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PUC DOCKET NO. 50721

**APPLICATION OF CRYSTAL CLEAR
WATER, INC. FOR AUTHORITY TO
CHANGE RATES**

**§
§
§**

**PUBLIC UTILITY COMMISSION

OF TEXAS**

SECOND JOINT MOTION TO ADMIT ADDITIONAL EVIDENCE

On April 8, 2020, Crystal Clear Water, Inc. (“Crystal Clear”), a Class D utility, filed an application with the Public Utility Commission of Texas (“Commission”) for authority to change rates (“Application”) in accordance with Texas Water Code (“TWC”) § 13.2541 and 16 Texas Administrative Code (“TAC”) §§ 24.25-.33.¹ After conducting a review of the application and issuing notice of the same, Crystal Clear, the Staff of the Public Utility Commission of Texas (“Staff”), and the intervening ratepayers (“Intervenors”)² filed on September 3, 2021, both a settlement agreement and a proposed order.³ Such filing also included a request that the case be remanded to the Commission for final approval. On February 28, 2022, the Office of Public Utility Counsel (“OPUC”) intervened in this docket.⁴ Crystal Clear, Staff, OPUC, and Intervenors (collectively, the “Parties”), filed a revised settlement agreement and a revised proposed order on March 7, 2022.⁵ On May 3, 2022, the Commissioners of the Public Utility Commission of Texas

¹ Application of Crystal Clear Water, Inc. for Authority to Change Rates, Docket 50721 (April. 8, 2020). (“Application”).

² Intervenors Sam Wells and Patrick Cauley were granted intervention on September 17, 2020 pursuant to “Order No. 9 Granting Motions to Intervene.” Sam Wells serves as representatives of the Airport Water System and Patrick Cauley serves as representative of the Intervenors of the Glenshores Water System the Lakeline Acres Water System, respectively, per “Order No. 12 Granting Motion to Intervene and Admitting Additional Evidence” on March 30, 2022. Since filing the “Joint Motion to Admit Additional Evidence” in this docket on March 7, 2022, containing a Revised Unanimous Stipulation and Settlement Agreement, the representative intervenor for the Whispering Ridge Public Water System, Bryan Bronstad, is no longer a customer of Crystal Clear. Therefore, the two remaining intervenors for the system have signed this Second Joint Motion to Admit Additional Evidence and the documents included herein in their personal capacity.

³ Application at “Joint Motion to Admit Evidence and Remand to the Public Utility Commission” (Sept. 3, 2021).

⁴ *Id.* at “OPUC’s Unopposed Motion to Intervene” (Feb. 28, 2022).

⁵ *Id.* at “Joint Motion to Admit Additional Evidence” with (Mar. 7, 2022).

issued an “Order Remanding to Docket Management” that required Crystal Clear to respond to specific issues. The Administrative Law Judge (“ALJ”) then issued Order No. 14, establishing a deadline of August 12, 2022 for the parties to file an amended proposed order.⁶ The Parties have requested extensions as they negotiated and resolved the remaining evidentiary issues. Most recently, the ALJ issued Order No. 25, extending the deadline to file a proposed order to March 8, 2023.⁷ Therefore, this Second Joint Motion to Admit Additional Evidence is timely filed.

The Parties request that the following evidence be admitted:

- (a) the Second Revised Unanimous Stipulation and Settlement Agreement (“Second Revised Agreement”), attached hereto as **Exhibit 1**;
- (b) the Second Revised Joint Proposed Final Order (“**Attachment A**”);
- (c) the agreed proposed tariff (“**Attachment B**”); and
- (d) the agreed list of assets (“**Attachment C**”).

As evidenced by the Second Revised Agreement and Attachment A, there are no disputed issues, and no hearing is required in this proceeding. Therefore, the Parties respectfully request that the Commission review and consider the Second Revised Agreement as soon as possible and issue a final order consistent with the terms provided therein.

Dated: March 8, 2023

⁶ *Id.* at “Order No. 14 Establishing Procedural Order” (June 1, 2022).

⁷ *Id.* at “Order No. 25 Granting Extension and Amending Procedural Order” (Mar. 1, 2023).

