a) Application of H2O and JRM for sale, transfer, or merger of facilities and certificate rights in Victoria County (filed on February 27, 2018, AIS Item No. 1);
- (b) Proof of notice affidavit and documentation (filed on April 2, 2018, AIS Item No. 7);
- (c) JRM’s response to Staff’s first request for information (filed on May 24, 2018, AIS Item No. 13);
- (d) JRM’s response to Staff’s second request for information (filed on June 22, 2018, AIS Item

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- No. 17);
- (e) Staff's Recommendation on Sale and all attachments (filed on June 29, 2018, AIS Item No. 18);
  - (f) Closing documents and proof of sale documentation (filed on January 14, 2019, AIS Item Nos. 20 and 21);
  - (g) Staff's recommendation on proof of sale documentation (filed on January 17, 2019, AIS Item No. 22);
  - (h) Consent form (filed on February 28, 2019, AIS Item No. 24); and
  - (i) Tariff, certificate, and map, attached.

### **III. JOINT PROPOSED NOTICE OF APPROVAL**

The Parties have agreed on the attached Joint Proposed Notice of Approval, which would ~~grant H2O and JRM's application for sale, transfer, or merger of facilities and certificate rights in~~ Victoria County. The Parties request that the Commission approve the Notice.

### **IV. CONCLUSION**

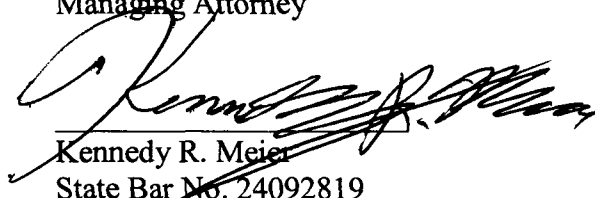
The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the findings of fact, conclusions of law, and ordering paragraphs from the attached Joint Proposed Notice of Approval be adopted.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney

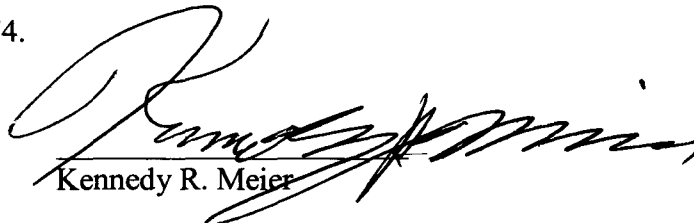


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**DOCKET NO. 48111**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on March 8, 2019, in accordance with 16 TAC § 22.74.



Kennedy R. Meier

**DOCKET NO. 48111**

<b>APPLICATION OF H2O SYSTEMS</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>PLUS/COLETO WATER SYSTEM</b>	<b>§</b>	
<b>AND JRM WATER, LLC DBA JRM</b>	<b>§</b>	<b>OF TEXAS</b>
<b>TO TRANSFER FACILITIES AND</b>	<b>§</b>	
<b>CERTIFICATE RIGHTS IN</b>	<b>§</b>	
<b>VICTORIA COUNTY</b>	<b>§</b>	

**JOINT PROPOSED NOTICE OF APPROVAL**

This Joint Proposed Notice of Approval addresses the application of H2O Systems Plus, Inc./Coletto Water System (H2O) and JRM Water, L.L.C. dba JRM (JRM) for sale and transfer of H2O’s water facilities and certificate of convenience and necessity (CCN) for area in Victoria County. Commission Staff recommends approval of the application. The Commission approves JRM’s purchase of H2O’s water system and transfers H2O’s water CCN No. 11548 to JRM.

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

**I. Findings of Fact**

**Application and Affected Entities**

1. H2O is a domestic, for-profit corporation registered with the Texas secretary of state under file number 137686200.
2. H2O operates, maintains, and controls facilities for providing water service under CCN number 11548.
3. H2O owns one Texas Commission on Environmental Quality (TCEQ) approved Public Water System (PWS) under PWS Identification No. 2350036.
4. JRM is a domestic limited liability company registered with the Texas secretary of state under file number 800248492.

