

Control Number: 50367



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SOAH DOCKET NO. 473-20-3820.WS

PUCT DOCKET NO. 50367

FILED

COMPLAINT OF CHAD SWAHN
AGAINST SHADY OAKS WATER
SUPPLY COMPANY, LLC

§
§
§

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS



DIRECT TESTIMONY AND WORKPAPERS OF

KATHRYN EILAND

RATE REGULATION DIVISION

PUBLIC UTILITY COMMISSION OF TEXAS

JANUARY 26, 2021

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Attachment KE-1 Regulatory Resume

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Attachment KE-4 Adjustments for Charges Billed Prior to May 8, 2019

1 **I. INTRODUCTION OF WITNESS**

2 **Q. Please state your name and business address.**

3 A. My name is Kathryn Eiland. My business address is 1701 N. Congress Avenue, Austin,
4 Texas 78711-3326.
5

6 **Q. By whom are you currently employed and in what capacity?**

7 A. I am employed by the Public Utility Commission of Texas (Commission) as a Financial
8 Analyst in the Rate Regulation Division.
9

10 **Q. What are your principal responsibilities at the Commission?**

11 A. I am responsible for reviewing formal complaints, certificate of convenience and necessity
12 (CCN) applications and amendments, sale/transfer/merger applications, requests for
13 authority to change rates, stock transfers, and financial and managerial reviews. I am also
14 responsible for preparing testimony and exhibits for contested case matters involving
15 investor-owned water and sewer retail public utilities and assisting with settlement
16 negotiations.
17

18 **Q. Please state your educational background and professional experience.**

19 A. I have provided a summary of my educational background and professional experience in
20 Attachment KE-1 to my direct testimony.
21

22 **Q. Have you previously filed testimony before the Commission or SOAH?**

23 A. Yes. I have provided a summary of my testimony in Attachment KE-2.
24
25
26

1 **II. PURPOSE AND SCOPE OF TESTIMONY**

2 **Q. What is the purpose of your testimony in this proceeding?**

3 A. I will present testimony as to whether Shady Oaks Water Supply Company, LLC (Shady
4 Oaks) was compliant with the Commission rules and billed Chad Swahn (Mr. Swahn)
5 correctly for water service. I will also recommend both a bill credit to address inappropriate
6 charges to Mr. Swahn's account as well as a refund to Mr. Swahn.

7
8 **Q. What items did you review in preparing your testimony?**

9 A. I reviewed all the filings submitted in this proceeding, as well as 16 Texas Administrative
10 Code (TAC) §§ 24.161, 24.165, 25,167, and 25.169.

11
12 **III. WATER SERVICE UNDER 16 TAC § 24.161**

13 **Q. What is a retail public utility?**

14 A. As defined in 16 TAC § 24.3(31), a retail public utility is a person, corporation, public
15 utility, water supply or sewer service corporation, municipality, political subdivision or
16 agency operating, maintaining, or controlling in this state facilities for providing potable
17 water service or sewer service, or both, for compensation.

18
19 **Q. Is Shady Oaks Water Supply Company, LLC a retail public utility?**

20 A. Yes. Shady Oaks holds water Certificate of Convenience Number 12090.

21
22 **Q. What is a qualified service applicant?**

23 A. As defined in 16 TAC § 24.161(a), a qualified service applicant is an applicant who has
24 met all of the retail public utility's requirement contained in its tariff, schedule of rates, or
25 service policies and regulations for extension of service including the delivery to the retail
26 public utility of any service connection inspection certifications required by law.

1 **Q. When should a retail public utility serve each qualified service application within its**
2 **certificated area?**

3 A. A retail public utility should establish service for each qualified service applicant as soon
4 as is practical after receiving a completed application.¹
5

6 **IV. SERVICE PROVIDED AT 327 HICKORY HILL**

7 **Q. Who was listed as the account holder at 327 Hickory Hill before Mr. Swahn**
8 **purchased the property on July 27, 2018?**

9 A. Shady Oaks failed to provide responses to Staff's First Request for Information or to
10 provide direct testimony; therefore, I was not able to ascertain who the listed account holder
11 was at 327 Hickory Hills before Mr. Swahn.
12

13 **Q. For the account holder immediately before Mr. Swahn for 327 Hickory Hill, what is**
14 **the date that service was activated?**

15 A. Shady Oaks failed to provide responses to Staff's First Request for Information or to
16 provide direct testimony; therefore, I was not able to ascertain the service activation date
17 for the listed account holder was at 327 Hickory Hills before Mr. Swahn.
18

19 **Q. For the account holder immediately before Mr. Swahn for 327 Hickory Hill, what is**
20 **the date that service was terminated?**

21 A. Shady Oaks failed to provide responses to Staff's First Request for Information or to
22 provide direct testimony; therefore, I was not able to ascertain the service termination date
23 for the listed account holder was at 327 Hickory Hills before Mr. Swahn.
24
25

¹ 16 Texas Administrative Code § 24.161(a) (TAC).