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LEGAL DIVISION**

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Division Director

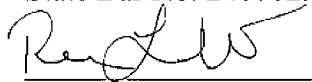
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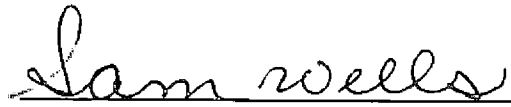


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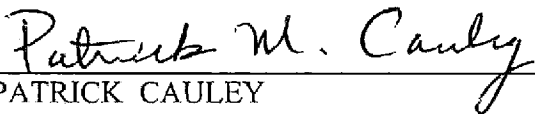
**ATTORNEYS FOR CRYSTAL CLEAR
WATER, INC.**

**REPRESENTATIVE FOR THE
INTERVENORS OF THE AIRPORT WATER
SYSTEM**

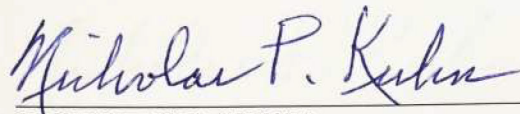


SAM WELLS

**REPRESENTATIVE FOR THE
INTERVENORS OF THE GLENSHORES
WATER SYSTEM AND LAKELINE ACRES
WATER SYSTEM**


PATRICK CAULEY

**INTERVENOR OF THE WHISPERING
RIDGE WATER SYSTEM**

A handwritten signature in blue ink, reading "Nicholas P. Kuhn". The signature is written in a cursive style with a horizontal line extending from the end of the name.

NICHOLAS P. KUHN

**INTERVENOR OF THE WHISPERING
RIDGE WATER SYSTEM**


STEPHEN PHILIPP

CERTIFICATE OF SERVICE
PUC DOCKET NO. 50721

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail and/or U.S. first class mail on March 8, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.



Danielle Lam

EXHIBIT 1

Second Revised Unanimous Stipulation and Settlement Agreement

PUC DOCKET NO. 50721

APPLICATION OF CRYSTAL CLEAR	§	PUBLIC UTILITY COMMISSION
WATER, INC. FOR AUTHORITY TO	§	
CHANGE RATES	§	OF TEXAS

SECOND REVISED UNANIMOUS STIPULATION AND SETTLEMENT AGREEMENT

This Second Revised Unanimous Stipulation and Settlement Agreement (Second Revised Agreement) is entered into by the parties in this Docket, who are the Staff (Staff) of the Public Utility Commission of Texas (Commission), Office of Public Utility Counsel (OPUC), Crystal Clear Water, Inc. (Crystal Clear), and the intervenors (Intervenors) through their duly authorized representatives (collectively, Signatories).

I. BACKGROUND

On April 8, 2020, Crystal Clear filed its application to change rates for water service (Application). On December 30, 2020, the Commission referred the Application to the State Office of Administrative Hearings (SOAH).

On July 15, 2021, all parties to the proceeding reached a unanimous agreement on rates and the mediators reported to the presiding SOAH Administrative Law Judge (ALJ) that the parties had reached an agreement in principle. OPUC did not initially participate in this settlement discussion because it had not been given notice of the Application yet and was therefore not a party to this proceeding at that time.

On September 3, 2021, Staff, Crystal Clear, and Intervenors filed a Joint Motion to Admit Evidence and Remand to the Public Utility Commission, including a Unanimous Stipulation and Settlement Agreement (the Original Agreement). The presiding SOAH ALJ then issued Order No. 5 admitting evidence and remanding the matter back to the Commission.

On November 12, 2021, the Commission's Office of Policy and Docket Management (OPDM) filed Commission Counsel's Memo raising, among other questions, the issue of whether notice was issued to OPUC. Crystal Clear notified OPUC on November 23, 2021 and provided copies of documents relevant to the Original Settlement Agreement. On February 28, 2022, OPUC filed an Unopposed Motion to Intervene in this Docket. After discussions with OPUC, the Signatories agreed to revise Part II.1.f of the Original Agreement (i) to cap recoverable rate-case expenses at \$28,000 as of the date OPUC was notified and (ii) extend the rate case surcharge period to 15 months, as reflected in this Revised Agreement. On March 7, 2022, Staff, OPUC, Crystal Clear, and Intervenors filed a Joint Motion to Admit Additional Evidence, including a Revised Unanimous Stipulation and Settlement Agreement (the Revised Agreement) with such amendments.

