



Control Number: 48863



Item Number: 26

Addendum StartPage: 0

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PUBLIC UTILITY COMMISSION  
OF TEXAS

APPLICATION OF CAMP JOY §  
WATER AND TEXAS WATER §  
SYSTEMS, INC. FOR SALE, §  
TRANSFER, OR MERGER OF §  
FACILITIES AND CERTIFICATE §  
RIGHTS IN UPSHUR COUNTY §

PUBLIC UTILITY COMMISSION  
OF TEXAS

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

COMES NOW Camp Joy Water Company (Camp Joy) and Texas Water Systems, Inc. (TWS) (collectively, Applicants), together with the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest (collectively, the Parties), and files this Joint Motion to Admit Evidence and Proposed Notice of Approval. In support thereof, the Parties show the following:

**I. BACKGROUND**

On November 9, 2018, Camp Joy and TWS, filed an application for approval of a sale, transfer or merger of facilities and certificate rights in Upshur County. Specifically, Applicants seek approval to transfer all of Camp Joy's facilities and water service area under Certificate of Convenience and Necessity (CCN) No. 12960 to TWS (CCN No. 12473). As a product of the transaction, Applicants request the cancellation of Camp Joy's water CCN and the amendment of TWS's CCN. The total requested area includes approximately 405 acres and 119 current customers.

On March 25, 2019, the Commission administrative law judge (ALJ) issued Order No. 5, permitting the transaction to proceed and requiring the filing of documents demonstrating the close of the transaction. On May 13, 2019, Applicants filed closing documents.

On May 22, 2019, Staff filed its Recommendation on Sufficiency of Closing Documents, recommending that the closing documents be deemed deficient. On May 23, 2019, the ALJ issued Order No. 6, finding the closing documentation insufficient and requiring the Applicants to resubmit the Bill of Sale and Assignment and to submit outstanding customer deposit information as described in Commission Staff's May 22, 2019 recommendation. On May 28, 2019, Applicants' filed additional closing documentation.

On June 13, 2019, Staff filed a supplemental recommendation that the Applicants'

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closing documents were consistent with the applicable Commission rules. On June 17, 2019, Order No. 7 was issued, finding the closing documentation sufficient and establishing a supplemental procedural schedule.

On June 27, 2019, Staff provided a final map, a revised certificate, and a revised tariff to the Applicants for review and consent. On July 8, 2019, Camp Joy filed a consent form concurring with the final map. On July 17, 2019, TWS filed a consent form concurring with the final map, its updated certificate, and its revised tariff.

Order No. 7 also established a deadline of July 26, 2019, for the parties to file joint proposed findings of fact and conclusions of law. Therefore, this pleading is timely filed.

## **II. JOINT MOTION TO ADMIT EVIDENCE**

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

1. Application for sale, transfer, or merger of a retail public utility, filed on November 14, 2018 (AIS Item No. 1);
2. Notice of the application for sale, transfer, or merger for placement in the *Texas Register*, filed on November 14, 2018 (AIS Item No. 3);
3. Acknowledgement of receipt from the *Texas Register*, filed on November 16, 2018 (AIS Item No. 4);
4. TWS's supplement to the application, including information related to legal name and form of business, filed on November 29, 2018 (AIS Item No. 5);
5. Applicants' affidavit and proof of notice, filed on December 19, 2018 (AIS Item No. 8);
6. Staff's recommendation on the transaction, filed on March 13, 2019 (AIS Item No. 14);
7. Applicants' closing documentation, filed May 13, 2019 (AIS Item No. 17);
8. Applicants' supplemental closing documentation, filed May 28, 2019 (AIS Item No. 20);
9. Staff's supplemental recommendation on sufficiency of closing documents, filed June 13, 2019 (AIS Item No. 21);

10. Camp Joy's consent form for map, filed on July 8, 2019 (AIS Item No. 24);
11. TWS's consent form for map, certificate, and tariff, filed on July 17, 2019 (AIS Item No. 25);
12. The attached final map, TWS's certificate, and TWS's tariff.

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

Commission Staff, Camp Joy, and TWS have agreed to the attached Joint Proposed Notice of Approval, which would grant Applicants' application for approval of the transfer of all water facilities and certificated water service area under water CCN No. 12960 to TWS's water CCN No. 12473, and the cancellation of Camp Joy's CCN No. 12960. Also attached are the final map, certificate, and tariff that were provided by Staff to the Applicants on June 27, 2019, and subsequently approved by Applicants via filed consent forms on July 8, 2019 and July 17, 2019.