1 **Q. On what date did Shady Oaks receive a completed service application from Mr.**
2 **Swahn for water service at 327 Hickory Hill?**

3 A. Based on the notations (“pd check # 8775, April 29, 2019, \$50.00, \$50.00, \$35.00”) at the
4 bottom of Mr. Swahn’s service application, Shady Oaks received Mr. Swahn’s application
5 on April 29, 2019.²
6

7 **Q. On what date did Shady Oaks accept the service application from Mr. Swahn for**
8 **water service at 327 Hickory Hill?**

9 A. May 8, 2019.³
10

11 **Q. On what date did Shady Oaks begin providing water service to Mr. Swahn?**

12 A. May 8, 2019.⁴
13

14 **Q. Following receipt of Mr. Swahn’s completed service application, on what date did**
15 **Shady Oaks complete an initial meter read and what usage was recorded?**

16 A. Based on the notations at the bottom of Mr. Swahn’s service application, the initial reading
17 of 1,443,700 was obtained on April 29, 2019.⁵
18

19 **Q. Was it proper for Shady Oaks to establish an initial meter reading for Mr. Swahn**
20 **prior to establishing service for him?**

21 A. No. According to Shady Oak’s tariff, all applications for service will be made on the
22 utility’s standard application or contract form, will be signed by the applicant, any required
23 fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid, and
24 easements, if required, will be granted before service is provided by the utility.

² Shady Oaks Water Supply, LLC’s Response to Order No. 1 filed February 3, 2020.

³ *Id.*

⁴ *Id.*

⁵ *Id.*

1 **Q. Did Mr. Swahn pay any required fees before Shady Oaks initiated service?**

2
3 A. Yes. Mr. Swahn paid a \$100.00 security deposit and a \$35 transfer fee.
4

5 **Q. What period of service did Mr. Swahn's initial water service bill cover?**

6 A. Shady Oaks failed to provide responses to Staff's First Request for Information or to
7 provide direct testimony; therefore, I was not able to ascertain the timeframe covered by
8 Mr. Swahn's initial water bill.
9

10 **V. COMPLIANCE WITH PUC RULES**

11 **Q. Did Shady Oaks comply with 16 TAC § 24.165 when rendering Mr. Swahn's bills for**
12 **water service?**

13 A. No. As discussed in more detail below, Shady Oaks failed to comply with several
14 subsections of 16 TAC § 24.165 when rendering Mr. Swahn's bills for water service.
15

16 **Q. Did Shady Oaks calculate Mr. Swahn's bills using the rates included in its current**
17 **tariff in accordance with 16 TAC § 24.165(a)?**

18 A. No. Mr. Swahn was overcharged by \$12.48 on his May 25, 2019 bill, \$0.06 on his June
19 25, 2019 bill, and \$0.42 on July 25, 2019 his bill. Additionally, he was undercharged by
20 \$0.02 on his August 25, 2019 bill.⁶
21

22 **Q. Was the form and rendering of the bills in accordance with 16 TAC § 24.165(e)?**

23 A. No. Shady Oaks provided a bill dated July 25, 2019 that did not show the following
24 required information:⁷

25 (a) the date of the meter reading at the beginning and at the end of the period for
26 which the bill was rendered;

⁶ Attachment KE-3.

⁷ Shady Oaks Water Supply, LLC's Response to Order No. 1.

1 (b) the kind of units measured; and

2 (c) the applicable rate class or code.

3
4 **Q. Did Shady Oaks calculate an adjustment in accordance with 16 TAC § 24.165(h) for**
5 **any bills for water service to Mr. Swahn that included overbilling?**

6 A. No. Shady Oaks did not calculate an adjustment for overbilling Mr. Swahn for the time
7 he was not a qualified service applicant.

8
9 **Q. Was Mr. Swahn's initial bill for a partial month?**

10 A. Shady Oaks failed to provide responses to Staff's First Request for Information or to
11 provide direct testimony; therefore, I was not able to ascertain the service period for the
12 initial bill for Mr. Swahn.

13
14 **Q. Was the initial bill calculated in accordance with 16 TAC § 24.165(j)?**

15 A. No. Based on my calculations, Shady Oaks did not prorate the base rate for the number
16 of days service was provided, as required by 16 TAC § 24.165(j).

17
18 **Q. Did Mr. Swahn dispute any bills?**

19 A. Yes.

20
21 **Q. How did Mr. Swahn notify Shady Oaks of his dispute?**

22 A. Mr. Swahn called Shady Oaks and sent them a letter.⁸

23
24 **Q. Did Shady Oaks comply with the requirements of 16 TAC § 24.165(l)?**

25 A. No. Shady Oaks did not return Mr. Swahn's phone call or answer his letter, as required
26 by 16 TAC § 24.165(l).⁹

⁸ Direct Testimony of Chad R. Swahn filed July 14, 2020

⁹ *Id.*

1 **Q. Was Shady Oaks in violation of 16 TAC § 24.165(l)(3) for not stating service would**
2 **be terminated for nonpayment?**

3 A. Yes. Shady Oaks did not send a proper disconnection notice to Mr. Swahn when it
4 disconnected his service.
5

6 **Q. Did Shady Oaks violate 16 TAC § 24.165(c) in assessing Mr. Swahn any penalties or**
7 **late fees?**

8 A. Yes. Shady Oaks incorrectly assessed twelve \$5.00 late fees to Mr. Swahn's account
9 between September 11, 2018 and September 11, 2019.
10

11 **Q. Did Shady Oaks comply with the termination notice requirements of 16 TAC §**
12 **24.167(a) for each instance that is disconnected service to Mr. Swahn?**

13 A. No. The notice did not include the correct amount due, a due date that was at least 10 days
14 from the date of the notice, an intended date of disconnection, or the office hours of Shady
15 Oaks.