On April 21, 2022, the Commission considered the Revised Agreement at its Open Meeting and rejected the Revised Agreement. On May 3, 2022, OPDM filed an Order Remanding to Docket Management requiring Crystal Clear to address certain issues. After further discussion, the Signatories agreed to amend the Revised Agreement regarding the loan and to allow Crystal Clear to recover total rate case expenses of \$44,965 or by charging its ratepayers \$8.50 per connection per month over a period of 23 months.

The Signatories¹ submit to the Commission that a resolution of this Docket pursuant to the terms stated below is reasonable and in the public interest. Settlement will also conserve the resources of the Signatories and will mitigate controversy amongst them. The Signatories jointly request Commission approval of this Second Revised Agreement and the entry of an order, findings of fact, and conclusions of law consistent with the Second Revised Agreement. By this

¹ OPUC participated in this proceeding in a limited capacity and is unopposed to this Second Revised Agreement.

Second Revised Agreement, the Signatories resolve all issues among them related to Crystal Clear's Application, and agree as follows:

II. SECOND REVISED STIPULATION AND AGREEMENT

1. Agreements as to Rate/Tariff Changes

a. **Single Tariff.** Crystal Clear has demonstrated that the public water systems Lakeline Acres (TX0180025), Glenshores (TX0180030), Airport (TX0180032), and Whispering Ridge (TX0180081) are substantially similar systems. Therefore, henceforth the four public water systems will share a single tariff (Tariff), including for future rate change applications.

b. **Retail Water Utility Rates.** The Signatories agreed and acknowledged that Crystal Clear is authorized to charge the rates suspended by the Commission ALJ in Order No. 8 as of August 23, 2021, which are higher than the settled upon rates memorialized in the Tariff attached hereto as **Attachment B**. However, in a show of good faith, Crystal Clear agreed with Staff and Intervenor to file an Unopposed Motion for Interim Rates at the State Office of Administrative Hearings to charge the settled upon rates, contemplated herein, rather than the proposed rates. Crystal Clear should be allowed to implement the retail water utility rates and other Tariff amendments as memorialized in the Tariff attached hereto as **Attachment B** to this Second Revised Agreement. The effective date of such revised Tariff will be the date provided by the Commission when it issues the Final Order in this Docket approving the rates contained in the Tariff attached as **Attachment B**. The rates in the Tariff attached as **Attachment B** are just and reasonable and consistent with the public interest. The Signatories agreed as a result of settlement negotiations that it

is not necessary for Crystal Clear to implement a refund, credit, or surcharge to return or collect amounts recovered under the rates effective August 23, 2021.

c. **Revenue Requirement.** Crystal Clear's reasonable and necessary annual revenue requirement is \$178,512.00.

d. **Rate Base.** Crystal Clear's invested capital (Rate Base), as of December 31, 2019, of \$155,855 is reasonable and in the public interest. The Rate Base includes \$138,404 of net plant in service and \$17,451 of cash working capital. A listing of all assets included in plant in service as of the end of the test year is included herein as **Attachment C**.

e. **Other Tariff Provisions.** Crystal Clear should be allowed to implement the other Tariff provisions included in **Attachment B** to this Second Revised Agreement. **Attachment B** to this Second Revised Agreement should be the governing water utility rates, terms, and conditions for Crystal Clear's current and future ratepayer customers.

f. **Rate Case Expenses.** The Signatories agree that Crystal Clear is entitled to recover rate-case expenses not to exceed a total of \$44,965 from its customers. These rate-case expenses shall be recovered through a surcharge of \$8.50 per connection to Crystal Clear ratepayers over a period of 23 months. Crystal Clear agrees not to seek to recover any additional rate-case expenses incurred in connection with this Docket in a future proceeding.

g. **Rate of Return.** The Signatories agree that Crystal Clear's overall rate of return will be 6.34%.

