



Control Number: 50059



Item Number: 1

Addendum StartPage: 0

Application Summary

Transferor: Double Diamond Utilities Co. & Double Diamond Properties Construction Co., both subsidiaries of Double Diamond Delaware, Inc (selling entity)

CCN No.s: 12087 & 13235 (Water), 20705 (Sewer)

- Checked Sale, Transfer, Merger, Consolidation, Lease/Rental

Transferee: Midway Water Utilities, Inc. (acquiring entity)

CCN No.s: 12087 & 13235 (Water), 20705 (Sewer)

- Checked All CCN, Water, Sewer, Portion CCN, Facilities transfer

County(ies): Hill, Palo Pinto, Johnson, Grayson

Table of Contents

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Vertical stamp: 2019 SEP 27 PM 1:11

Please mark the items included in this filing

- Checked items: Contract, Lease, Purchase, or Sale Agreement (Confidential), Tariff including Rate Schedule, Certificate of Account Status, Financial Audit (Confidential), Disclosure of Affiliated Interests, Capital Improvement Plan, List of Assets to be Transferred (See Asset Purchase Agreement), Enforcement Action Correspondence, TCEQ Compliance Correspondence, Purchased Water Supply or Treatment Agreement, Detailed (large scale) Map, General Location (small scale) Map, Signed & Notarized Oath.

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

Midway Water Utilities, Inc. is a direct, wholly-owned subsidiary of Monarch Utilities, Inc., which is an indirect, wholly-owned subsidiary of SouthWest Water Company ("SouthWest"). Double Diamond, Inc. currently owns the following water and sewer utilities in Texas: White Bluff (water CCN #12087, sewer CCN #20705), The Cliffs (water CCN #12087, sewer CCN #20705), Rock Creek (water CCN #13235, sewer CCN #20705), and The Retreat (water CCN #12087, sewer CCN #20705). Through an Asset Purchase Agreement signed on August 21, 2019, Double Diamond is selling the assets of the four utilities to Midway and transferring the respective water and sewer CCNs to Midway. There will be no changes to the existing CCN boundaries as part of the transfer; however, Midway proposes to consolidate the two water CCNs 12087 and 13235.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

For **Transferor** (Seller) CCN:

- | | |
|---|---|
| <input type="checkbox"/> Obtaining a NEW CCN for Purchaser | <input type="checkbox"/> Cancellation of Seller's CCN |
| <input type="checkbox"/> Transfer all CCN into Purchaser's CCN (Merger) | <input type="checkbox"/> Transfer of a Portion of Seller's CCN to Purchaser |
| <input type="checkbox"/> Transfer Portion of CCN into Purchaser's CCN | <input type="checkbox"/> Only Transfer of Facilities, No CCN or Customers |
| <input checked="" type="checkbox"/> Transfer all CCN to Purchaser and retain Seller CCN | <input type="checkbox"/> Only Transfer of Customers, No CCN or Facilities |
| <input type="checkbox"/> Uncertificated area added to Purchaser's CCN | <input type="checkbox"/> Only Transfer CCN Area, No Customers or Facilities |

Part B: Transferor Information

Questions 3 through 5 apply only to the transferor (current service provider or seller)

3. A. Name: Double Diamond Utilities Co. & Double Diamond Properties Construction Co., both subsidiaries of Double Diamond Delaware, Inc.
(individual, corporation, or other legal entity)

Individual Corporation WSC Other: _____

B. Mailing Address: 5495 Belt Line Rd., Ste 200, Dallas, TX 75254

Phone: (214) 706-9801 Email: rgracy@ddresorts.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Randy Gracy Title: President

Mailing Address: 5495 Belt Line Rd., Ste 200, Dallas, TX 75254

Phone: (214) 706-9801 Email: rgracy@ddresorts.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: 5/19/17 (The Retreat); 5/31/19 (Rock Creek); grc currently pending (White Bluff & The Cliffs)

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

No Yes Application or Docket Number: 48717 (Rock Creek); 42919 (The Retreat); 46245 (White Bluff & The Cliffs)

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

There are no customers that will be transferred

of customers without deposits held by the transferor See Question 23

of customers with deposits held by the transferor* None

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the transferee (purchaser or proposed service provider)

6. A. Name: Midway Water Utilities, Inc.

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

B. Mailing Address: 12535 Reed Rd., Sugar Land, TX 77478

Phone: (830) 207-6100 Email: swwc.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: George Freitag Title: Manager, Regulatory Affairs

Address: 1620 Grand Ave Parkway, Ste 140, Pflugerville, TX 78660

Phone: (512) 219-2288 Email: gfreitag@swwc.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

No Yes N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

No Yes N/A

7. The legal status of the transferee is:

Individual or sole proprietorship

Partnership or limited partnership (*attach* Partnership agreement)

Corporation
Charter number (as recorded with the Texas Secretary of State): 0111387200

Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]

Charter number (as recorded with the Texas Secretary of State): _____
 Articles of Incorporation and By-Laws established (*attach*)

Municipally-owned utility

District (MUD, SUD, WCID, FWSD, etc.)

- County
- Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- Other (please explain): _____

8. If the transferee operates under any d/b/a, provide the name below:

Name: N/A

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Robert MacLean, Kirk Michael, & Richard Rich
 Position: CEO, CFO, & COO Ownership % (if applicable): 0.00%
 Address: 12535 Reed Rd, Sugar Land, TX 77478
 Phone: (830) 207-6100 Email: swwc.com

Name: Charles W. Profflet, Jr.
 Position: President Ownership % (if applicable): 0.00%
 Address: 12535 Reed Rd, Sugar Land, TX 77478
 Phone: (830) 207-6100 Email: swwc.com

Name: William K. Dix
 Position: Secretary, Vice President, General Counsel Ownership % (if applicable): 0.00%
 Address: 12535 Reed Rd, Sugar Land, TX 77478
 Phone: (830) 207-6100 Email: swwc.com

Name: Joseph Park
 Position: Associate Secretary Ownership % (if applicable): 0.00%
 Address: 12535 Reed Rd, Sugar Land, TX 77478
 Phone: (830) 207-6100 Email: swwc.com

10. Financial Information

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: \$See Asset Purchase Agreement (CONFIDENTIAL)

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

No Yes N/A

Total Original Cost of Plant in Service: \$ _____

Accumulated Depreciation: \$ _____

Net Book Value: \$ _____

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

No Yes

Total Customer CIAC: \$ Pending resolution of Docket No. 46245

Accumulated Amortization: \$ _____

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

No Yes

Total developer CIAC: \$ Pending resolution of Docket No. 46245

Accumulated Amortization: \$ _____

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

No Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

The Cliffs has received an NOV for low pressure in its system. Midway intends to address this issue through construction of new ground storage tanks and pumps and upgrades to the reverse osmosis treatment plant, all included in its capital improvement plan. The anticipated timeline for these improvements is in 2020, beginning immediately after the close of the transaction. Midway, as a subsidiary of SouthWest, has adequate access to capital to fund these improvements until such time as they can be recovered in rates.

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

SouthWest, Midway's parent entity, has immense experience operating water and wastewater systems in multiple US states, and has been operating successfully in Texas for over 50 years. Accounting, management, customer service, and other functions will be provided through a shared services model used for other SouthWest subsidiaries in Texas and benefits customers through access to a wide array of resources and expertise.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service: \$ _____
Accumulated Depreciation of Plant: \$ _____
Cash: \$ _____
Notes Payable: \$ _____
Mortgage Payable: \$ _____
(Proposed) Acquisition Adjustment*: \$ _____

* Acquisition Adjustments will be subject to review under 16 TAC § 24 41(d) and (e)

Other (NARUC account name & No.): _____

Other (NARUC account name & No.): _____

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

No rates will be changed through this transaction. Customer accounts will be transferred from Double Diamond to Midway, which will continue to charge the current rates most recently approved by the Commission, and, in the case of any pending ratemaking procedures before the Commission, will charge new rates as instructed by the Commission in the pending proceedings. No customer deposits are being held by Double Diamond.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

The transferee, Midway, has not determined when it will file an application to change current rates of the systems included in the transfer. Two systems included in the transfer, White Bluff and The Cliffs, currently have an ongoing general rate case before the Commission, docketed as Commission Docket No. 46245.

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

The proposed transaction will not have any negative effect on the quality of service provided to customers. Midway will retain current Double Diamond employees, as appropriate, to continue operating the systems to be transferred. Additionally, Midway, as a subsidiary of SouthWest in Texas, will take advantage of the shared services model employed by SouthWest for its Texas subsidiaries, thereby allowing Midway to have access to a breadth and depth of valuable resources in departments such as accounting, management, and customer service.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

SouthWest, the parent company of Midway, has the necessary financial, managerial, and technical resources to continue providing quality services to the systems and customers to be transferred. SouthWest, through its subsidiaries, has been successfully operating in Texas for over 50 years. In addition to Midway, SouthWest's subsidiaries in Texas include Monarch Utilities I, LP (Class A) and SWWC Utilities, Inc. operations (Class A), both of which should be familiar to the Commission. In addition to licensed operators, SouthWest's management and operations staff includes engineers, environmental health and safety managers, financial managers, and experienced customer service agents.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

No Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

Neither the land nor the environmental integrity will be adversely affected by the proposed transaction. There are no changes to the planned development for the service areas.