16 **Q. Did the initial bill charged to Mr. Swahn include charges for water service provided**
17 **to a prior account holder of the premises?**

18 A. Shady Oaks failed to provide responses to Staff's First Request for Information or to
19 provide direct testimony; therefore, I was not able to ascertain if the initial bill charged to
20 Mr. Swahn was charged to a prior account holder.
21

22 **Q. Did Shady Oaks violate 16 TAC § 24.167(c) when it stated Mr. Swahn's service would**
23 **be disconnected for failure to pay his initial bill?**

24 A. Yes. Before Mr. Swahn's first bill was issued on May 25, 2019, his account reflected a
25 balance forward of \$743.34.¹⁰
26

¹⁰ Shady Oaks Water Supply, LLC's Response to Order No. 1.

1 **Q. Did Shady Oaks comply with Mr. Swahn's requests to test the accuracy of his meter**
2 **under 16 TAC § 24.169(d)?**

3 A. Mr. Swahn did not make any requests to test his meter.
4

5 **Q. Did Shady Oaks determine that meter tampering occurred under 16 TAC §**
6 **24.169(h)?**

7 A. No. Shady Oaks provided no evidence of meter tampering.
8

9 **Q. Did Shady Oaks bill or collect from Mr. Swahn any fee in violation of Commission**
10 **rules or its approved tariff?**

11 A. Yes. Shady Oaks billed Mr. Swahn's account the following fees that were in violation of
12 Commission Rules:

13 (1) \$25 (New Account fee on July 27, 2018);

14 (2) \$450 ("New Meter Pulled Meter Fee" on July 27, 2018);

15 (3) \$100 (Security Deposit on April 29, 2019);

16 (4) \$35 (Miscellaneous Charge for Locked Meter on September 18, 2019); and

17 (5) Twelve \$5 late fees.
18

19 **Q. What is the amount of incorrect charges Shady Oaks collected from Mr. Swahn in**
20 **violation of Commission rules or its approved tariff?**

21 A. Shady Oaks billed Mr. Swahn \$933.34¹¹ in usage charges and fees for service periods prior
22 to May 8, 2019, the date they accepted his application for service. Shady Oaks also
23 overbilled Mr. Swahn \$13.45 on the May 25, 2019 bill.
24
25

¹¹ Attachment KE-4

1 **VI. SUMMARY AND RECOMMENDATION**

2 **Q. Did Shady Oaks overbill Mr. Swahn for water service at 327 Hickory Hill?**

3 A. Yes.
4

5 **Q. What was the amount that Mr. Swahn was overbilled?**

6 A. The overbilled amount was \$933.34.¹² Attachment KE-4 summarizes the derivation of
7 this amount.
8

9 **Q. Did Shady Oaks fail to comply with Commission rules or its approved tariff?**

10 A. Yes.
11

12 **Q. What is the appropriate remedy for Shady Oaks failing to comply with applicable**
13 **Commission rules or its approved tariff?**

14 A. Shady Oaks should credit Mr. Swahn's account \$933.34 for usage charges and fees that
15 was billed before his application for service was approved and accepted on May 8, 2019.
16 Shady Oaks records should also refund Mr. Swahn the overbilled \$13.45 amount from his
17 May 25, 2019 bill. I do not recommend any further actions at this time, as Shady Oaks is
18 in the process of being acquired by CWSR-Texas Utility Operating Company, LLC in
19 Docket No. 51118.
20

21 **Q. What is your recommendation and conclusion?**

22 A. I recommend that Shady Oaks credit Mr. Swahn's account by \$933.34 for usage charges
23 and fees billed before his application for service was approved and accepted on May 8,
24 2019. I also recommend that Shady Oaks issue a \$13.45 refund to Mr. Swahn for incorrect
25 charges for service billed on May 25, 2019.
26

¹² Attachment KE-4.

1 **Q. Does this conclude your direct testimony?**

2 A. Yes. I reserve the right to supplement this testimony during the proceeding as new
3 evidence becomes available.

Kathryn Eiland

Public Utility Commission of Texas
1701 North Congress Avenue
Austin, TX 78711-3326

REGULATORY EXPERIENCE:

Financial Analyst, Financial Review Section

Public Utility Commission of Texas, Rate Regulation Division

Employed: February 1, 2018 to present.

Duties: Review formal complaints, certificate of convenience and necessity (CCN) applications and amendments, sale/transfer/merger applications, requests for authority to change rates, stock transfers, and financial and managerial reviews. Prepare testimony and exhibits for contested case matters involving investor-owned water and sewer retail public utilities and assisting with settlement negotiations.

Investigator IV/Team Lead, Complaints Section

Public Utility Commission of Texas, Customer Protection Division (CPD)

Employed: March 2016 – January 2018

Duties: Investigated and responded complex complaints and communicated findings to customers and service providers, reviewed and resolved complaint appeals submitted by customers or service providers, attended meetings with service provider representatives and Commission staff, represented agency at external functions and trainings, contributed to Legislative requests and inquiries, handled walk-in complaints and inquiries, identified, researched and reviewed trends within the industry and provided status reports to management, assisted Oversight and Enforcement with possible enforcement actions by providing information on informal complaints, acted as a team lead for Investigators in the absence of management, reviewed the investigative process and made improvement recommendations as appropriate, trained and mentored CPD staff, served on backup team for agency receptionist.