### **IV. CONCLUSION**

Applicants have agreed that Staff is authorized to file this pleading on their behalf. Therefore, the Parties respectfully request that the Commission grant the Motion to Admit Evidence, and adopt the attached Joint Proposed Notice of Approval.

**Dated:** July 22, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney



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Richard Nemer  
State Bar No. 24042829  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7348  
(512) 936-7268 (facsimile)  
[richard.nemer@puc.texas.gov](mailto:richard.nemer@puc.texas.gov)

**DOCKET NO. 48863**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on July 22, 2019, in accordance with 16 TAC § 22.74.



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Richard Nemer

**DOCKET NO. 48863**

<b>APPLICATION OF CAMP JOY</b>	<b>§</b>	
<b>WATER AND TEXAS WATER</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>SYSTEMS, INC. FOR SALE,</b>	<b>§</b>	
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	<b>OF TEXAS</b>
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN UPSHUR COUNTY</b>	<b>§</b>	

**JOINT PROPOSED NOTICE OF APPROVAL**

This Notice of Approval addresses the application of Camp Joy Water Company (Camp Joy) and Texas Water Systems, Inc. (TWS), for the transfer of facilities and certificate rights in Upshur County. The Commission approves the transfer of facilities and all water service area rights held under certificate of convenience and necessity (CCN) number 12960 by Camp Joy to TWS, under its CCN number 12473. Further, the Commission approves the cancellation of Camp Joy's CCN number 12960.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicants**

1. Camp Joy is an unincorporated business, operating as a sole proprietorship owned by the current seller.
2. Camp Joy operates, maintains, and controls facilities for providing water service under CCN number 12960 in Upshur County.
3. Camp Joy has a public water system (PWS) registered with the Texas Commission on Environmental Quality (TCEQ) under number 2300015.
4. TWS is a corporation registered with the Texas Secretary of State under file number 0109227500.
5. TWS operates, maintains, and controls facilities for providing water service under CCN number 12473 in Gregg, Henderson, Limestone, Smith and Upshur Counties.

### **Application**

6. On November 9, 2018, Camp Joy and TWS requested approval to sell all of Camp Joy's water facilities in Upshur County, transfer all of Camp Joy's service area in Upshur County under CCN number 12960 to TWS's CCN number 12473, and cancel Camp Joy's CCN number 12960.
7. The sale and transfer affects 119 existing customers with water service in Upshur County.
8. The requested area is located approximately 2 miles north-northeast of downtown Ore City, Texas, and is bounded on the north by a line approximately one-half mile south of Upshur County Land Road, on the east by Lake O' The Pines, on the south by the Upshur and Marion County Line, and on the west by North Front Street.
9. Applicants agreed to the sale and transfer of water service area under water CCN number 12960 to water CCN number 12473.
10. In Order No. 2 issued December 6, 2018, the administrative law judge (ALJ) found the application administratively complete.

### **Notice**

11. Notice of the application appeared in the November 30, 2018 issue of the *Texas Register*.
12. On December 19, 2018, TWS provided the affidavit of James K. Brown, president of TWS, attesting that mailed notice was provided to all current customers, districts, neighboring systems, counties, cities, and affected parties on December 13, 2018.
13. In Order No. 3 issued January 3, 2019, the ALJ found the notice of the application sufficient.

### **Evidentiary Record**

14. On July 22, 2019, the parties filed a joint motion to admit evidence and proposed notice of approval.
15. In Order No. 8 issued on \_\_\_\_\_, 2019, the ALJ admitted the following evidence into the record: (a) application for sale, transfer, or merger of a retail public utility, filed on November 14, 2018; (b) notice of the application for sale, transfer, or merger for placement in the *Texas Register*, filed on November 14, 2018; (c) acknowledgement of receipt from the *Texas Register*, filed on November 16, 2018; (d) TWS's supplement to the application,

including information related to legal name and form of business, filed on November 29, 2018; (e) applicants' affidavit and proof of notice, filed on December 19, 2018; (f) Staff's recommendation on the transaction, filed on March 13, 2019; (g) applicants' closing documentation, filed May 13, 2019; (h) applicants' supplemental closing documentation, filed May 28, 2019; (i) Staff's supplemental recommendation on sufficiency of closing documents, filed June 13, 2019; (j) Camp Joy's consent form for map, filed on July 8, 2019; (k) TWS's consent form for map, certificate, and tariff, filed on July 17, 2019; and (l) the attached final map, TWS's certificate, and TWS's tariff, previously attached to the Joint Motion to Admit Evidence and Proposed Notice of Approval.