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

Double Diamond desires to sell its assets, and Midway is a willing and able buyer with the necessary financial, managerial, and technical resources to operate the utilities successfully. The public interest will be served by having an owner of the systems that has substantial experience successfully operating water and wastewater utilities in Texas, will make the necessary capital improvements to the systems to improve reliability, and will provide high-quality service to customers.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

The Cliffs: 12890 Possum Kingdom WSC; 12042 Gaines Bend Utilities Inc; & Brazos River Authority
Rock Creek: 12362 North West Grayson County WCID 1; & Red River Conservation District
The Retreat: 12037 Crest Water Company; & Prairieland Groundwater Conservation District
White Bluff: 10901 Woodrow Osceola WSC; 12125 Hill County WSC; 13186 Beachview Acres Water Association; 12298 Hilco United Services; 11497 Cedar Creek Colony WSC; & Prairieland Groundwater Conservation District

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1090073 (7 digit ID)

Name of PWS: White Bluff

Date of last TCEQ compliance inspection: Dec 23, 2018 (attach TCEQ letter)

Subdivisions served: White Bluff

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ 13786-002 (8 digit ID)

Name of Wastewater Facility: White Bluff

Name of Permittee: Double Diamond

Date of last TCEQ compliance inspection: Feb 12, 2015 (attach TCEQ letter)

Subdivisions served: White Bluff

Date of application to transfer permit *submitted* to TCEQ: Application in progress, expected filing by 9/30/2019

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

| Water | | | | Sewer | |
|--------------------------|--------------|---|-------|--------------------------|-------------|
| | Non-metered | 5 | 2" | 565 | Residential |
| 630 | 5/8" or 3/4" | | 3" | 18 | Commercial |
| 13 | 1" | | 4" | | Industrial |
| 5 | 1 1/2" | | Other | | Other |
| Total Water Connections: | | | 653 | Total Sewer Connections: | 583 |

24. A. Are any improvements required to meet TCEQ or Commission standards?

No Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

| Description of the Capital Improvement: | Estimated Completion Date: | Estimated Cost: |
|---|----------------------------|-----------------|
| | | |
| | | |
| | | |

C. Is there a moratorium on new connections?

No Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No Yes: _____ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: _____ Sewer: _____

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

No Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: _____

Water: _____

Sewer: _____

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

No Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

| | Amount in Gallons | Percent of demand |
|--------|-------------------|-------------------|
| Water: | | 0.00% |
| Sewer: | | 0.00% |

D. Will the purchase agreement or contract be transferred to the Transferee?

No Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

No Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

| Name (as it appears on license) | Class | License No. | Water or Sewer |
|---------------------------------|---------------------|--|---|
| Todd A. Dilworth | C, C, CSI | WG002063, WW0002090, & CI0005133 | water, sewer, & customer service inspection |
| Gerald E. Motherspau | D | WO0041331 | water |
| Kevin M. Harless | D | WO0043236 | water |
| Phillip D. Ellis | D, C, CSI | WO0032794, WW0052161, & CI0010836 | water, sewer, & customer service inspection |
| Jerry L. Davis | C, C, CSI, Backflow | WG0009785, WW0030896, CI0010538, BP00185 | water, sewer, customer service inspection, backflow |

Part G: Mapping & Affidavits

ALL applications require mapping information to be filed in conjunction with the STM application. Read question 29 A and B to determine what information is required for your application.

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
 - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
 - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

Part H: Notice Information

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 3500

Number of customer connections in the requested area: 1236

Affected subdivision : White Bluff

The closest city or town: Huron

Approximate mileage to closest city or town center: 0.1

Direction to closest city or town: East

The requested area is generally bounded on the North by: County Road 1145 Loop

on the East by: Ranch Road 933

on the South by: Lake Whitney

on the West by: Lake Whitney

31. A copy of the proposed map will be available at: 1620 Grand Ave Parkway, Pflugerville, TX 78660

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

All of the customers will be charged the same rates they were charged before the transaction.

All of the customers will be charged different rates than they were charged before the transaction.

higher monthly bill lower monthly bill

Some customers will be charged different rates than they were charged before
(i.e. inside city limit customers)

higher monthly bill lower monthly bill

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1820061 (7 digit ID)

Name of PWS: The Cliffs

Date of last TCEQ compliance inspection: Jun 13, 2019 (attach TCEQ letter)

Subdivisions served: The Cliffs

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ02790-000 (8 digit ID)

Name of Wastewater Facility: The Cliffs

Name of Permittee: Double Diamond

Date of last TCEQ compliance inspection: Jun 13, 2019 (attach TCEQ letter)

Subdivisions served: The Cliffs

Date of application to transfer permit *submitted* to TCEQ: Application in progress, expected filing by 9/30/2019

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

| Water | | | | Sewer | |
|--------------------------|--------------|-----|-------|--------------------------|-------------|
| | Non-metered | 15 | 2" | 242 | Residential |
| 263 | 5/8" or 3/4" | | 3" | 19 | Commercial |
| 13 | 1" | | 4" | | Industrial |
| 1 | 1 1/2" | | Other | | Other |
| Total Water Connections: | | 292 | | Total Sewer Connections: | 261 |

24. A. Are any improvements required to meet TCEQ or Commission standards?

No Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

| Description of the Capital Improvement: | Estimated Completion Date: | Estimated Cost: |
|---|----------------------------|-----------------|
| | | |
| | | |
| | | |

C. Is there a moratorium on new connections?

No Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No Yes: _____ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: _____ Sewer: _____

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?
 No Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: _____
 Water: Brazos River Authority (raw water)
 Sewer: _____

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?
 No Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

| | Amount in Gallons | Percent of demand |
|--------|-------------------|-------------------|
| Water: | 228,100,000 | 40.00% |
| Sewer: | | 0.00% |

D. Will the purchase agreement or contract be transferred to the Transferee?
 No Yes: The current contract with the Brazos River Authority is for 1,000 AF; 700 AF of that contract will be transferred per the Asset Purchase Agreement.

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?
 No Yes: The Cliffs has received an NOV for lowpr essure in its system. Midway intends to address this through construction of new ground storage tanks and pumps and upgrades to the reverse osmosis treatment plant, all included in its capital improvement plan.

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

| Name (as it appears on license) | Class | License No. | Water or Sewer |
|---------------------------------|---------------------|--|--|
| Todd A. Dilworth | C, C, CSI | WG002063, WW0002090, & CI0005133 | water, sewer, & customer service inspection |
| Gerald E. Motherspau | D | WO0041331 | water |
| Kevin M. Harless | D | WO0043236 | water |
| Phillip D. Ellis | D, C, CSI | WO0032794, WW0052161, & CI0010836 | water, sewer, & customer service inspection |
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29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
 - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
 - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

Part H: Notice Information

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 1090

Number of customer connections in the requested area: 553

Affected subdivision : The Cliffs

The closest city or town: Brad

Approximate mileage to closest city or town center: 7.5

Direction to closest city or town: SouthWest

The requested area is generally bounded on the North by: Possum Kingdom Lake

on the East by: State Highway 16

on the South by: Brackeen Dr.

on the West by: Possum Kingdom Lake

31. A copy of the proposed map will be available at: 1620 Grand Ave Parkway, Pflugerville, TX 78660

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

All of the customers will be charged the same rates they were charged before the transaction.

All of the customers will be charged different rates than they were charged before the transaction.

higher monthly bill lower monthly bill

Some customers will be charged different rates than they were charged before
(i.e. inside city limit customers)

higher monthly bill lower monthly bill

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1260127 (7 digit ID)

Name of PWS: The Retreat

Date of last TCEQ compliance inspection: Apr 26, 2018 (attach TCEQ letter)

Subdivisions served: The Retreat

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ14373-001 (8 digit ID)

Name of Wastewater Facility: The Retreat

Name of Permittee: Double Diamond

Date of last TCEQ compliance inspection: Nov 7, 2018 (attach TCEQ letter)

Subdivisions served: The Retreat

Date of application to transfer permit *submitted* to TCEQ: Application in progress, expected filing by 9/30/2019

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

| Water | | | | Sewer | |
|--------------------------|--------------|---|-------|------------------------------|-------------|
| | Non-metered | 1 | 2" | 135 | Residential |
| 142 | 5/8" or 3/4" | | 3" | 5 | Commercial |
| 2 | 1" | | 4" | | Industrial |
| 2 | 1 1/2" | | Other | | Other |
| Total Water Connections: | | | 147 | Total Sewer Connections: 140 | |

24. A. Are any improvements required to meet TCEQ or Commission standards?

No Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

| Description of the Capital Improvement: | Estimated Completion Date: | Estimated Cost: |
|---|----------------------------|-----------------|
| | | |
| | | |
| | | |

C. Is there a moratorium on new connections?

No Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No Yes: _____ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: _____ Sewer: _____

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

No Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: _____

Water: _____

Sewer: _____

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

No Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

| | Amount in Gallons | Percent of demand |
|--------|-------------------|-------------------|
| Water: | | 0.00% |
| Sewer: | | 0.00% |

D. Will the purchase agreement or contract be transferred to the Transferee?

No Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

No Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

| Name (as it appears on license) | Class | License No. | Water or Sewer |
|---------------------------------|---------------------|--|--|
| Todd A. Dilworth | C, C, CSI | WG002063, WW0002090, & CI0005133 | water, sewer, & customer service inspection |
| Gerald E. Motherspau | D | WO0041331 | water |
| Kevin M. Harless | D | WO0043236 | water |
| Phillip D. Ellis | D, C, CSI | WO0032794, WW0052161, & CI0010836 | water, sewer, & customer service inspection |
| Jerry L. Davis | C, C, CSI, Backflow | WG0009785, WW0030896, CI0010538, BP00185 | water, sewer, customerservice inspection, backflow |

Part G: Mapping & Affidavits

ALL applications require mapping information to be filed in conjunction with the STM application. Read question 29 A and B to determine what information is required for your application.