Investigator I, III, Complaints Section

Public Utility Commission of Texas, Customer Protection Division

Employed: July 2002 – March 2016

Duties: reviewed and processed customer complaints, inquiries and opinions, analyzed complaint issues and service provider responses, determined proper resolution of complaints and communicated findings to customers and service providers, handled customer and utility concerns from government officials and senior agency staff, participated in agency workshops and special projects with other agency divisions, coordinated and maintained record keeping system, served on backup team for agency receptionist.

EDUCATION:

October 2019

NARUC Eastern Rate School

June 2019

Utility Finance and Accounting for Financial Professionals Seminar

May 1994

Jackson State University, Jackson, MS

Bachelor of Business Administration in Business Administration

List of Testimony

Docket Number

Case

PUCT 48572

SOAH 473-19-0420.WS

Complaint of Ashutosh Sharma Against the Palmer
at Las Colinas Apartment Homes

PUCT 48571

SOAH 473-19-2460

Application of the City of San Marcos to Amend a
Sewer Certificate of Convenience and Necessity in Hays,
Guadalupe, and Caldwell Counties

PUCT 49261

SOAH 473-20-1120.WS

Complaint of Michael E. Moore against C Willow Water
Company

PUCT 49887

SOAH 473-20-1116.WS

Application of Kendall West Utility, LLC for Authority to
Change Rates

PUCT 50200

SOAH 473-20-3110.WS

Application of Undine Texas, LLC and Undine Texas
Environmental, LLC for Authority to Change Rates

Adjustments for Charges Billed Prior to May 8, 2019

New Account fee	\$ 25.00
New Meter Pulled Meter fee	450.00
Deposit	100.00
Miscellaneous Charge Locked Meter fee	35.00
Twelve late fees @\$5.00 each	60.00
Charges for service each month from August 25, 2018 through April 25, 2019	<u>263.34¹³</u>
	\$ 933.34

¹³ See AIS Item No. 6, page 24-25.

Chad Swahn
Bill Calculation
PUC Docket No. 50367; SOAH Docket No. 473-20-3820.WS

Attachment KE-3

Bill Date

May 25, 2019

Gallons Used

5,200

4,200/1,000 x \$2.00

\$ 8.40

Charge for meter size \$28.97/ 30 days = \$0.97, rounded x 16 days

\$ 15.52

Sales Tax

\$ 0.37

Staff recommended charge

\$ 24.29

Amount billed by Shady Oaks

\$ 37.74

Bill Date

June 25, 2019

Gallons Used

8,000

7,000/1,000 x \$2.00

\$ 14.00

Charge for meter size

\$ 28.97

Sales Tax

\$ 0.43

Staff recommended charge

\$ 43.40

Amount billed by Shady Oaks

\$ 43.40

Bill Date

July 25, 2019

Gallons Used

26,200

25,200/1,000 x \$2.00

\$ 50.40

Charge for meter size

\$ 28.97

Sales Tax

\$ 0.79

Staff recommended charge

\$ 80.16

Amount billed by Shady Oaks

\$ 80.16

Bill Date

August 25, 2019

Gallons Used

2,900/1,000 x \$2.00

\$ 5.80

Charge for meter size

\$ 28.97

Sales Tax

\$ 0.35

Staff recommended charge

\$ 35.12

Amount billed by Shady Oaks

\$ 35.12

Total Staff Recommended Charge for 4 months

\$ 182.97

Total Billed by Shady Oaks for 4 months

\$ 196.42

Amount Overbilled by Shady Oaks

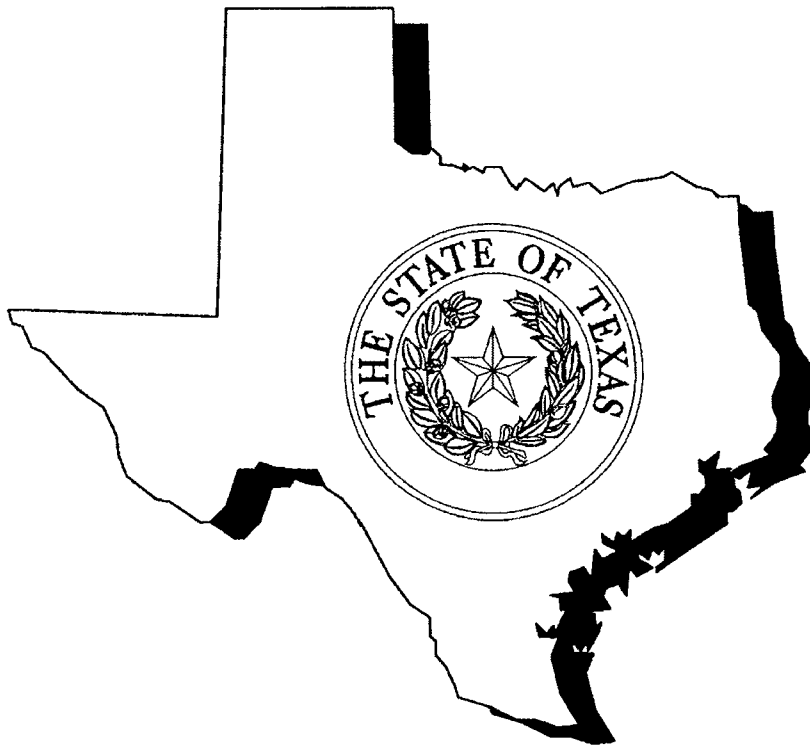
\$ 13.45

**SOAH DOCKET NO. 473-20-3820.WS
PUC DOCKET NO. 50367**

**COMPLAINT OF CHAD SWAHN
AGAINST SHADY OAKS WATER
SUPPLY COMPANY, LLC**

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**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**