### **Sale**

16. In Order No. 5 issued March 25, 2019, the ALJ approved the transaction to proceed and required Camp Joy and TWS to file proof that the transaction had closed and that customer deposits had been addressed.
17. On May 13, 2019, TWS filed notice that the sale had closed on April 16, 2019, and that the customer deposits held by Camp Joy had been transferred to TWS.
18. On May 23, 2019, the ALJ issued Order No. 6, finding the closing documentation insufficient and requiring the applicants to resubmit the Bill of Sale and Assignment and to submit outstanding customer deposit information.
19. On May 28, 2019, TWS filed additional documentation addressing the transfer of customer deposits following closure of the transaction and omissions in the initially submitted Bill of Sale and Assignment.
20. In Order No. 7 issued June 17, 2019, the ALJ found the closing documents sufficient.

### **Adequacy of Existing Service—TWC § 13.301(d), 16 TAC § 24.239(j)(5)(B); TWC § 13.246(c)(1), 16 TAC § 24.227(d)(1)**

21. The PWS being transferred by this application, is registered under an approved Texas TCEQ PWS, ID No. 2300015.
22. Camp Joy has existing violations with its public water system that do not impact the adequacy of service provided in the requested area.



**Need for Additional Service–TWC § 13.301(d), 16 TAC § 24.239(j)(5)(C); TWC § 13.246(c)(2), 16 TAC § 24.227(d)(2)**

23. There is no need for additional service, as service already exists in the area.

**Effect of Approving the Transaction and Granting the Amendment–TWC § 13.301(d), 16 TAC § 24.239(j)(5)(D); TWC § 13.246(c)(3), 16 TAC § 24.227(d)(3)**

24. TWS's water CCN will be amended to include Camp Joy's current water service area.

25. No other retail public utilities will be affected by the transaction.

**Ability to Serve: Managerial and Technical–TWC §§ 13.301(b), 16 TAC § 24.239(g), (j)(5)(E); TWC §§ 13.246(c)(4), 13.241(a), 16 TAC §§ 24.227(a), 24.227(d)(4)**

26. TWS has been operating Camp Joy's public water system for the past seven years.
27. TWS currently owns and operates a total of ten public water systems.
28. The TCEQ has issued violations to TWS for four of its public water systems for inadequate capacity of storage tanks. No TCEQ enforcement actions have been initiated for the storage capacity violations.
29. According to the TCEQ database, TWS has submitted plans and specifications to the TCEQ to resolve the violations at two of its public water systems.
30. TWS communicated to Staff that bids are currently being accepted for engineering drawings to resolve the violations at its other two public waters systems.
31. TWS has demonstrated that it has taken action to achieve compliance with TCEQ's rules for the current storage capacity violations.

**The Feasibility of Obtaining Service from Adjacent Retail Public Utility–TWC § 13.301(d), 16 TAC § 24.239(j)(5)(F); TWC § 13.246(c)(5), 16 TAC § 24.227(d)(5)**

32. The feasibility of obtaining service from an adjacent retail public utility was not considered because Camp Joy was adequately serving the existing customers and its facilities offer sufficient capacity.

**Ability to Serve: Financial Ability and Stability–TWC §§ 13.301(b), 16 TAC § 24.239(g), (j)(5)(G); TWC §§ 13.246(c)(6), 13.241(a), 16 TAC §§ 24.227(a), 24.227(d)(6)**

33. TWS has a debt to equity ratio of 0.65.
34. TWS has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations.

35. TWS demonstrated adequate financial and managerial capability to provide continuous and adequate service to the requested area.

**Environmental Integrity–TWC § 13.301(d), 16 TAC § 24.239(j)(5)(H); TWC § 13.246(c)(7), 16 TAC § 24.227(d)(7)**

36. Granting the transaction will not adversely impact the environmental integrity of the requested area because no additional construction is needed to service the requested area.

**Effect on Land–TWC § 13.246(c)(9), 16 TAC § 24.227(d)(9)**

37. Granting the transaction will not adversely impact the integrity of the land because the requested area is already being served.