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
 - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
 - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

Part H: Notice Information

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 3000

Number of customer connections in the requested area: 287

Affected subdivision : The Retreat

The closest city or town: Brazos Point

Approximate mileage to closest city or town center: 6

Direction to closest city or town: East

The requested area is generally bounded on the North by: Farm to Market Rd 1434

on the East by: Ham Creek

on the South by: Farm to Market Rd 916

on the West by: Farm to Market Rd 1434

31. A copy of the proposed map will be available at: 1620 Grand Ave Parkway, Pflugerville, TX 78660

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

All of the customers will be charged the same rates they were charged before the transaction.

All of the customers will be charged different rates than they were charged before the transaction.

higher monthly bill lower monthly bill

Some customers will be charged different rates than they were charged before
(i.e. inside city limit customers)

higher monthly bill lower monthly bill

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 0910147 (7 digit ID)

Name of PWS: Rock Creek

Date of last TCEQ compliance inspection: Oct 25, 2017 (attach TCEQ letter)

Subdivisions served: Rock Creek

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ 14783-001 (8 digit ID)

Name of Wastewater Facility: Rock Creek

Name of Permittee: Double Diamond

Date of last TCEQ compliance inspection: Dec 21, 2015 (attach TCEQ letter)

Subdivisions served: Rock Creek

Date of application to transfer permit *submitted* to TCEQ: Application in progress, expected filing by 9/30/2019

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

| Water | | | | Sewer | |
|--------------------------|--------------|----|-------|--------------------------|-------------|
| | Non-metered | 4 | 2" | 84 | Residential |
| 93 | 5/8" or 3/4" | | 3" | 3 | Commercial |
| | 1" | | 4" | | Industrial |
| | 1 1/2" | | Other | | Other |
| Total Water Connections: | | 97 | | Total Sewer Connections: | 87 |

24. A. Are any improvements required to meet TCEQ or Commission standards?

No Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

| Description of the Capital Improvement: | Estimated Completion Date: | Estimated Cost: |
|---|----------------------------|-----------------|
| | | |
| | | |
| | | |

C. Is there a moratorium on new connections?

No Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No Yes: _____ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: _____ Sewer: _____

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

No Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: _____

Water: North West Grayson (treated water, standby)

Sewer: _____

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

No Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

| | Amount in Gallons | Percent of demand |
|--------|-------------------|-------------------|
| Water: | 4,600,000 | <1 00% |
| Sewer: | | 0 00% |

D. Will the purchase agreement or contract be transferred to the Transferee?

No Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

No Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

| Name (as it appears on license) | Class | License No. | Water or Sewer |
|---------------------------------|---------------------|--|--|
| Todd A. Dilworth | C, C, CSI | WG002063, WW0002090, & CI0005133 | water, sewer, & customer service inspection |
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| Kevin M. Harless | D | WO0043236 | water |
| Phillip D. Ellis | D, C, CSI | WO0032794, WW0052161, & CI0010836 | water, sewer, & customer service inspection |
| Jerry L. Davis | C, C, CSI, Backflow | WG0009785, WW0030896, CI0010538, BP00185 | water, sewer, customerservice inspection, backflow |

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29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
 - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
 - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

Part H: Notice Information

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 1400

Number of customer connections in the requested area: 184

Affected subdivision : Rock Creek

The closest city or town: Gordonville

Approximate mileage to closest city or town center: 4 miles

Direction to closest city or town: East

The requested area is generally bounded on the North by: Lake Texoma

on the East by: Rock Creek County Road

on the South by: Farm Market 901

on the West by: Farm Market 901

31. A copy of the proposed map will be available at: 1620 Grand Ave Parkway, Pflugerville, TX 78660

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

All of the customers will be charged the same rates they were charged before the transaction.

All of the customers will be charged different rates than they were charged before the transaction.

higher monthly bill lower monthly bill

Some customers will be charged different rates than they were charged before
(i.e. inside city limit customers)

higher monthly bill lower monthly bill

Oath for Transferors (Transferring Entities)

STATE OF Texas

COUNTY OF Dallas

I, Randy Gracy being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as President (owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

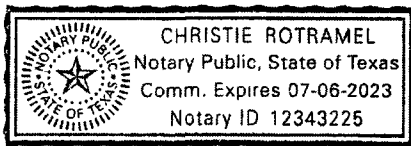
I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

Randy Gracy
AFFIANT
(Utilities' Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas this day the 25th of September, 2019

SEAL



Christie Rotramel
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS
Christie Rotramel
PRINT OR TYPE NAME OF NOTARY

My commission expires: 7-6-2023

Oath for Transferee (Acquiring Entity)

STATE OF Texas

COUNTY OF Fort Bend

I, Charles W. Profflet, Jr. being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as President (owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

Charles W Profflet, Jr.

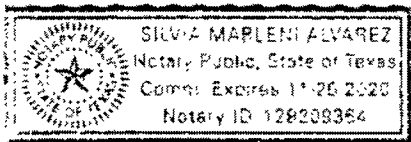
AFFIANT

(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas this day the 20th of September, 2019

SEAL



Silvia Alvarez

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Silvia Marleni Alvarez

PRINT OR TYPE NAME OF NOTARY

My commission expires: November 20, 2020

**Attachment 1
is Confidential and being
provided under seal.**

Tariff for Water

CCN No. 12087

Tariff for Sewer CCN No. 20705

PUC DOCKET NO. 42919
 SOAH DOCKET NO. 473-15-0372.WS

RECEIVED
 2017 MAY 19 PM 1:47

APPLICATION OF DOUBLE
 DIAMOND UTILITIES CO. FOR A
 WATER AND SEWER RATE/TARIFF
 CHANGE (37752-R AND 37753-R)

§
 §
 §
 §

PUBLIC UTILITY COMMISSION
 OF TEXAS

PUBLIC UTILITY COMMISSION
 PUBLIC UTILITY COMMISSION
 PUBLIC UTILITY COMMISSION

ORDER

This Order addresses the application of Double Diamond Utilities Co. (Double Diamond) for a water and sewer rate/tariff change. A stipulation and settlement agreement (agreement) was executed that resolves all issues between the parties in this proceeding. Consistent with the agreement, Double Diamond's application is approved.

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

I. Findings of Fact

Procedural History

1. On October 13, 2013, Double Diamond filed applications to increase water and sewer rates and change water and sewer tariffs for service provided at The Retreat Water Supply (The Retreat).
2. The Texas Commission on Environmental Quality (TCEQ) accepted the applications for filing on December 3, 2013, and designated them application Nos. 37752-R and 37753-R.
3. Double Diamond proposed a three-year phase in with increases effective January 1, 2014, 2015, and 2016 for an overall revenue increase of \$84,926 for water and \$90,410 for sewer. Double Diamond proposed the following rate structure for The Retreat:

Water Rates

| <u>Effective Date</u> | <u>Current</u> | <u>Year 1</u> 1/1/2014 | <u>Year 2</u> 1/1/2015 | <u>Year 3</u> 1/1/2016 |
|---|----------------|---------------------------|---------------------------|---------------------------|
| Meter Charge (no gallons in minimum bill) | | | | |
| 5/8" or 3/4" | \$ 39.00 | \$ 43.98 | \$ 49.60 | \$ 55.94 |
| 1" | 97.50 | 109.96 | 124.01 | 139.86 |
| 1½" | 195.00 | 219.92 | 248.02 | 279.72 |
| 2" | 312.00 | 351.87 | 396.83 | 447.55 |
| 3" | 585.00 | 659.76 | 744.06 | 839.15 |

60

PUC Docket No. 42919
SOAH Docket No. 473-15-0372.WS

Order

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Gallage Charges (per 1,000 gallons):

| | | | | |
|---------------|---------|---------|---------|---------|
| 0-3,000 | \$ 2.00 | \$ 2.26 | \$ 2.54 | \$ 2.87 |
| 3,001-10,000 | 2.75 | 3.10 | 3.50 | 3.94 |
| 10,001-15,000 | 3.80 | 4.29 | 4.83 | 5.45 |
| 15,001-20,000 | 5.25 | 5.92 | 6.68 | 7.53 |
| 20,001+ | 7.25 | 8.18 | 9.22 | 10.40 |

Sewer Rates

| <u>Effective Date</u> | <u>Current</u> | <u>Year 1</u> 1/1/2014 | <u>Year 2</u> 1/1/2015 | <u>Year 3</u> 1/1/2016 |
|---|----------------|---------------------------|---------------------------|---------------------------|
| Meter Charge (3,000 gallons included in minimum bill) | | | | |
| 5/8" or 3/4" | \$ 48.00 | \$ 58.93 | \$ 72.34 | \$ 88.80 |
| 1" | 120.00 | 147.31 | 180.84 | 222.00 |
| 1½" | 240.00 | 294.63 | 361.88 | 444.00 |
| 2" | 384.00 | 471.40 | 578.69 | 710.41 |
| 3" | 720.00 | 883.88 | 1,085.05 | 1,332.01 |
| Gallage Charges (per 1,000 gallons): | | | | |
| 3,000+ | \$ 8.00 | \$ 9.82 | \$ 12.06 | \$ 14.80 |

The only miscellaneous fee increase is the returned check charge on the sewer tariff which changed from \$20 to \$30.