**WORKPAPERS OF
KATHRYN EILAND
RATE REGULATION
PUBLIC UTILITY COMMISSION OF TEXAS
JANUARY 26, 2021**

WP KE-1

Shady Oaks Water Supply, LLC's Response to Order No. 1

Hickory Hill Water Supply Company
PO Box 597
Floresville, TX 78114
(830) 391-4406

Acct
1070
5960

WATER SUPPLY CORPORATION
SERVICE APPLICATION AND AGREEMENT

Please Print:

DATE: April 25 2019

APPLICANT'S NAME: Chad Swahn

CO-APPLICANT'S NAME: _____

CURRENT BILLING ADDRESS:

FUTURE BILLING ADDRESS:

PO Box 251
Floresville Tx 78114

PHONE NUMBER - Home (210) 5842955 Work () _____

EMAIL ADDRESS: Swahn_chad@yahoo.com

PROOF OF OWNERSHIP PROVIDED BY _____

DRIVER'S LICENSE NUMBER OF APPLICANT 14284727

LEGAL DESCRIPTION OF PROPERTY (Include name of road, subdivision with lot and block number)

Hickory Hill SUB, Lot 7 327 Hickory Hill Dr

PREVIOUS OWNER'S NAME AND ADDRESS (If transferring Membership)

ACREAGE .766 acres

HOUSEHOLD SIZE 3 bedroom

NUMBER IN FAMILY 1

LIVESTOCK & NUMBER 0

SPECIAL SERVICE NEEDS OF APPLICANT: none

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY. A MAP OF SERVICE LOCATION REQUEST
MUST BE ATTACHED

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

Race/National Origin (Not of Hispanic Origin)

☒ WHITE ☐ BLACK ☐ AMERICAN INDIAN ☐ HISPANIC ☐ ASIAN OR PACIFIC ☐ OTHER
OR ALASKAN NATIVE ISLANDER
☒ MALE ☐ FEMALE

Initial read. 1443700

Acct # 8775
4/24/19 50.00 50.00
35.00 -

WP KE-2

Shady Oaks Water Supply, LLC's Response to Order No. 1

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises is connected to the public water system. The Member shall allow his property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours. The Corporation shall notify the Member in writing of any cross-connections or other undesirable plumbing practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable plumbing practice on their premises. The Member shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation as required. Failure to comply with the terms of this service agreement shall cause the Corporation to 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 Member.

By execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Member/users of Corporation, normal failures of the system, or other events beyond the Corporation's control.

The Member shall grant to the Corporation, now or in the future, any easements of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other equipment which may be deemed necessary by the Corporation to extend or improve service for existing or future Members, on such forms as are required by the Corporation.

By execution hereof, the Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of service under the terms and conditions of the Corporation's tariff.

By execution hereof, the Applicant agrees the non-compliance with the terms of this agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Witnesseth

5/8/19 *Sandra J. Ray*
Approved and Accepted

Applicant/Member

Chad B. Smith
5/8/19
Date Approved

WP KE-3

Shady Oaks Water Supply, LLC's Response to Order No. 1

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises is connected to the public water system. The Member shall allow his property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours. The Corporation shall notify the Member in writing of any cross-connections or other undesirable plumbing practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable plumbing practice on their premises. The Member shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation as required. Failure to comply with the terms of this service agreement shall cause the Corporation to 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 Member.

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Any misrepresentation of the facts by the Applicant on any of the four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Witnesseth

5/8/19 Sandy Shagin
Approved and Accepted

Applicant/Member Chad Shagin
5/8/19
Date Approved

WP KE-4

Shady Oaks Water Supply, LLC's Response to Order No. 1

Hickory Hill Water Supply Company
PO Box 597
Floresville, TX 78114
(830) 391-4406

Acct
1070
5960

WATER SUPPLY CORPORATION
SERVICE APPLICATION AND AGREEMENT

Please Print:

DATE: April 25 2019

APPLICANT'S NAME: Chad Swahn

CO-APPLICANT'S NAME: _____

CURRENT BILLING ADDRESS:

FUTURE BILLING ADDRESS:

PO Box 251

Floresville Tx 78114

PHONE NUMBER - Home (214) 5842955 Work () _____

EMAIL ADDRESS: Swahn_chad@yahoo.com

PROOF OF OWNERSHIP PROVIDED BY _____

DRIVER'S LICENSE NUMBER OF APPLICANT 14284727

LEGAL DESCRIPTION OF PROPERTY (Include name of road, subdivision with lot and block number)

Hickory Hill SUB, Lot 7 327 Hickory Hill Dr

PREVIOUS OWNER'S NAME AND ADDRESS (If transferring Membership)

ACREAGE .766 acres

HOUSEHOLD SIZE 3 bedroom

NUMBER IN FAMILY 1

LIVESTOCK & NUMBER 0

SPECIAL SERVICE NEEDS OF APPLICANT: none

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY. A MAP OF SERVICE LOCATION REQUEST MUST BE ATTACHED

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

Race/National Origin (Not of Hispanic Origin)
☒ WHITE ☐ BLACK ☐ AMERICAN INDIAN ☐ HISPANIC ☐ ASIAN OR PACIFIC ☐ OTHER
OR ALASKAN NATIVE ISLANDER
☒ MALE ☐ FEMALE

initial read. 1443700

fact # 8775
4/29/19 50.00 50.00
35.00 -

WP KE-5

Shady Oaks Water Supply, LLC's Response to Order No. 1

SHADY OAKS WSC
PO BOX 597
FLORESVILLE, TX 78114
830-391-4406

Stage 2 Water Restriction/Make checks payable to Shady
Oaks Water/ACH Available <http://watercompaniestx.com>