**Application**

5. On February 27, 2018, H2O and JRM filed an application requesting approval of the sale of H2O’s water system and the transfer of H2O’s water CCN number 11548 to JRM.
6. The proposed sale and transfer affects water facilities in one subdivision in Victoria County and transfers a service area with 211 existing customers.
7. In the application, the applicants stated that the facilities to be sold and transferred were not subject to customer contributions in aid of construction.

8. In Order No. 2 issued on March 29, 2018, the Commission administrative law judge (ALJ) deemed the application administratively complete, required notice to be given, and established a procedural schedule.

**Notice of the Application**

9. Notice of the application appeared in the March 16, 2018 issue of the *Texas Register*.
10. On March 29 and 30, 2018, JRM provided individual notice to neighboring systems, landowners, cities, and affected parties.
11. On April 2, 2018, JRM filed the affidavit of Suzan M. Linde, owner of JRM, attesting to the completion of notice as described in finding of fact 10.
12. In Order No. 4 issued April 16, 2018, the Commission ALJ found notice of the application sufficient.

**Sale**

13. In Order No. 6, issued on July 2, 2018, the Commission approved the sale and transfer to proceed and required completion of the sale and transfer within 180 days.
14. On January 14, 2019, JRM filed documents of sale, included an executed bill of sale dated December 16, 2018, and an affidavit attesting that H2O's customer deposits had been transferred to JRM on the same day.
15. In Order No. 7 issued on January 24, 2019, the Commission ALJ found the closing documents sufficient.

**Evidentiary Record**

16. In Order No. \_\_\_ issued on \_\_\_\_\_, 2019, the following evidence was admitted into the record: (a) Application of H2O and JRM for sale, transfer, or merger of facilities and certificate rights in Victoria County, filed on February 27, 2018; (b) Proof of notice affidavit and documentation, filed on April 2, 2018; (c) JRM's response to Staff's first request for information filed on May 24, 2018; (d) JRM's response to Staff's second request for information, filed on June 22, 2018; (e) Staff's Recommendation on Sale and all attachments, filed on June 29, 2018; (f) Closing documents and proof of sale documentation, filed on January 14, 2019; (g) Staff's recommendation on proof of sale documentation, filed on January 17, 2019; (h) JRM's consent form, filed on February 28, 2019; and (i) the tariff, certificate, and map, filed on March 8, 2019.

**Compliance**

17. There are existing violations with the public water system relating to capacity and reporting violations.
18. Approving the transaction will allow JRM to address the violations and bring the system into compliance with TCEQ's drinking water rules.
19. The public water system currently meets TCEQ's drinking water standards.
20. JRM has not been subject to any enforcement action by the Commission, TCEQ, the Texas Department of Health, the Office of Attorney General, or the United States Environmental Protection Agency.

**Adequacy of Existing Service**

21. H2O provides service to the requested areas through its existing public water system.

**Need for Additional Service**

22. The application is only to transfer existing facilities, customers, and service areas.
23. JRM has not received any new requests for service, and JRM is not requesting to add additional uncertificated area.
24. H2O's existing customers in the requested areas have a need for service.

**Effect of Approving the Transaction**

25. There are four utilities, cities, or political subdivisions providing water service within two miles of the requested areas.
26. H2O and JRM are the only utilities affected by this sale and transfer.
27. Water rates will not change because of the sale and transfer.

**Ability to Serve: Managerial and Technical**

28. JRM's management team is comprised of the same people who currently manage H2O.
29. JRM will continue to use the licensed operator who currently operates the water system for H2O.
30. JRM has demonstrated adequate managerial and technical expertise to provide adequate water service.

**Ability to Serve: Financial and Stability**

31. JRM's projected operating revenues are sufficient to cover the projected operations and maintenance expense for the first five years after the completion of the proposed sale and transfer.

32. JRM has a debt-to-equity ratio of less than one because it currently has no long-term debt.
33. JRM has demonstrated the financial capability to provide adequate water service.

**Financial Assurance**

34. There is no need to require JRM to provide a bond or other financial assurance to ensure continuous and adequate service.

**Service from Adjacent Retail Public Utility**

35. H2O is serving the customers in the requested areas, and following the transfer, JRM will provide service using existing infrastructure; therefore, the feasibility of obtaining service from another adjacent retail public utility was not considered.