**Improvement of Service or Lowering Cost to Consumers–TWC § 13.301(d), 16 TAC § 24.239(j)(5)(I); TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)**

38. TWS, using the PWS already in place, will continue to provide water service to the existing customers in the area.

**Tariff and Map**

39. On June 27, 2019, Commission Staff emailed to Camp Joy a proposed final map related to the project.
40. On June 27, 2019, Commission Staff emailed to TWS a proposed final map, a certificate, and a tariff related to this docket.
41. On July 8, 2019, Camp Joy filed a consent form concurring with the proposed final map.
42. On July 17, 2019, TWS filed a consent form concurring with the proposed final map, its certificate, and its tariff.
43. The final map, certificate, and tariff were filed as an attachment to the joint motion to admit evidence and proposed Notice of Approval.

**Certificate**

44. Camp Joy has sold and transferred all of its water service area under CCN number 12960 to TWS's CCN number 12473.

**Informal Disposition**

45. More than 15 days have passed since the completion of notice provided in this docket.
46. No person filed a protest or motion to intervene.

47. Camp Joy, TWS, and Commission Staff are the only parties to this proceeding.
48. No party requested a hearing and no hearing is needed.
49. Commission Staff recommended approval of the application.
50. The decision is not adverse to any party.

## **II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over this proceeding under Texas Water Code (TWC) §§ 13.041, 13.241, 13.244, 13.246, 13.251, 13.254, and 13.301.
2. Camp Joy and TWS are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(59).
3. Public notice of the application was provided as required by TWC § 13.301(a) and 16 TAC § 24.239(a) through (c).
4. The Commission processed the application in accordance with the requirements of TWC § 13.301 and 16 TAC § 24.239.
5. Camp Joy and TWS completed the sale within the time required by 16 TAC § 24.239(o).
6. TWS has demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area. TWC §§ 13.246, 13.251.
7. Camp Joy and TWS have demonstrated that the sale of Camp Joy's water system will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public. TWC §§ 13.301(d), 13.246(b).
8. A sale not completed in accordance with TWC § 13.301 is void. TWC 13.301(h).
9. TWS must record a certified copy of the certificate granted and map approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Upshur County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording. TWC § 13.257(r), (s).
10. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

### **III. Ordering Paragraphs**

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

1. The Commission approves TWS's purchase of Camp Joy's water system, the transfer of Camp Joy's water service area under CCN number 12960 to TWS's CCN number 12473, and the cancellation of Camp Joy's CCN number 12960, to the extent provided in this Notice of Approval.
2. The Commission approves the map, certificate, and tariff attached to the Joint Motion to Admit Evidence and Proposed Notice of Approval filed on July 22, 2019.
3. TWS must serve every customer and applicant for service within the approved area under water CCN number 12473 that requests water service and meets the terms of TWS's water service, and such service must be continuous and adequate.
4. TWS must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Upshur County affected by the application and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice of Approval.
5. Within ten days of the date of this Notice of Approval, Commission Staff must provide a clean copy of the tariff approved by this Notice of Approval to central records to be marked *Approved* and filed in the Commission's tariff books.
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.**