Chad Swahn
PO Box 251
Floresville TX 78114

Chad Swahn
Billed: 07/25 After 08/10 pay 801.13

YOU OWE 796.13 by 08/10

Acct# 1070
Lot #7 - 327 Hickory Hill Dr

	Balance Past Due:	715.97
WRH Used 26200		79.37
Prev 1457400 Pres 1483600		
Sales Tax		0.79

Billed: 07/25

YOU OWE 796.13 by 08/10

After 08/10 pay 801.13

Past Due Balance must be paid by 27th to
avoid service disconnect

Acct# 1070

Svc 06/21 to 07/21 (30 days)

SHADY OAKS WSC
PO BOX 597
FLORESVILLE, TX 78114

WP KE-6

Direct Testimony of Chad R. Swahn

Chad R Swahn Against Shady Oaks
Water Supply Co
SOAH Docket - 473-20-3820 WS
POC Docket - 50367

District Testimony of Chad R Swahn, July 10, 2020

1. Q: Please state your name and mailing address.
A: Chad R Swahn, mailing address Post Office Box 251, Floresville, TX 78114.
2. Q: What is property address?
A: The address of my property is 327 Hickory Hill Dr., La Vernia, TX 78121.
3. Q: What date did you buy the property?
A: I purchased the property on July 27, 2018.
4. Q: Who did you buy the property from?
A: I bought the property from Thomas Richard Weldon.
5. Q: Why did you wait to turn on the water service?
A: I was working out of town. I was afraid to have the water turned on in case of a water break while I was not at home.
6. Q: What date did you contact Sandra Strozer to receive the application for water service at 327 Hickory Hill La Vernia?
A: I contacted Sandra Strozer in April 2019 and received an application from Hickory Hill Water Supply Co DBA Shady Oaks Water Supply Co. I sent in the application and made a deposit of \$135.00 on April 25, 2019.
7. Q: Why did you turn on the water?
A: I let a homeless single mother, Megan Leslie, move into the home on my property.
8. Q: Did you have any type of relationship with Megan Leslie?
A: No. I had no legal relationship with Megan Leslie, nor did she have any authority to act on my behalf at any time under any circumstances, including contacting Shady Oaks Water Supply Co for any services.
9. Q: When did the billing problem start?
A: The billing problem started from the initial bill dated June 2019 and in the amount of \$304.37.
Here is the timeline:
Property purchased: July 27, 2018
Application for service with deposit: April 25, 2019
First bill received: June 2019 (\$304.37)
First bill included water usage charges from July 27, 2018 before services were requested, as well as a minimum water charge, interest, and late fees dating from the property purchase date.
Additionally, according to statement received from Shady Oaks Water Co, from July 27, 2018 through April 25, 2019, water utilization was unchanged during that period.
10. Q: Did you contact Shady Oaks Water Supply Co / Sandra Strozer about the water bill?
A: Yes, I called Shady Oaks Water Supply Co and sent a letter through the postal service. I was charged from when I bought the property not when I applied for the water.
11. Q: Did you try to work out the problem?
A: Yes. I called Shady Oaks Water Supply Co. and explained that I should not be responsible for the water usage before my application was submitted.
12. Q: Did Sandra Strozer try to work with you?
A: No. I left numerous messages that were never returned and sent letters that were never answered.
13. Q: Did you pay your water bill?
A: I paid the portion of the water bill relating to my water usage including tax only. I did not pay the portion of the bill dating prior to my application for service.
14. Q: Did you receive a water bill every month?
A: We did not receive a water bill every month and was advised by the water company that I was responsible for receiving the bills they sent.

WP KE-7

Direct Testimony of Chad R. Swahn

Chad R Swahn Against Shady Oaks
Water Supply Co
SOAH Docket - 473-20-3820 WS
POC Docket - 50367