2. **Proposed Order.** The Signatories jointly propose that the Commission issue the Final Order in the form attached as **Attachment A**. The Signatories submit the stipulated and agreed-upon Findings of Fact and Conclusions of Law included in the Second Revised Joint Proposed Final Order in **Attachment A** for the Commission's adoption and inclusion in the Final Order in this case implementing the terms of this Agreement.

III. IMPLEMENTATION OF SECOND REVISED AGREEMENT

1. **Obligation to Support this Agreement.** The Signatories will support this Second Revised Agreement before the Commission and will take reasonable steps to support expeditious entry of orders fully consistent with it. This provision shall not preclude any party in this Docket from taking action that is mandatory and nondiscretionary pursuant to a law enacted after the date this Second Revised Agreement is filed at the Commission.
2. **Effect of Agreement.**
 - a. The Second Revised Agreement does not adopt any particular methodology underlying the settlement rates or rate design reflected in the Second Revised Agreement.
 - b. The non-litigation of any specific issue in this Docket, or addressing of it in the Second Revised Agreement, does not waive any Signatory's right to contest that issue in any other current or future proceeding. The non-litigation of an issue, or addressing of it in the Second Revised Agreement, cannot be asserted as a defense or estoppel, or any similar argument, by or against any Signatory in any other proceeding.

- c. The terms of this Second Revised Agreement may not be used either as an admission or concession of any sort in any proceeding except to enforce the terms of this Second Revised Agreement. Oral or written statements made during the course of the settlement negotiations may not be used for any purposes other than as necessary to support the entry by the Commission of an order implementing this Second Revised Agreement. All oral or written statements made during the course of the settlement negotiations are governed by Tex. R. Evid. 408.
- d. The Signatories arrived at this Second Revised Agreement through extensive negotiation and compromise.² This Second Revised Agreement reflects a compromise, settlement, and accommodation among the Signatories, and the Signatories agree that the terms and conditions herein are interdependent. This Second Revised Agreement is in the public interest. All actions by the Signatories contemplated or required by this Second Revised Agreement are conditioned upon entry by the Commission of a final order fully consistent with this Second Revised Agreement. If the Commission does not accept this Second Revised Agreement as presented or enters an order inconsistent with any term of this Second Revised Agreement, any Signatory shall be released from all commitments and obligations, and shall have the right to seek hearing on all issues, present evidence, and advance any positions it desires, as if it had not been a Signatory.

² OPUC participated in a limited capacity in the negotiation of the settlement agreement.

- e. This Second Revised Agreement is binding on each of the Signatories only for the purposes of settling the issues as set forth herein and the approval of the Tariff as provided in **Attachment B**, and for no other purposes. It is acknowledged that a Signatory's support of the matters contained in this Second Revised Agreement may differ from the position taken or testimony presented by it in this proceeding or other proceedings. To the extent that there is a difference, a Signatory does not waive its position in any other proceedings. Because this is an agreed resolution, no Signatory is under any obligation to take the same positions as set out in this Second Revised Agreement in other proceedings, whether those proceedings present the same or a different set of circumstances, except as may otherwise be explicitly provided in this Second Revised Agreement.
- f. There are no third party beneficiaries of this Second Revised Agreement. Although this Second Revised Agreement represents a settlement among the Signatories with respect to the issues presented in this Docket, this Second Revised Agreement is merely a settlement proposal submitted to the Commission, which has the authority to enter an order resolving these issues.
- g. This Second Revised Agreement supersedes any prior written or oral agreement in this Docket regarding the subject matter of this Second Revised Agreement, as well as any stipulation or agreement adopted by the Commission in any preceding docket regarding the rates of Crystal Clear.

- h. The final resolution of this Docket does not impose any conditions, obligations or limitations on Crystal Clear right to file a future rate application and obtain rate relief in accordance with the Texas Water Code.
- 3. **Effectiveness.** Except to the extent that the Second Revised Agreement expressly governs a Signatory's rights and obligations for future periods, this Second Revised Agreement shall not be binding or precedential upon a Signatory outside this Docket, and Signatories retain their rights to pursue relief to which they may be entitled in other proceedings.
- 4. **Execution.** This Second Revised Agreement may be executed in multiple counterparts and filed with facsimile or computer image signatures.

Executed as shown below:

Dated this 8th day of March, 2023.