- The applications were assigned TCEQ Docket No. 2014-0619-UCR. The deadline for customer protests was April 1, 2014.
- Out of Double Diamond's 86 customers, more than 10% timely filed protests to the application. Because at least 10% of affected ratepayers protested the proposed rates in accordance with 16 Texas Administrative Code § 24.27(c) (TAC), TCEQ staff referred this case to the State Office of Administrative Hearings (SOAH) on May 22, 2014. A prehearing conference was never held in accordance with TCEQ's referral.
- On September 1, 2014, the Commission began the economic regulation of water and sewer utilities and the applications were transferred to the Commission.
- Upon transfer to the Commission, the applications were assigned control numbers 42919 and 42920. In Order No. 2, issued on September 23, 2014, the two cases were consolidated into Docket No. 42919 to allow for more efficient processing.

8. On September 24, 2014, the Commission issued an order of referral to SOAH requesting the assignment of an administrative law judge to conduct a hearing and requested that the parties submit a list of issues.
9. On September 26, 2014, Double Diamond filed a notice of settlement and petition for withdrawal of protests and motion for remand. Double Diamond's motion revealed that in June 2014, all but five of the customers who initially protested Double Diamond's rates withdrew their protests and settled with the utility. Therefore, Double Diamond's proposed rates were no longer protested by 10% or more of affected ratepayers.
10. On October 2, 2014, Commission Staff filed a list of issues.
11. On October 2, 2014, Double Diamond filed a joint motion to abate and remand with a settlement agreement and withdrawal letters attached. Commission Staff was not a party to the settlement agreement or the motion to remand.
12. On October 6, 2014, SOAH issued Order No. 2, remanding the case to the Commission and dismissing the SOAH docket.
13. On October 6, 2014, Commission Staff filed a motion to reconsider SOAH Order No. 2, requesting that the case be abated and not remanded to the Commission in order to allow Commission Staff time to review the settlement agreement before SOAH relinquished its jurisdiction. Commission Staff's motion was granted by SOAH Order No. 3 on October 9, 2014.
14. On October 9, 2014, the Commission notified the parties that it would not consider a preliminary order regarding this matter at the October 17, 2014 open meeting, but would consider a preliminary order in the future if one was needed. Subsequent to SOAH Order No. 3, Commission Staff communicated with Double Diamond to determine development of a proposed final order.
15. On April 2, 2015, Double Diamond requested additional time to allow resolution of this docket with Commission Staff. Commission Staff communicated with Double Diamond and encouraged identification and location of the few protestants who had not withdrawn and determine whether they were interested in pursuing this case.

16. On May 15, 2015, Commission Staff filed a request for a hearing to determine whether any of the protestants who had not yet withdrawn were still interested in contesting this matter.
17. On May 15, 2017, SOAH issued Order No. 5, scheduling a prehearing conference.
18. On May 29, 2015, Double Diamond filed notice of resolution of all protests, comprising all of the protest letters filed in application Nos. 37752-R and 37753-R along with the corresponding settlement authorizations for each protestant agreeing to the settlement filed by Double Diamond on September 26, 2014.
19. On June 5, 2015, Commission Staff and Double Diamond jointly requested cancellation of the prehearing conference, which was granted by SOAH Order No. 6 on June 8, 2015.
20. On April 7, 2017, Double Diamond and Commission Staff jointly filed an agreement that resolves all issues in this docket.
21. On April 13, 2017, SOAH issued Order No. 17, admitting evidence, remanding the case to the Commission, and dismissing the SOAH docket.

Description of the Settlement

22. The signatories agreed that Double Diamond should be allowed to implement the following retail water and sewer utility rates:

| Water | | Sewer | |
|--------------|-------------|--------------|-----------------|
| Meter | Base Rate | Meter | Base Rate |
| | 0 gal incl. | | 3,000 gal incl. |
| 3/4" or less | \$ 49.60 | 3/4" or less | \$ 67.12 |
| 1" | \$124.01 | 1" | \$ 167.80 |
| 1½" | \$248.02 | 1½" | \$ 335.59 |
| 2" | \$396.84 | 2" | \$ 536.95 |
| 3" | \$744.07 | 3" | \$1,006.78 |

| Water | | Sewer | |
|---------------|-----------------|--------------|-----------------|
| Gallons Used | Volumetric Rate | Gallons Used | Volumetric Rate |
| 0-3,000 | \$2.54 | 0-3,000 | \$ 0.00 |
| 3,001-10,000 | \$3.50 | 3,001-12,000 | \$11.19 |
| 10,001-15,000 | \$4.83 | 12,001+ | \$ 0.00 |
| 15,001-20,000 | \$6.68 | | |
| 20,001+ | \$9.22 | | |

23. The signatories agreed that Double Diamond should be allowed to implement the other tariff provisions included in the agreed tariff provided as Attachment A to this Order.
24. The signatories agreed that the agreed tariffs should be the governing water and sewer utility rates, terms, treatments, and conditions for Double Diamond's ratepayers.
25. The signatories agreed that Double Diamond shall not recover or collect any rate case expenses incurred in connection with the application or this proceeding.
26. Double Diamond agreed not to file a new rate change application to increase water and sewer rates with a requested effective date prior to January 1, 2017, for customers of The Retreat's public water and sewer systems and service areas specified in the tariff.
27. The signatories agreed that Double Diamond shall not be required to issue any refunds or credits and shall not collect any surcharges.

Consistency of the Agreement with the Texas Water Code and Commission Requirements¹

28. Considered in light of Double Diamond's application and information exchanged through confidential privileged settlement negotiations, the agreement is the result of compromise from each party, and these efforts, as well as the overall result of the agreement, support the reasonableness and benefits of the terms of the agreement.
29. The rates, terms, and conditions of the tariff resulting from the agreement are just and reasonable when the benefits of avoiding an expensive contested case hearing are considered.

II. Conclusions of Law

1. Double Diamond is a public utility as defined in Texas Water Code § 13.002(23).¹
2. Prior to September 1, 2014, the TCEQ had jurisdiction to consider Double Diamond's application under TWC §§ 13.181 and 13.187.
3. Effective September 1, 2014, jurisdiction over water and sewer utility ratemaking vests in the Commission under revised TWC, chapter 13.

¹ Tex. Water Code Ann. § 13.002(23) (West 2008 and Supp. 2016) (TWC).

4. The Commission has jurisdiction to consider Double Diamond's application for a rate-increase and conduct both formal and informal ratemaking hearings under TWC §§ 13.041, 13.181, and 13.187 using the procedures set forth in 30 TAC, chapter 291 before September 1, 2014, now adopted by the Commission as 16 TAC, chapter 24.
5. This docket was processed in accordance with the requirements of the TWC, Texas Administrative Procedure Act,² and Commission rules.
6. Proper notice of the application was given by Double Diamond as required by TWC § 13.187, 30 TAC §§ 291.22 and 291.28; and Texas Government Code §§ 2001.051-.052.³
7. This docket contains no remaining contested issues of fact or law.
8. The agreement, taken as a whole, is a just and reasonable resolution of all of the issues it addresses, results in just and reasonable rates, terms, and conditions, is consistent with the relevant provisions of TWC, chapter 13, and should be approved.
9. The rates agreed to in the agreement are just and reasonable, comply with the ratemaking provisions of TWC, chapter 13, and are not unreasonably discriminatory, preferential, or prejudicial.
10. The rates resulting from the agreement are just and reasonable, and consistent with TWC, chapter 13.
11. 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. Consistent with the agreement and the preceding findings of fact and conclusions of law, Double Diamond's application is approved.

² Tex. Gov't Code Ann. §§ 2001.001 - .092 (West 2016).

³ Tex. Gov't Code Ann. §§ 2001.051-.052 (West 2016).

PUC Docket No. 42919
SOAH Docket No. 473-15-0372.WS

Order

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2. Consistent with the agreement, Double Diamond's tariffed rates, terms, and conditions, are approved.
3. The water and sewer tariffs included with this Order as Attachment A are approved.
4. Double Diamond shall not seek to recover rate case expenses that it has incurred or will incur in relation to the application or this docket.
5. Double Diamond is not required to issue any refunds or credits and shall not collect any surcharges for the difference between the rates it has collected and any of the rate schedules contained in Attachment A to this Order.
6. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement. Entry of this Order shall not be regarded as binding holding or precedent as to the appropriateness of any principle or methodology underlying the agreement.
7. All other motions, requests for entry of specific findings of fact, conclusions of law, and ordering paragraphs, and any other requests for general or specific relief, if not expressly granted are denied.

Signed at Austin, Texas the 19th day of May 2017.

PUBLIC UTILITY COMMISSION OF TEXAS


KENNETH W. ANDERSON, JR., COMMISSIONER
BRANDY MARTY MARQUEZ, COMMISSIONER

ATTACHMENT A



WATER UTILITY TARIFF

Docket Number: 42919

Double Diamond Utilities Company, Inc.
(Utility Name)

10100 N. Central Expressway, Suite 400
(Business Address)

Dallas, Texas 75231
(City, State, Zip Code)

(214) 706-9801
(Area Code/Telephone)

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

12087

This tariff is effective in the following counties:

Hill, Palo Pinto, and Johnson

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

None

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

The Cliffs (PWS #1820061), The Retreat Water Supply (PWS #1260127), and White Bluff (PWS #1090073).