District Testimony of Chad R Swahn, July 10, 2020

1. Q: Please state your name and mailing address.
A: Chad R Swahn, mailing address Post Office Box 251, Floresville, TX 78114.
2. Q: What is property address?
A: The address of my property is 327 Hickory Hill Dr., La Vernia, TX 78121.
3. Q: What date did you buy the property?
A: I purchased the property on July 27, 2018.
4. Q: Who did you buy the property from?
A: I bought the property from Thomas Richard Weldon.
5. Q: Why did you wait to turn on the water service?
A: I was working out of town. I was afraid to have the water turned on in case of a water break while I was not at home.
6. Q: What date did you contact Sandra Strozer to receive the application for water service at 327 Hickory Hill La Vernia?
A: I contacted Sandra Strozer in April 2019 and received an application from Hickory Hill Water Supply Co DBA Shady Oaks Water Supply Co. I sent in the application and made a deposit of \$135.00 on April 25, 2019.
7. Q: Why did you turn on the water?
A: I let a homeless single mother, Megan Leslie, move into the home on my property.
8. Q: Did you have any type of relationship with Megan Leslie?
A: No. I had no legal relationship with Megan Leslie, nor did she have any authority to act on my behalf at any time under any circumstances, including contacting Shady Oaks Water Supply Co for any services.
9. Q: When did the billing problem start?
A: The billing problem started from the initial bill dated June 2019 and in the amount of \$304.37.
Here is the timeline:
Property purchased: July 27, 2018
Application for service with deposit: April 25, 2019
First bill received: June 2019 (\$304.37)
First bill included water usage charges from July 27, 2018 before services were requested, as well as a minimum water charge, interest, and late fees dating from the property purchase date.
Additionally, according to statement received from Shady Oaks Water Co, from July 27, 2018 through April 25, 2019, water utilization was unchanged during that period.
10. Q: Did you contact Shady Oaks Water Supply Co / Sandra Strozer about the water bill?
A: Yes, I called Shady Oaks Water Supply Co and sent a letter through the postal service. I was charged from when I bought the property not when I applied for the water.
11. Q: Did you try to work out the problem?
A: Yes. I called Shady Oaks Water Supply Co. and explained that I should not be responsible for the water usage before my application was submitted.
12. Q: Did Sandra Strozer try to work with you?
A: No. I left numerous messages that were never returned and sent letters that were never answered.
13. Q: Did you pay your water bill?
A: I paid the portion of the water bill relating to my water usage including tax only. I did not pay the portion of the bill dating prior to my application for service.
14. Q: Did you receive a water bill every month?
A: We did not receive a water bill every month and was advised by the water company that I was responsible for receiving the bills they sent.

WP KE-8

Shady Oaks Water Supply, LLC's Response to Order No. 1

SHADY OAKS WSC

9/18/2019

PO BOX 597 FLORESVILLE TX 78114 PH: 830-391-4406

2

CUSTOMER HISTORY 07/27/2018 to 09/18/2019

Acct: 1070 Swahn Chad Home:210-584-2955

PO Box 251 Floresville TX 78114 Current Balance: \$796.09 ACTIVE

Loc ID: 1070 @ 327 Hickory Hill Dr Lot #7 La Vernia

Rte: 2 Seq.# 60 Dep:\$100.00

Date	Code	Description	Previous	Present	Used	Charge	Payment	Balance
4/29/2019	DEP	Deposit				100.00		878.34
4/29/2019	WRH	Check 8775 for \$35.00					10.00	868.34
4/29/2019	DEP	Check 8775					100.00	768.34
4/29/2019	CONFH	Check 8775 for \$35.00					25.00	743.34
5/25/2019	WRH	Read on 05/20/2019 KeyedIn	1,444,200	1,449,400	5,200	37.37		780.71
5/25/2019	STAX	Sales Tax				0.37		781.08
6/5/2019	WRH	Check 8790 for \$37.74					18.97	762.11
6/5/2019	STAX	Check 8790 for \$37.74					0.29	761.82
6/5/2019	LATE	Check 8790 for \$37.74					18.48	743.34
6/6/2019	WRH	Money Order 17-929709455 for \$37.37					28.97	714.37
6/6/2019	STAX	Money Order 17-929709455 for \$37.37					0.29	714.08
6/6/2019	LATE	Money Order 17-929709455 for \$37.37					8.11	705.97
6/11/2019	LATE	Added on 6/12/2019				5.00		710.97
6/25/2019	WRH	Read on 06/20/2019 KeyedIn	1,449,400	1,457,400	8,000	42.97		753.94
6/25/2019	STAX	Sales Tax				0.43		754.37
6/29/2019	WRH	Check 8794 for \$43.40					28.97	725.40
6/29/2019	STAX	Check 8794 for \$43.40					0.29	725.11
6/29/2019	LATE	Check 8794 for \$43.40					14.14	710.97
7/11/2019	LATE	Added on 7/11/2019				5.00		715.97
7/25/2019	WRH	Read on 07/20/2019 KeyedIn	1,457,400	1,483,600	26,200	79.37		795.34
7/25/2019	STAX	Sales Tax				0.79		796.13
8/11/2019	LATE	Added on 8/12/2019				5.00		801.13
8/13/2019	METER	Check 8819 for \$80.16					80.16	720.97
8/25/2019	WRH	Read on 08/20/2019 KeyedIn	1,483,600	1,487,500	3,900	34.77		755.74
8/25/2019	STAX	Sales Tax				0.35		756.09
9/11/2019	LATE	Added on 9/11/2019				5.00		761.09
9/16/2019	WorkOrd	255 Cut Off Cut off, past due balance over \$600. Only pays current amount						761.09
9/18/2019	MISC	Miscellaneous Charge Locked meter Added as Other Single Charge				35.00		796.09