**Regionalization or Consolidation**

36. JRM does not anticipate building any new facilities to continue serving the area.

**Environmental Integrity**

37. ~~The area will be served with existing infrastructure, and the transfer should have a minimal effect on the environmental integrity of the requested areas.~~

**Effect on the Land**

38. The area will be served with existing infrastructure, and the transfer should have a minimal effect on the land.

**Improvement of Service**

39. JRM will provide service to customers currently served by H2O.

**Lowering of Costs**

40. Customers in the requested areas will be charged the same rates they were charged before the sale of H2O's water system.

**Maps**

41. On February 15, 2019, Commission Staff emailed to H2O and JRM a proposed tariff, map and certificate related to this docket.
42. On February 28, 2019, JRM filed a consent form concurring with the tariff, map, and certificate as prepared by Commission Staff.
43. On March 8, 2019, the proposed tariff, certificate, and map were filed as an attachment to the joint motion to admit evidence.

**Informal Disposition**

44. More than 15 days have passed since the completion of the notice provided in this docket.



45. No issues of fact or law are disputed by the parties.
46. The sale and transfer approved in this Notice is not adverse to any party.
47. No hearing is needed in this proceeding.

## **II. Conclusions of Law**

1. JRM is a retail public utility as defined in Texas Water Code (TWC) § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(59).
2. The Commission has jurisdiction over this proceeding under TWC §§ 13.041, 13.241, 13.244, 13.246, 13.251, and 13.301.
3. Public notice of the application was provided as required by TWC § 13.301(a)(2) and 16 TAC § 24.239(a), (b), (c), and (d).
4. The Commission processed the application in accordance with the requirements of TWC §§ 13.251 and 13.301 and 16 TAC § 24.239.
5. After considering the factors in TWC § 13.246(c), JRM has demonstrated adequate financial, managerial, and technical capability under TAC § 13.251 and 16 TAC § 24.239(g) to provide continuous and adequate service to the requested areas.
6. H2O and JRM have complied with the requirements of 16 TAC § 24.239(m) with respect to customer deposits.
7. H2O and JRM completed the sale within the time authorized by the Commission.
8. H2O and JRM have demonstrated that it is necessary for the service, accommodation, convenience, and safety of the public to transfer the public water system and water service area under CCN number 11548 from H2O to JRM and to issue a water CCN to JRM.
9. Under TWC § 13.257(r) and (s), JRM must record a certified copy of the certificates transferred and maps approved by this Notice, along with a boundary description of the service areas, in the real property records of Victoria County within 31 days of receiving this Notice and submit to the Commission evidence of the recording.
10. The application meets the requirements for informal disposition in 16 TAC § 22.35.

## **III. Ordering Paragraphs**

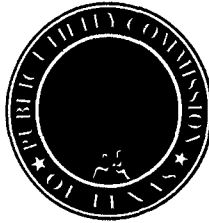
In accordance with these findings of facts and conclusions of law, the Commission issues the following orders:

1. The Commission approves JRM's purchase of H2O's water system and the transfer of H2O's water CCN number 11548 to JRM, to the extent provided in this Notice.
2. The Commission transfers water CCN number 11548 to JRM.
3. JRM must provide continuous and adequate water service to every customer and applicant for service within the service area for water CCN number 11548.
4. H2O and JRM must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Victoria County affected by the application.
5. H2O and JRM must submit to the Commission evidence of the recording no later than 45 days after receipt of this Notice.
6. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the \_\_\_\_\_ day of \_\_\_\_\_ 2019.