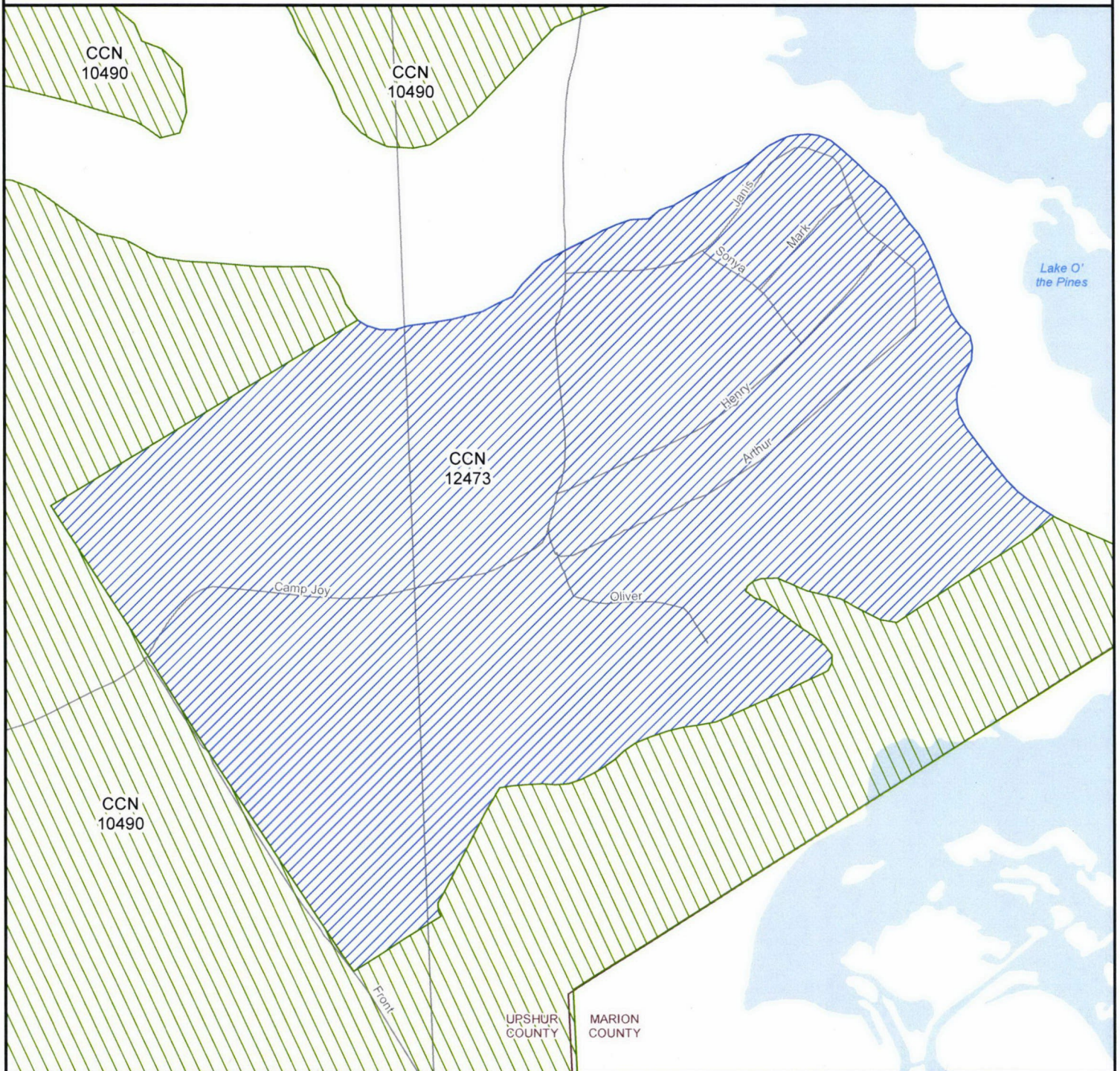
**PUBLIC UTILITY COMMISSION OF TEXAS**

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**STEVEN LEARY**  
**ADMINISTRATIVE LAW JUDGE**




Texas Water Systems, Inc.  
Portion of Water CCN No. 12473  
PUC Docket No. 48863  
Transferred all of Camp Joy Water Company, CCN No. 12960 in Upshur County



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

**Water CCN**

-  12473 - Texas Water Systems Inc
-  10490 - Bi County WSC

0 450 900  
Feet



Map by: Komal Patel  
Date created: April 5, 2019  
Project Path: n:\finalmapping\  
48863TexasWaterSystems.mxd



# **Public Utility Commission of Texas**

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

**Texas Water Systems, Inc.**

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, Texas Water Systems, Inc., is entitled to this

## **Certificate of Convenience and Necessity No. 12473**

to provide continuous and adequate water utility service to that service area or those service areas in Gregg, Henderson, Limestone, Smith and Upshur County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48863 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 Texas Water Systems, Inc., 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.





**WATER UTILITY TARIFF**  
**Docket Number 48863**

Texas Water Systems, Inc.  
(Utility Name)

7891 U.S. Highway 271  
(Business Address)

Tyler, Texas 75708  
(City, State, Zip Code)

(903) 595-2128  
(Area Code/Telephone)

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

12473

This tariff is effective in the following county:

Gregg, Henderson, Limestone, Smith and Upshur

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

None

This tariff is effective in the following subdivisions or systems:

See attached list.