WP KE-9

AIS Item No. 6, page 24-25

SHADY OAKS WSC

9/18/2019

PO BOX 597 FLORESVILLE TX 78114 PH: 830-391-4406

1

CUSTOMER HISTORY 07/27/2018 to 09/18/2019

Acct: 1070 Swahn Chad Home:210-584-2955

PO Box 251 Floresville TX 78114 Current Balance: \$796.09 ACTIVE

Loc ID: 1070 @ 327 Hickory Hill Dr Lot #7 La Vernia

Rte: 2 Seq.# 60 Dep:\$100.00

Date	Code	Description	Previous	Present	Used	Charge	Payment	Balance
7/27/2018	CONFH	Added with New Account				25.00		25.00
7/27/2018	METER	new meter Pulled meter fee Added as Other Single Charge				450.00		475.00
8/25/2018	WRH	Read on 08/20/2018 KeyedIn	1,443,700	1,443,700		28.97		503.97
8/25/2018	STAX	Sales Tax				0.29		504.26
9/11/2018	LATE	Late Charge Added as Other Single Charge				5.00		509.26
9/25/2018	WRH	Read on 09/24/2018 KeyedIn	1,443,700	1,443,700		28.97		538.23
9/25/2018	STAX	Sales Tax				0.29		538.52
10/11/2018	LATE	Late Charge Added as Other Single Charge				5.00		543.52
10/25/2018	WRH	Read on 10/20/2018 KeyedIn	1,443,700	1,443,700		28.97		572.49
10/25/2018	STAX	Sales Tax				0.29		572.78
11/11/2018	LATE	Late Charge Added as Other Single Charge				5.00		577.78
11/25/2018	WRH	Read on 11/20/2018 KeyedIn	1,443,700	1,443,700		28.97		606.75
11/25/2018	STAX	Sales Tax				0.29		607.04
12/11/2018	LATE	Late Charge Added as Other Single Charge				5.00		612.04
12/25/2018	WRH	Read on 12/20/2018 KeyedIn	1,443,700	1,443,700		28.97		641.01
12/25/2018	STAX	Sales Tax				0.29		641.30
1/11/2019	LATE	Late Charge Added as Other Single Charge				5.00		646.30
1/25/2019	WRH	Read on 01/20/2019 KeyedIn	1,443,700	1,443,700		28.97		675.27
1/25/2019	STAX	Sales Tax				0.29		675.56
2/11/2019	LATE	Late Charge Added as Other Single Charge				5.00		680.56
2/25/2019	WRH	Read on 02/20/2019 KeyedIn	1,443,700	1,443,700		28.97		709.53
2/25/2019	STAX	Sales Tax				0.29		709.82
3/11/2019	LATE	Late Charge Added as Other Single Charge				5.00		714.82
3/25/2019	WRH	Read on 03/20/2019 KeyedIn	1,443,700	1,443,700		28.97		743.79
3/25/2019	STAX	Sales Tax				0.29		744.08
4/11/2019	LATE	Late Charge Added as Other Single Charge				5.00		749.08
4/25/2019	WRH	Read on 04/20/2019 KeyedIn	1,443,700	1,444,200	500	28.97		778.05
4/25/2019	STAX	Sales Tax				0.29		778.34

SHADY OAKS WSC

9/18/2019

PO BOX 597 FLORESVILLE TX 78114 PH: 830-391-4406

2

CUSTOMER HISTORY 07/27/2018 to 09/18/2019

Acct: 1070 Swahn Chad Home:210-584-2955
 PO Box 251 Floresville TX 78114 Current Balance: \$796.09 ACTIVE
 Loc ID: 1070 @ 327 Hickory Hill Dr Lot #7 La Vernia
 Rte: 2 Seq.# 60 Dep:\$100.00

Date	Code	Description	Previous	Present	Used	Charge	Payment	Balance
4/29/2019	DEP	Deposit				100.00		878.34
4/29/2019	WRH	Check 8775 for \$35.00					10.00	868.34
4/29/2019	DEP	Check 8775					100.00	768.34
4/29/2019	CONFH	Check 8775 for \$35.00					25.00	743.34
5/25/2019	WRH	Read on 05/20/2019 KeyedIn	1,444,200	1,449,400	5,200	37.37		780.71
5/25/2019	STAX	Sales Tax				0.37		781.08
6/5/2019	WRH	Check 8790 for \$37.74					18.97	762.11
6/5/2019	STAX	Check 8790 for \$37.74					0.29	761.82
6/5/2019	LATE	Check 8790 for \$37.74					18.48	743.34
6/6/2019	WRH	Money Order 17-929709455 for \$37.37					28.97	714.37
6/6/2019	STAX	Money Order 17-929709455 for \$37.37					0.29	714.08
6/6/2019	LATE	Money Order 17-929709455 for \$37.37					8.11	705.97
6/11/2019	LATE	Added on 6/12/2019				5.00		710.97
6/25/2019	WRH	Read on 06/20/2019 KeyedIn	1,449,400	1,457,400	8,000	42.97		753.94
6/25/2019	STAX	Sales Tax				0.43		754.37
6/29/2019	WRH	Check 8794 for \$43.40					28.97	725.40
6/29/2019	STAX	Check 8794 for \$43.40					0.29	725.11
6/29/2019	LATE	Check 8794 for \$43.40					14.14	710.97
7/11/2019	LATE	Added on 7/11/2019				5.00		715.97
7/25/2019	WRH	Read on 07/20/2019 KeyedIn	1,457,400	1,483,600	26,200	79.37		795.34
7/25/2019	STAX	Sales Tax				0.79		796.13
8/11/2019	LATE	Added on 8/12/2019				5.00		801.13
8/13/2019	METER	Check 8819 for \$80.16					80.16	720.97
8/25/2019	WRH	Read on 08/20/2019 KeyedIn	1,483,600	1,487,500	3,900	34.77		755.74
8/25/2019	STAX	Sales Tax				0.35		756.09
9/11/2019	LATE	Added on 9/11/2019				5.00		761.09
9/16/2019	WorkOrd	255 Cut Off Cut off, past due balance over \$600. Only pays current amount						761.09
9/18/2019	MISC	Miscellaneous Charge Locked meter Added as Other Single Charge				35.00		796.09