**PUBLIC UTILITY COMMISSION OF TEXAS**

\_\_\_\_\_  
**ADMINISTRATIVE LAW JUDGE**



**WATER UTILITY TARIFF**  
**Docket Number: 48111**

JRM Water L.L.C. dba JRM  
(Utility Name)

308 Gail Lane  
(Business Address)

Victoria, Texas 77905  
(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:

11548

This tariff is effective in the following counties:

Victoria

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:

Coletto Water Company, Shady Oaks Subdivision: (PWS #2350036)

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

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APPENDIX A -- DROUGHT CONTINGENCY PLAN

APPENDIX B -- SAMPLE SERVICE AGREEMENT

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u> 5/8" or 3/4"	<u>Monthly Minimum Charge</u> \$17.50 (Includes 0 gallons)	<u>Gallage Charge</u> \$1.75 per 1000 gallons thereafter
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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.....\$350.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large meter) .....Actual Cost  
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE .....Actual Cost to Relocate Meter, Not to Exceed Tap Fee  
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE .....\$25.00  
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

SECTION 1.0 - RATE SCHEDULE (CONTINUED)

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..... \$12.50

TRANSFER FEE..... \$10.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) ..... 10%

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

RETURNED CHECK CHARGE ..... \$35.00

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 PUC 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)]

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 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 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 to cover unique costs not normally incurred as permitted by 16 TAC § 24.163(a)(1)(C) if they are listed on this approved tariff. 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 must 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, 30 TAC § 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

All non-residential customers requiring a greater than 1" meter or any customer with irrigation or firefighting systems, must install back flow prevention devices which have been approved by the utility or its consulting engineers on each of their customer service lines.

The back flow assembly shall be tested upon installation by a recognized prevention assembly tester and certified to be operating within specifications. Back flow prevention assemblies which are installed to provide protection against high health hazards must be tested and certified to be operating within specifications at least annually by a recognized back flow prevention device tester. The maintenance and testing of the back flow assembly shall occur at the customer's expense.

No water connection shall be made to any establishment where an actual or potential contamination or system hazard exists without an approved air gap or mechanical backflow prevention assembly. The air gap or backflow prevention assembly shall be installed in accordance with the American Water Works Association (AWWA) standards C510, C511 and AWWA Manual M14 or the University of Southern California Manual of Cross-Connection Control, current edition. The backflow assembly installation by a licensed plumber shall occur at the customer's expense.

### 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.



## SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

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. 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.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

(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 2.12 - 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 24 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 2.0 -- SERVICE RULES AND POLICIES (Continued)

### 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 2.16 - 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 the PUC complaint process. 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 customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

Unless an exception is granted by the PUC, 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 PUC if:

- a) 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;
- b) 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.

If an exception is granted, 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.

The utility shall bear the cost of any over-sizing of water distribution lines or waste water collection lines necessary to serve other potential service applicants for customers in the immediate area.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated 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.

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.

## SECTION 3.0 - EXTENSION POLICY (Continued)

### Section 3.02 - Costs Utilities Shall Bear

The utility will bear the full cost of any oversizing 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.

Within its certificate 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 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.

The Utility is not required to extend service to any applicant outside of its certificated 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 certificated service area boundaries by the PUC.

### 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 16 TAC § 24.163(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 16 TAC § 24.161(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.0 - EXTENSION POLICY (Continued)

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.

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. The tap request must be accompanied with 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. 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 necessary easements and rights-of-way necessary 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.

SECTION 3.0 - EXTENSION POLICY (Continued)

The Utility shall serve each qualified service applicant within its certificated 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.

**APPENDIX A -- DROUGHT CONTINGENCY PLAN**  
**(Utility must attach copy of TCEQ approved Drought Contingency Plan)**



APPENDIX B  
Chapter 290.47(b) Sample Service Agreement  
SERVICE AGREEMENT

- I. **PURPOSE.** The NAME OF WATER SYSTEM 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 NAME OF WATER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.
- II. **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 NAME OF WATER SYSTEM (the Water System) and NAME OF CUSTOMER (the Customer).
- 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: \_\_\_\_\_