TABLE OF CONTENTS

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

| | |
|---|---------|
| SECTION 1.0 -- RATE SCHEDULE..... |2 |
| SECTION 2.0 -- SERVICE RULES AND POLICIES |6 |
| SECTION 3.0 -- EXTENSION POLICY |13 |
| SECTION 4.0 -- DROUGHT CONTINGENCY PLAN |17 |

APPENDIX A -- SAMPLE SERVICE AGREEMENT

APPENDIX B -- APPLICATION FOR SERVICE

Docket No. 42919

Double Diamond Utilities Company, Inc.
The Cliffs

Water Tariff Page No. 2

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Monthly base rate including 0 gallons

| <u>Meter Size:</u> | <u>Monthly Minimum Charge</u> | <u>Gallonge Charge (Over Minimum)</u> |
|--------------------|-------------------------------|---|
| 5/8" or 3/4" | <u>\$36.14</u> | <u>\$2.60</u> per 1,000 gallons for 0-3,000 gallons |
| 1" | <u>\$90.36</u> | <u>\$3.00</u> per 1,000 gallons for 3,001-10,000 gallons |
| 1½" | <u>\$180.72</u> | <u>\$5.07</u> per 1,000 gallons for 10,001-15,000 gallons |
| 2" | <u>\$289.15</u> | <u>\$8.56</u> per 1,000 gallons for 15,001-20,000 gallons |
| 3" | <u>\$542.16</u> | <u>\$14.45</u> per 1,000 gallons for 20,001 and over |

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

Cash X, Check X, Money Order X, Credit Card X, 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 \$675.00
 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 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.

Docket No. 42919

Double Diamond Utilities Company, Inc.
The Cliffs

Water Tariff Page No. 2a

SECTION 1.0 - RATE SCHEDULE (CONT.)

RECONNECTION FEE

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

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

TRANSFER FEE.....\$25.00

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

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

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

RETURNED CHECK CHARGE\$30.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... None

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 PUC Subst. R. §24.21(K)(2).

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

Docket No. 42919

Double Diamond Utilities Company, Inc.
The Retreat Water Supply

Water Tariff Page No. 3

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Monthly base rate including 0 gallons

| <u>Meter Size:</u> | <u>Monthly Minimum Charge</u> | <u>Gallage Charge (Over Minimum)</u> |
|--------------------|-------------------------------|--|
| 5/8" or 3/4" | \$49.60 | \$2.54 per 1,000 gallons 0-3,000 gallons |
| 1" | \$124.01 | \$3.50 per 1,000 gallons 3,001-10,000 gallons |
| 1½" | \$248.02 | \$4.83 per 1,000 gallons 10,001-15,000 gallons |
| 2" | \$396.84 | \$6.68 per 1,000 gallons 15,001-20,000 gallons |
| 3" | \$744.07 | \$9.22 per 1,000 gallons 20,001 and over gallons |

Additional Gallage Charge- Effective June 1, 2012:
\$0.20 / 1,000 gallons for the Prairielands Groundwater Conservation District (PGCD) Water Production Fee, for The Retreat and White Bluff customers only.

FORM OF PAYMENT: The utility will accept the following forms of payment:
 Cash X, Check X, Money Order X, Credit Card X, 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.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$675.00
 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 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.

Docket No. 42919

Double Diamond Utilities Company, Inc.
The Retreat Water Supply

Water Tariff Page No. 3a

SECTION 1.0 - RATE SCHEDULE (CONT.)

RECONNECTION FEE

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

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

TRANSFER FEE.....\$25.00

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

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

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

RETURNED CHECK CHARGE.....\$30.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....None

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 PUC Subst. R. §24.21(K)(2).

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

Double Diamond Utilities Company, Inc.
White Bluff

Water Tariff Page No. 4

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Monthly base rate including 0 gallons

| <u>Meter Size:</u> | <u>Monthly Minimum Charge</u> | <u>Gallage Charge (Over Minimum)</u> |
|--------------------|-------------------------------|--|
| 5/8" or 3/4" | \$31.01 | \$1.59 per 1,000 gallons for 0-3,000 gallons |
| 1" | \$77.51 | \$2.19 per 1,000 gallons for 3,001-10,000 gallons |
| 1½ " | \$155.03 | \$3.02 per 1,000 gallons for 10,001-15,000 gallons |
| 2" | \$248.04 | \$4.17 per 1,000 gallons for 15,001-20,000 gallons |
| 3" | \$465.08 | \$5.76 per 1,000 gallons for 20,001 and over |

Additional Gallage Charge - Effective June 1, 2012:
\$0.20 / 1,000 gallons for the Prairielands Groundwater Conservation District (PGCD) Water Production Fee, for The Retreat and White Bluff customers only.

FORM OF PAYMENT: The utility will accept the following forms of payment:
 Cash X, Check X, Money Order X, Credit Card X, 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.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$675.00
 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 Relocation Cost, Not to Exceed Tap Fee
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

Docket No. 42919

Double Diamond Utilities Company, Inc.
White Bluff

Water Tariff Page No. 4a

SECTION 1.0 - RATE SCHEDULE (CONT.)

METER TEST FEE\$25.00

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

RECONNECTION FEE

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

- | | | |
|----|---|----------------------|
| a) | Non payment of bill (Maximum \$25.00)..... | <u>\$25.00</u> |
| b) | Customer's request that service be disconnected | <u>\$25.00</u> |

TRANSFER FEE.....\$25.00

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

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

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

RETURNED CHECK CHARGE\$30.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... None

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 PUC Subst. R. §24.21(K)(2).

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

Docket No. 42919

Double Diamond Utilities Company, Inc.

Water Tariff Page No. 5

SECTION 1.0 - RATE SCHEDULE (CONT.)

NOTE:

Pursuant to PUC Substantive Rule §24.21(b)(2)(A)(viii)

"Minor Tariff Change to allow the addition of a production fee charged by a groundwater conservation district as a separate item calculated by multiplying the customer's total consumption, including the number of gallons in the base bill, if any, by the actual production fee per thousand gallons".

Docket No. 42919

Double Diamond Utilities Company, Inc.

Water Utility Tariff Page No. 6

SECTION 2.0 -- SERVICE RULES AND POLICIES

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

Section 2.01 - 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.

Docket No. 42919

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)**(B) Tap or Reconnect Fees**

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

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

(C) Easement Requirement

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

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

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

Double Diamond Utilities Company, Inc.

Water Utility Tariff Page No. 8

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 Environment Quality (TCEQ) Rules and Regulations for Public Water Systems, Section 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

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

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

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

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

Docket No. 42919

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

Section 2.08 - Access to Customer's Premises

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

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

Section 2.09 - Meter Requirements, Readings, and Testing

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

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

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

Section 2.10 - Billing(A) Regular Billing

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

(B) Late Fees

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

(C) Information on Bill

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

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

Section 2.11 - Payments

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

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order.

Docket No. 42919

Double Diamond Utilities Company, Inc.

Water Utility Tariff Page No. 11

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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

Section 2.14 - Service Interruptions

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

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Double Diamond Utilities Company, Inc.

Water Utility Tariff Page No. 12

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 Commission, 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 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.

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Double Diamond Utilities Company, Inc.

Water Utility Tariff Page No. 13

SECTION 3.0 -- EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

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

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

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

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

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

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

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

Unless an exception is granted by the 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

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

Docket No. 42919

SECTION 3.0 -- EXTENSION POLICY (Continued)

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.

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

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

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

Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Commission on Environment Quality minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Commission on Environment Quality 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 § 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by §24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

Docket No. 42919

SECTION 3.0 -- EXTENSION POLICY (Continued)

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

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

Section 3.04 - Appealing Connection Costs

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

Section 3.05 - Applying for Service

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

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers.

Docket No. 42919

SECTION 3.0 -- EXTENSION POLICY (Continued)

If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

Section 3.06 - Qualified Service Applicant

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

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

Section 3.07 - Developer Requirements

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

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.)



**Drought Contingency Plan
for a Retail Public Water Supplier**
Texas Commission on Environmental Quality

This form is provided as a model of a drought contingency plan for a retail public water supplier. If you need assistance in completing this form or in developing your plan, please contact the conservation staff of the Resource Protection Team in the Water Availability Division at (512) 239-4691. Submit completed plans to: Water Availability Division MC 160, TCEQ, P.O. Box 13087, Austin TX 78711-3087.

The Cliffs, PWS ID 1820061
The Retreat, PWS ID 1260127
Rock Creek, PWS ID 0910147
White Bluff, PWS ID 1090073

Drought Contingency Plans must be formally adopted by the governing body of the water provider and documentation of adoption must be submitted with the plan.

Name: Double Diamond Utility Company

Address: 5495 Beltline Road, Suite 200, Dallas, TX 75254

Telephone Number: (214) 706-9800 Fax: (214) 706-7829

Water Right No.(s): 12-13075, 12-1857, 12-12848, 12-13299, 12-3388, 17-GB800

Regional Water Planning Group: Brazos Region G and Dallas Metroplex Region C

Form Completed by: Victoria Richards Harkins, Ph.D., P.E.

Title: Consultant

Water Conservation Coordinator responsible for implementation: Mr. Randy Gracy Phone: (214) 706-9800

Signature: *Randy Gracy* Date: 10/23/2018 submitted
TCEQ Approved 2-27-19

Section I: Declaration of Policy, Purpose, and Intent

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the Double Diamond Utility Company hereby

adopts the following regulations and restrictions on the delivery and consumption of water. Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section X of this Plan.