**TABLE OF CONTENTS**

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

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APPENDIX A -- DROUGHT CONTINGENCY PLAN  
APPENDIX B -- APPLICATION FOR SERVICE

**Texas Water Systems, Inc.**

This tariff is effective in the following subdivisions or systems:

<b>Subdivision</b>	<b>PWS ID Number</b>	<b>County</b>
Cape Tranquility	1070176	Henderson
Country Club Estates	2300021	Upshur
Friendship Community	2300020	Upshur
Garden Acres Subdivision	0920031	Gregg
Garden Valley Water System	2120081	Smith
Mount Sylvan Community	2120034	Smith
Rosewood Community	2300026	Upshur
Stallion Lake	2120104	Smith
Tall Oaks Subdivision	1470037	Limestone

**Formerly Camp Joy Water Company**

Brookshires Camp Joy Water System	230015	Upshur
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## 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"	<u>\$42.00</u>	<u>\$3.00</u> per 1,000 gallons
3/4"	<u>\$63.00</u>	
1"	<u>\$104.00</u>	
1½"	<u>\$205.00</u>	
2"	<u>\$325.00</u>	
3"	<u>\$600.00</u>	

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

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

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

Section 1.02 – Miscellaneous Fees

TAP FEE ..... 800.00  
 TAP COVERS THE UTILITY'S COST FOR MATERIALS AND LABOR TO INSTALL STANDARD RESIDENTIAL 5/8" OR 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

METER TEST FEE (actual cost of testing the meter up to) ..... \$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. THIS FEE MAY NOT EXCEED \$25.

## RECONNECTION FEE

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

- a) Nonpayment of bill (Maximum \$25.00) ..... \$25.00
- b) Customer's request ..... None  
 or other reasons listed under Section 2.0 of this tariff

LATE CHARGE ..... \$5.00  
 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.

SECTION 1.0 -- RATE SCHEDULE (Continued)

RETURNED CHECK CHARGE..... \$25.00  
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 24.21(b)(2)(F)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$19.00</u> (Includes 2000 gallons)	<u>\$2.00</u> per 1,000 gallons, 2001-8000 gallons
1"	<u>\$35.00</u>	<u>\$3.50</u> per 1,000 gallons, 8001-15,000 gallons
1½"	<u>\$65.00</u>	<u>\$4.00</u> per 1,000 gallons, 15,001-30,000 gallons
2"	<u>\$105.00</u>	<u>\$4.50</u> per 1,000 gallons thereafter

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 TO THE TCEQ.

Section 1.02 – Miscellaneous Fees

TAP FEE ..... \$500.00  
TAP COVERS THE UTILITY'S COST FOR MATERIALS AND LABOR TO INSTALL STANDARD RESIDENTIAL 5/8"  
OR 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs)..... Actual Cost  
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISION OR RESIDENTIAL AREAS.

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

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

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 \$25.00.

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.

- a) Nonpayment of bill (Maximum \$25.00) ..... \$25.00
- b) Customer's request that service be disconnected ..... \$10.00

TRANSFER FEE ..... \$10.00

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

LATE CHARGE ..... \$5.00

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..... \$15.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY 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)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

## SECTION 2.0 - SERVICE RULES AND REGULATIONS

### Section 2.01 – Rules

The Utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, 16 TAC Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.02 - Application for and Provision of Water Service

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

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

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

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

### Section 2.03 - Refusal of Service

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

### Section 2.04 - Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the Utility, the applicant may be required to pay a deposit as provided for in Section 1.02 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 that accrued within the last two years.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

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

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

Section 2.05 - Meter Requirements, Readings, and Testing

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

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

Meter tests. The Utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the Utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the Utility's discretion, be made at the Utility's testing facility. If within a period of two years the customer requests a new test, the Utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the Utility will charge the customer a fee that 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 2.06 - Billing

Bills from the Utility will be mailed monthly unless otherwise authorized by the Commission. The due date of the 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. At the customer's option, bills may be sent in a paperless, electronic form by email. The date of the email will constitute 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.

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

A late penalty of either \$5.00 or 10% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The Utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the Utility will maintain and note on the monthly bill a telephone number (or numbers) which may be reached by a local call by customers. At the Utility's option, a toll-free telephone number or the equivalent may be provided.

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

### Section 2.07 - Service Disconnection

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

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

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

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

### Section 2.08 - Reconnection of Service

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

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.09 - Service Interruptions

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

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

Section 2.10 - Quality of Service

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

Section 2.11 - Customer Complaints and Disputes

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

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



SECTION 2.20 – SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

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

## SECTION 3.0 - EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

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

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

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.

COST UTILITIES SHALL BEAR. 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.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the PUC's Rules.

### SECTION 3.02 - SPECIFIC UTILITY EXTENSION POLICY

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

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

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

## APPENDIX A – DROUGHT CONTINGENCY PLAN

“This page incorporates by reference the utility’s Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.”

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