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

## **JRM Water L.L.C.**

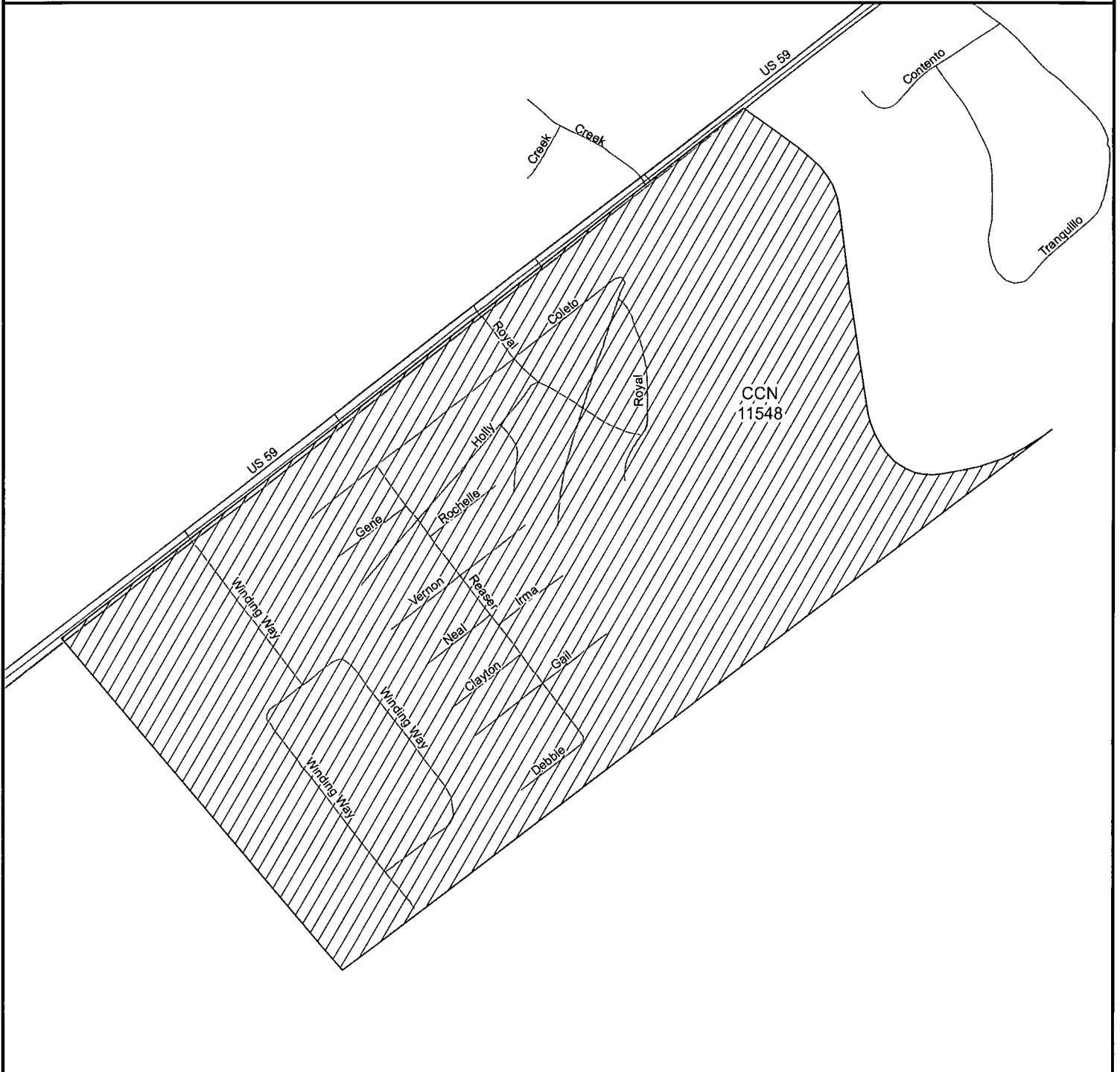
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, JRM Water L.L.C., is entitled to this

### **Certificate of Convenience and Necessity No. 11548**

to provide continuous and adequate water utility service to that service area or those service areas in Victoria County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48111 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of JRM Water L.L.C., to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

JRM Water L.L.C.  
Water CCN No. 11548  
PUC Docket No. 48111  
Transferred all of H2O Systems Plus/Coletto Water System, CCN No. 11548 in Victoria County



Public Utility Commission of Texas  
1701 N. Congress Ave  
Austin, TX 78701

**Water CCN**

 11548 - JRM Water L.L.C.

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Feet



Map by: Komal Patel  
Date created: January 30, 2019  
Project Path: n:\finalmapping\  
48111JRMWater.mxd