Section II: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the Double Diamond Utility Company by means of providing opportunities for input at local annual meetings, regular office hours, and website interface comments.

Section III: Public Education

The Double Diamond Utility Company will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of public events, press releases and/or utility bill inserts.

Section IV: Coordination with Regional Water Planning Groups

The service area of the Double Diamond Utility Company is located within the Brazos Region G and Dallas Region C, and Double Diamond Utility Company has provided a copy of this Plan to the both Regions C and G regional water planning groups.

Section V: Authorization

The Utility Director, or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Utility Director or his/her designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section VI: Application

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the Double Diamond Utility Company. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

Section VII: Definitions

For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water,

reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by Double Diamond Utility Company.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- (a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (e) flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- (i) use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Section VIII: Criteria for Initiation and Termination of Drought Response Stages

The Utility Director or his/her designee shall monitor water supply and/or demand conditions on a daily basis during high water use periods and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified “triggers” are reached.

The triggering criteria described below are based on known system capacity limits.

Stage 1 Triggers -- MILD Water Shortage Conditions

Requirements for initiation

Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses, defined in Section VII Definitions.

Annually, beginning on May 1 through September 30.

Requirements for termination

Stage 1 of the Plan may be rescinded on September 30 of each year unless further triggers have been met as described below.

Stage 1 Response -- MILD Water Shortage Conditions

Target: Achieve a voluntary five (5) percent reduction in daily water demand.

Best Management Practices for Supply Management:

The Utility Director or his/her designee can order the implementation of any of the actions listed below, as deemed necessary:

- i. Request voluntary reductions in water use by the public and by commercial customers.
- ii. Increase public education efforts on ways to reduce water use.
- iii. Notify major water users and work with them to achieve voluntary water use reductions.
- iv. Intensify efforts on leak detection and repair.
- v. Ask the public to follow voluntary landscape watering schedules.

Voluntary Water Use Restrictions for Reducing Demand:

- (a) Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the hours of midnight and 10:00 a.m. and 8:00 p.m. to midnight on designated watering days.
- (b) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

Stage 2 Triggers -- MODERATE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section VII of this Plan when the following criteria have been reached.

Falling treated water reservoir levels which do not refill above **90 percent overnight for four consecutive days**.

Requirements for termination

Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of **seven (7) consecutive days**. Upon termination of Stage 2, Stage 1 becomes operative.

Stage 2 Response -- MODERATE Water Shortage Conditions

Target: Achieve a 15 percent reduction in daily water demand.

Best Management Practices for Supply Management:

Double Diamond Utility Company will continue to manage limited water supplies and/or reduce water demand by reducing flushing of water mains and reduce or discontinue irrigation of public landscaped areas.

The Utility Director or his/her designee can order the implementation of any of the actions listed below, as deemed necessary.

Measures described **requires notification to TCEQ** to impose mandatory requirements on retail customers. Double Diamond Utility Company must notify TCEQ within five (5) business days if these measures are implemented.

- i. Reduce non-essential neighborhood/subdivision water use. (Examples include street cleaning, vehicle washing, operation of ornamental fountains, etc.)
- ii. Reduce water use for landscape irrigation.
- iii. Continue or initiate any actions available under Stage 1.
- iv. Encourage the public to wait until the current drought or emergency situation has passed before establishing new landscaping.
- v. Use of water from hydrants shall be limited to firefighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special authorization from the Utility.

Water Use Restrictions for Demand Reduction:

Under threat of penalty for violation, the following water use restrictions shall apply to all

persons:

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to **Tuesdays**, and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- (c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) Use of water from hydrants shall be limited to firefighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special authorization from the Double Diamond Utility Company.
- (f) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the Double Diamond Utility Company, the facility shall not be subject to these regulations.
- (g) All restaurants are requested to limit serving water to patrons except upon request of the patron.
- (h) The following uses of water are defined as non-essential and are prohibited:
 1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;

2. use of water to wash down buildings or structures for purposes other than immediate fire protection;
3. use of water for dust control;
4. flushing gutters or permitting water to run or accumulate in any gutter or street; and
5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Stage 3 Triggers – SEVERE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan when the following criteria have been reached.

Falling treated water reservoir levels which do not refill above **75 percent overnight for three consecutive days**.

Requirements for termination

Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of **seven (7) consecutive days**. Upon termination of Stage 3, Stage 2 becomes operative.

Stage 3 Response -- SEVERE Water Shortage Conditions

Target: Achieve a 25 percent reduction in daily water demand.

Best Management Practices for Supply Management:

Double Diamond Utility Company will to continue manage limited water supplies and/or reduce water demand. Double Diamond will discontinue flushing of water mains and discontinue any irrigation of public landscaped areas.

The Utility Director or his/her designee can order the implementation of any of the actions listed below, as deemed necessary.

Measures described requires **notification to TCEQ** to impose mandatory requirements on retail customers. Double Diamond Utility Company must notify TCEQ within five business days if these measures are implemented.

Water Use Restrictions for Demand Reduction:

All requirements of Stage 2 shall remain in effect during Stage 3 except:

- (a) Prohibit landscape watering: automatic irrigation systems shall be turned off.

- (b) Irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (c) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the Double Diamond Utility Company.
- (d) The use of water for construction purposes from designated fire hydrants under special authorization is to be discontinued.
- (e) Prohibit hosing of paved areas, buildings, or windows.
- (f) Prohibit operation of ornamental fountains.
- (g) Prohibit washing or rinsing of vehicles by hose.
- (h) Prohibit using water in such a manner as to allow runoff or other waste.

Stage 4 Triggers -- EMERGENCY Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when the following criteria have been reached.

- Supply source becomes contaminated.
- Water supply system is unable to deliver water due to the failure or damage of major water system components.
- Stage 3 conditions persist or worsen such that the system is unable to maintain sufficient ground storage tank levels with adequate recovery time, pressures in the system fall below 40 psi, and/or reservoir/aquifer levels drop that affect pump efficiencies and/or production capabilities.

Requirements for termination

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

Stage 4 Response -- EMERGENCY Water Shortage Conditions

Target: The goal for water use reduction under Stage 4, Critical, is maintenance of potable water supply. If the circumstances warrant, the Utility Director or his/her designee can set a goal for greater water use reduction.

Best Management Practices for Supply Management:

Double Diamond Utility Company will to continue manage limited water supplies and/or reduce water demand. Double Diamond will continue actions from Stages 1-3, implement viable alternative water supply strategies, further accelerate public education efforts on ways to reduce water use, and aggressive monitoring for compliance.

The Utility Director or his/her designee can order the implementation of any of the actions listed

below, as deemed necessary.

Measures described requires **notification to TCEQ** to impose mandatory requirements on retail customers. Double Diamond Utility Company must notify TCEQ within five business days if these measures are implemented.

Water Use Restrictions for Reducing Demand: All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except:

- (a) No outside watering of any kind.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10 p.m.
- (c) The filling, refilling, or adding of water to swimming pools, wading pools, and Jacuzzi-type pools is prohibited.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

Section IX: Drought Response Stages

The Utility Director, or his/her designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe, critical, emergency or water shortage condition exists and shall implement the following notification procedures:

Notification

Notification of the Public:

The Utility Director or his/ her designee shall notify the public by means of one or more of the following:

- i. publication in a newspaper of general circulation,
- ii. direct mail to each customer,
- iii. Door hangers,
- iv. public service announcements, and/or
- v. signs posted in public places.

Additional Notification:

The Utility Director or his/ her designee shall notify directly, or cause to be notified directly, the following individuals and entities:

- i. Utility Board
- ii. Fire Chief(s)
- iii. County Emergency Management Coordinator(s)
- iv. County Judge & Commissioner(s)
- v. State Disaster District / Department of Public Safety
- vi. TCEQ
- vii. Major water users
- viii. Critical water users, i.e. hospitals, schools, geriatric facilities
- ix. Parks / street superintendents & public facilities managers

Section X: Enforcement

- (a) No person shall knowingly or intentionally allow the use of water from the Double Diamond Utility Company for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by Utility Director, or his/her designee, in accordance with provisions of this Plan.
- (b) Any person, including a person classified as a water customer of the Double Diamond Utility Company, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.

These mandatory water use restrictions will be enforced by warnings and penalties as follows:

- i. **On the first violation, customers will be given a written warning that they have violated the mandatory water use restriction.**
- ii. **On the second and any subsequent violations, a written notice of violation will be issued to customers with fines not less than \$50 per incident. Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense.**
- iii. **After three violations have occurred, the Utility may cut off water service to the customer. Services discontinued under such circumstances shall be restored only upon payment of an approved re-connection charge. In addition, suitable assurance must be given to the Utility Director that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.**

Section XI: Variances

The Utility Director, or his/her designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

- (a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- (b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the Double Diamond Utility Company within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the Utility Director, or his/her designee, and shall include the following:

- (a) Name and address of the petitioner(s).
- (b) Purpose of water use.
- (c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- (d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- (e) Description of the relief requested.
- (f) Period of time for which the variance is sought.
- (g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- (h) Other pertinent information.

APPENDIX A -- SAMPLE SERVICE AGREEMENT

From 30 TAC Chapter 290.47(b), Appendix B

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: _____

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

Double Diamond Utilities Co.

APPLICATION AND CONTRACT FOR WATER SERVICE

Date _____, 20____

Name _____ Telephone (____) _____

Physical Address: _____ Mailing Address: _____

(Hereinafter referred to as the "Applicant") requests sewer service be made available by Double Diamond Utilities Co. (Hereinafter referred to as the "Supplier") to:

- White Bluff Lot _____ WB _____ Subdivision
- The Cliffs Lot _____ Phase _____
- The Retreat Lot _____ Block _____ Phase _____
- Rock Creek Lot _____ Block _____ Phase _____

Applicant agrees to pay Supplier a non-refundable water tap-on fee as approved by the Texas Commission on Environmental Quality (TCEQ) prior to commencement of water service. Applicant further agrees to pay the Supplier a monthly usage fee according to the rates in the tariff on file and approved by the TCEQ. Usage fee must be paid upon receipt of the monthly statement.

Supplier agrees to install saddlelap corporation stop, curb stop, 5/8 inch water meter and meter box ("Equipment") at the front of Applicant's lot within 30 days of the date of this Application (construction progress permitting). Applicant agrees to have a licensed plumber install a service line from that point to Applicant's residence. The Equipment is and remains the property of Supplier, and any abuse of, or tampering with the Equipment, may result in immediate termination of water service.

Applicant grants Supplier access to the water tap and all supply lines for purpose of repair and readings. Supplier shall have the express right of inspecting, during reasonable hours, with or without notice, all plumbing or other connections located on Applicant's lot and Applicant agrees to allow such inspection and acknowledges that Supplier may disconnect immediately, any connection or apparatus which, in Supplier's opinion, creates any unsafe or unsanitary condition or potentially creates such a condition. Unsafe and prohibited activities or conditions include, without limitation, (i) cross-connection between Supplier's water system and any private water well or system, (ii) pipe or pipe fittings installed by Applicant's plumber which contains more than .25% lead, (iii) use of solder or flux at any pipe connection which contains more than 0.2% lead, or (iv) any other activity prohibited by statute or ordinance and any abuse of, or tampering with the Equipment. If Applicant fails to disconnect such connection or to correct such conditions immediately, Supplier shall have the right to immediately terminate this Contract and discontinue service to Applicant until such connection is corrected. Upon reconnection, Applicant shall be required to pay Supplier's reconnection fee as approved by the TCEQ, plus payment of any delinquent bills.

Applicant may not transfer any rights under this Contract without written consent of Supplier and payment of Supplier's transfer fee as approved by the TCEQ, payment of all previously accrued charges and execution by such transferee of an agreement to assume this Contract or execution of a new Application and Contract.

The Supplier hereby retains the right to cancel this Contract for failure to pay usage or transfer fees in accordance with its tariff on file with the TCEQ, currently ten (10) days after Supplier pieces in the U.S. mail, postage prepaid, addressed to the applicant at the above stated address, written notice of such cancellation. The rate and fees are subject to change to meet changes in cost of services. Any notice or other requirements of any applicable governmental authority will be complied with in case of any rate or fee change.

This Contract supersedes, voids, cancels and nullifies any prior understandings, correspondence, representations and/or agreements, written or oral, between Applicant and Supplier or any representative of Supplier.

Date Service Desired: _____ Signature of Applicant - Owner _____

Tap-On Payment/Transfer Fee Paid:
Amount \$ _____

Date: _____ Double Diamond Utilities Co. - Authorized Agent

Double Diamond Utilities Co.

APPLICATION AND CONTRACT FOR SEWER SERVICE

Date _____, 20____

Name _____ Telephone (____) _____

Physical Address: _____ Mailing Address: _____

(Hereinafter referred to as the "Applicant") requests sewer service be made available by Double Diamond Utilities Co. (Hereinafter referred to as the "Supplier") to:

- White Bluff Lot _____ WB _____ Subdivision
- The Cliffs Lot _____ Phase _____
- The Retreat Lot _____ Block _____ Phase _____
- Rock Creek Lot _____ Block _____ _____ Addition

Applicant agrees to pay Supplier a non-refundable sewer tap-on fee as approved by the Texas Commission on Environmental Quality (TCEQ) prior to commencement of sewer service. Applicant further agrees to pay the Supplier a monthly usage fee according to the rates in the tariff on file and approved by the TCEQ. Usage fees are due upon receipt of the monthly statement.

Prior to commencement of sewer service, Supplier agrees to install, at Supplier's expense, a submersible centrifugal wastewater grinder pump designed specifically for individual residential sewer applications, a holding tank, service lines from the sewer main to the holding tank, saddletrap, check and ball valve and control panel ("Equipment"). Applicant agrees to have a sewer line from Applicant's residence to the pump basin installed by a licensed plumber and to have the control panel wired into Applicant's electrical system by a licensed electrician within thirty (30) days after the pump is installed, or prior to occupancy of the residence, whichever occurs first. After installation, the Equipment is and remains the property of Supplier and any abuse of, or tampering with the Equipment, may result in immediate termination of sewer service.

The Supplier shall have the express right of inspecting, during reasonable hours, with or without notice, all plumbing or other connections located on Applicant's lot and Applicant agrees to allow such inspection and to disconnect immediately any connection or apparatus which, in Supplier's reasonable discretion, creates any unsafe or un sanitary condition or potentially creates such a condition. If Applicant fails to disconnect such connection or to correct such condition immediately, Supplier shall have the right, at its option, to immediately terminate this Contract and discontinue service to Applicant until such connection is corrected. Upon reconnection, Applicant shall be required to pay Supplier's reconnection fee as approved by the TCEQ, plus payment of any delinquent bills.

Applicant may not transfer any rights under this Contract without express written consent of Supplier and payment of Supplier's transfer fee as approved by the TCEQ, payment of any accrued charges and execution by such transferee of an agreement to assume this Contract or execution of a new Application and Contract.

The Supplier hereby retains the right to cancel this Contract for failure to pay usage or transfer fees in accordance with its tariff on file with the TCEQ, currently ten (10) days after Supplier places in the U.S. mail, postage prepaid, addressed to the applicant at the above stated address, written notice of such cancellation. The rate and fees are subject to change to meet changes in cost of services. Any notice or other requirements of any applicable, governmental authority will be complied with in case of any rate or fee change.

This Contract supersedes, voids, cancels and nullifies any prior understandings, correspondence, representations and/or agreements, written or oral, between Applicant and Supplier or any representative of Supplier.

Date Service Desired: _____ Signature of Applicant - Owner _____

Tap-On Payment/Transfer Fee Paid: _____

Amount \$ _____

Date: _____ Double Diamond Utilities Co. - Authorized Agent _____



SEWER UTILITY TARIFF

Docket Number: 42919

Double Diamond Utilities Company, Inc.
(Utility Name)

10100 N. Central Expressway, Suite 400
(Business Address)

Dallas, Texas 75231
(City, State, Zip Code)

(214) 706-9801
(Area Code/Telephone)

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

20705

This tariff is effective in the following counties:

Grayson, Hill, Palo Pinto, and Johnson

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

None

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

The Cliffs: WQ0002789-000

The Retreat: WQ0014373-001

Rock Creek: WQ0014783-001

White Bluff: WQ0013786-002

TABLE OF CONTENTS

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

| | |
|---|----|
| SECTION 1.0 -- RATE SCHEDULE..... | 2 |
| SECTION 2.0 -- SERVICE RULES AND POLICIES | 6 |
| SECTION 3.0 -- EXTENSION POLICY | 11 |

APPENDIX A -- SAMPLE SERVICE AGREEMENT

APPENDIX B -- APPLICATION FOR SERVICE

Docket No. 42919

Double Diamond Utilities Company, Inc.
The Cliffs

Sewer Tariff Page No. 2

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

| <u>Meter Size:</u> | <u>Monthly Minimum Charge</u> | <u>Gallage Charge</u> |
|--------------------|---|---------------------------------|
| 5/8" or 3/4" | <u>\$49.37</u> (3,000 gallons included) | <u>\$8.25</u> per 1,000 gallons |
| 1" | <u>\$86.29</u> | |
| 1½" | <u>\$147.83</u> | |
| 2" | <u>\$221.67</u> | |
| 3" | <u>\$393.98</u> | |

Gallage charges are determined based on average consumption for the winter months which are December, January, and February.

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

Cash X, Check X, Money Order X, Credit Card X, 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 FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$3,100.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00)..... \$25.00
- b) Customer's request that service be disconnected \$40.00

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.

Docket No. 42919

Double Diamond Utilities Company, Inc.
The Cliffs

Sewer Tariff Page No. 2a

SECTION 1.0 - RATE SCHEDULE (Continued)

TRANSFER FEE.....\$40.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

RETURNED CHECK CHARGE.....\$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... None

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

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

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

Docket No. 42919

Double Diamond Utilities Company, Inc.
 The Retreat Water Supply

Sewer Tariff Page No. 3

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

| <u>Meter Size:</u> | <u>Monthly Minimum Charge</u> | <u>Gallonge Charge (Over Minimum)</u> |
|--------------------|----------------------------------|--|
| 5/8" or 3/4" | \$67.12 (3,000 gallons included) | \$0.00 per 1,000 gallons for 0-3,000 gallons |
| 1" | \$167.80 | \$11.19 per 1,000 gallons for 3,001-12,000 gallons |
| 1½" | \$335.59 | \$0.00 per 1,000 gallons for 12,001+ gallons |
| 2" | \$536.95 | |
| 3" | \$1,006.78 | |

Gallonge charges are determined based on average consumption for the winter months which are December, January, and February. The total billed sewer volume amount is capped at 12,000 gallons.

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

Cash X, Check X, Money Order X, Credit Card X, 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.

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$675.00
 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 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.

Docket No. 42919

Double Diamond Utilities Company, Inc.
The Retreat Water Supply

Sewer Tariff Page No. 3a

SECTION 1.0 - RATE SCHEDULE (CONT.)

RECONNECTION FEE

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

- | | |
|---|----------------------|
| a) Non payment of bill (Maximum \$25.00)..... | <u>\$25.00</u> |
| b) Customer's request that service be disconnected..... | <u>\$25.00</u> |

TRANSFER FEE..... \$25.00

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

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

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

RETURNED CHECK CHARGE \$30.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... None

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 PUC Subst. R. §24.21(K)(2).

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

Docket No. 42919

Double Diamond Utilities Company, Inc.
Rock Creek only

Sewer Tariff Page No. 4

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

| <u>Meter Size:</u> | <u>Monthly Minimum Charge</u> |
|--------------------|-------------------------------|
| 5/8" or 3/4" | <u>\$87.00</u> |
| 1" | <u>\$217.50</u> |
| 1½" | <u>\$435.00</u> |
| 2" | <u>\$696.00</u> |
| 3" | <u>\$1,035.00</u> |

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

Cash X, Check X, Money Order X, Credit Card X, 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 FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$3,100.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Connection Tap) Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$40.00

Docket No. 42919

Double Diamond Utilities Company, Inc.
Rock Creek only

Sewer Tariff Page No. 4a

SECTION 1.0 - RATE SCHEDULE (CONT.)

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

TRANSFER FEE \$40.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT
THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

RETURNED CHECK CHARGE \$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S
DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) None

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

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

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

Double Diamond Utilities Company, Inc.
White Bluff

Sewer Tariff Page No. 5

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

| <u>Meter Size:</u> | <u>Monthly Minimum Charge</u> | <u>Gallonge Charge</u> |
|--------------------|----------------------------------|--------------------------|
| 5/8" or 3/4" | \$41.00 (3,000 gallons included) | \$8.00 per 1,000 gallons |
| 1" | \$102.50 | |
| 1½ " | \$205.00 | |
| 2" | \$328.00 | |
| 3" | \$615.00 | |

Gallonge charges are determined based on average consumption for the winter months which are December, January, and February.

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

Cash X, Check X, Money Order X, Credit Card X, 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 ASSESSMENT1.0%
 TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$3,100
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected.....\$40.00

Docket No. 42919

Double Diamond Utilities Company, Inc.
White Bluff

Sewer Tariff Page No. 5a

SECTION 1.0 - RATE SCHEDULE (CONT.)

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.

TRANSFER FEE\$40.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

RETURNED CHECK CHARGE\$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) None

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

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

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

SECTION 2.0 -- SERVICE RULES AND POLICIES

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

Section 2.01 - Application for Sewer 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 TCEQ 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)

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 §24.86(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.

(B) 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 and utility cut-off 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 tap location to the place of consumption. Customers will not be allowed to use the utility's cutoff.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

2.06 Access to Customer's Premises

All customers or service applicants shall provide access to utility cutoffs 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 2.07 - Back Flow Prevention Devices

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.

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.

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.

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Double Diamond Utilities Company.

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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 and operate production, treatment, storage, transmission, and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the PUC Rules.

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.

Section 2.17 - Customer Liability

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.

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

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SECTION 3.0 -- EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges. No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

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

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 3.02 - Costs Utilities and Service Applicants Shall Bear

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

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

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest collection 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 maybe charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 6" in diameter for wastewater lines.

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SECTION 3.0 – EXTENSION POLICY (Continued)

Exceptions may be granted by the PUC if:

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

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.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers.

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

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

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 Texas Commission on Environmental Quality (TCEQ) minimum design criteria for facilities used in the production, collection, transmission, pumping, or treatment of sewage 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.

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SECTION 3.0 -- EXTENSION POLICY (Continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

- Under a contract and only in accordance with the terms of the contract; or
- If service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utility's approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.

For purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

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

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant.

Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

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SECTION 3.0 -- EXTENSION POLICY (Continued)

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

Section 3.06 - Qualified Service Applicant

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

The Utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by TCEQ 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 TCEQ service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by TCEQ 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 -- SAMPLE SERVICE AGREEMENT
SERVICE AGREEMENT

- I. **PURPOSE.** The NAME OF SEWER 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 SEWER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the sewer 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 SEWER SYSTEM (the Sewer System) and NAME OF CUSTOMER (the Customer).
- A. The Sewer System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Sewer 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 Sewer 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 Sewer System's normal business hours.

- C. The Sewer 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 Sewer System. Copies of all testing and maintenance records shall be provided to the Sewer System.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Sewer 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: _____

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

Double Diamond Utilities Co.

APPLICATION AND CONTRACT FOR SEWER SERVICE

Date _____, 20____

Name _____ Telephone (____) _____

Physical Address: _____ Mailing Address: _____

(Hereinafter referred to as the "Applicant") requests sewer service be made available by Double Diamond Utilities Co. (Hereinafter referred to as the "Supplier") to:

- White Bluff Lot _____ WB ____ Subdivision
- The Cliffs Lot _____ Phase _____
- The Retreat Lot _____ Block _____ Phase _____
- Rock Creek Lot _____ Block _____ _____ Addition

Applicant agrees to pay Supplier a non-refundable sewer tap-on fee as approved by the Texas Commission on Environmental Quality (TCEQ) prior to commencement of sewer service. Applicant further agrees to pay the Supplier a monthly usage fee according to the rates in the tariff on file and approved by the TCEQ. Usage fees are due upon receipt of the monthly statement.

Prior to commencement of sewer service, Supplier agrees to install, at Supplier's expense, a submersible centrifugal wastewater grinder pump designed specifically for individual residential sewer applications, a holding tank, service lines from the sewer main to the holding tank, saddletrap, check and ball valve and control panel ("Equipment"). Applicant agrees to have a sewer line from Applicant's residence to the pump basin installed by a licensed plumber and to have the control panel wired into Applicant's electrical system by a licensed electrician within thirty (30) days after the pump is installed, or prior to occupancy of the residence, whichever occurs first. After installation, the Equipment is and remains the property of Supplier and any abuse of, or tampering with the Equipment, may result in immediate termination of sewer service.

The Supplier shall have the express right of inspecting, during reasonable hours, with or without notice, all plumbing or other connections located on Applicant's lot and Applicant agrees to allow such inspection and to disconnect immediately any connection or apparatus which, in Supplier's reasonable discretion, creates any unsafe or unsanitary condition or potentially creates such a condition. If Applicant fails to disconnect such connection or to correct such condition immediately, Supplier shall have the right, at its option, to immediately terminate this Contract and discontinue service to Applicant until such connection is corrected. Upon reconnection, Applicant shall be required to pay Supplier's reconnection fee as approved by the TCEQ, plus payment of any delinquent bills.

Applicant may not transfer any rights under this Contract without express written consent of Supplier and payment of Supplier's transfer fee as approved by the TCEQ, payment of any accrued charges and execution by such transferee of an agreement to assume this Contract or execution of a new Application and Contract.

The Supplier hereby retains the right to cancel this Contract for failure to pay usage or transfer fees in accordance with its tariff on file with the TCEQ, currently ten (10) days after Supplier places in the U.S. mail, postage prepaid, addressed to the applicant at the above stated address, written notice of such cancellation. The rate and fees are subject to change to meet changes in cost of services. Any notice or other requirements of any applicable, governmental authority will be complied with in case of any rate or fee change.

This Contract supersedes, voids, cancels and nullifies any prior understandings, correspondence, representations and/or agreements, written or oral, between Applicant and Supplier or any representative of Supplier.

Date Service Desired: _____

Tap-On Payment/Transfer Fee Paid: _____

Amount \$ _____

Date: _____

Signature of Applicant - Owner

Double Diamond Utilities Co. - Authorized Agent

Tariff for Water CCN No. 13235

TARIFF NO. 48717

TARIFF COMPLIANCE FILING FOR §
DOCKET NO. 46247 (APPLICATION §
OF DOUBLE DIAMOND PROPERTIES §
CONSTRUCTION CO. DBA ROCK §
CREEK FOR RATE/TARIFF CHANGE) §

PUBLIC UTILITY COMMISSION
OF TEXAS

2019 MAY 31 PM 2:41
FILING CLEAR


ORDER NO. 4
REGARDING AGREED REVISED TARIFF

This Order addresses Commission Staff's May 22, 2019 recommendation and attached revised tariff for Double Diamond Properties Construction Co. dba Rock Creek (Rock Creek). Commission Staff stated that the revised tariff reflects the corrections in the memorandum of Lisa Fuentes of the Commission's Water Utility Regulation Division on April 30, 2019, and that Rock Creek agrees with the revisions.

Because the requirements of ordering paragraph number seven in Docket No. 46247¹ have now been met, this tariff control number is closed.

Signed at Austin, Texas the 31st day of May 2019.

PUBLIC UTILITY COMMISSION OF TEXAS


HUNTER BURKHALTER
ADMINISTRATIVE LAW JUDGE

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¹ Application of Double Diamond Properties Construction Co. dba Rock Creek for a Water Rate/Tariff Change, Docket No. 46247, Order (June 14, 2018).