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

John Harrison
Managing Attorney

/s/ Ian Groetsch

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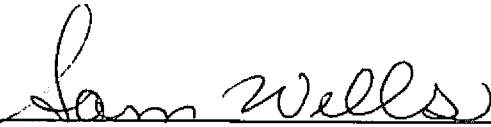
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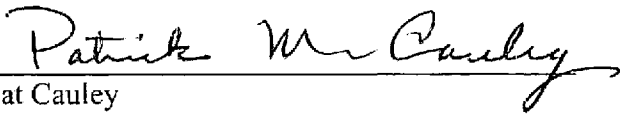
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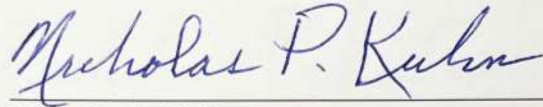


Sam Wells

**REPRESENTATIVE FOR THE
INTERVENORS OF THE GLENSHORES
WATER SYSTEM AND LAKELINE ACRES
WATER SYSTEM**


Pat Cauley

**INTERVENOR OF THE WHISPERING
RIDGE WATER SYSTEM**



Nicholas P. Kuhn

**INTERVENOR OF THE WHISPERING
RIDGE WATER SYSTEM**



Stephen Philipp

ATTACHMENT A

Second Revised Joint Proposed Final Order

PUC DOCKET NO. 50721

APPLICATION OF CRYSTAL CLEAR	§	PUBLIC UTILITY COMMISSION
WATER, INC. FOR AUTHORITY TO	§	
CHANGE RATES	§	OF TEXAS

SECOND REVISED JOINT PROPOSED FINAL ORDER

This Second Revised Joint Proposed Final Order addresses the application of Crystal Clear Water, Inc. (Crystal Clear) for authority to change its tariff and rates for water service that is the subject matter of this Docket (Application). Crystal Clear, Staff (Commission Staff) of the Public Utility Commission (Commission), Office of Public Utility Counsel (OPUC), and intervenors (Intervenors) (collectively, the Parties) filed a Second Revised Unanimous Stipulation and Settlement Agreement that resolves all of the issues among the parties to this proceeding. The Commission approves Crystal Clear's Application to change its water rates and associated tariff, as modified by the Second Revised Unanimous Stipulation and Settlement Agreement and to the extent provided in this Order.

I. DISCUSSION

On March 8, 2023, the Parties filed a Second Joint Motion to Admit Additional Evidence, which also included (i) the Second Revised Unanimous Stipulation and Settlement Agreement (Second Revised Agreement) (which is **Exhibit 1** to the Joint Motion), (ii) this Second Revised Joint Proposed Final Order (which is **Attachment A** to the Second Revised Agreement), (iii) the agreed proposed tariff (Tariff) (which is **Attachment B** to the Second Revised Agreement), and (iv) an agreed list of assets (which is **Attachment C** to the Second Revised Agreement).

II. FINDINGS OF FACT

The Commission makes the following findings of fact.

Applicant

1. Crystal Clear is a Texas for-profit corporation registered with the Texas secretary of state under filing number 152991400.
2. Crystal Clear owns for compensation facilities and equipment for the transmission, storage, distribution, sale, or provision of potable water to the public in Texas in Bosque County.
3. As of December 31, 2019, Crystal Clear served a total of 230 active water connections under water CCN number 12997.
4. The following are the public drinking water systems and counties in which Crystal Clear serves:

PWS #	Subdivision/Facility Name	County
TX0180025	Lakeline Acres	Bosque
TX0180030	Glenshores	Bosque
TX0180032	Airport	Bosque
TX0180081	Whispering Ridge	Bosque

Existing Rates

5. Crystal Clear's rates for Lakeline Acres and Glenshores have not changed since 1991 and for Airport and Whispering Ridge since 2008.
6. Crystal Clear's existing rate for Lakeline Acres is \$18.90 for a 5/8" meter and 3,000 gallons, and \$1.85 per 1,000 gallons.
7. Crystal Clear's existing rate for Glenshores is \$25.00 for a 5/8" meter and 3,000 gallons, and \$2.60 per 1,000 gallons.
8. Crystal Clear's existing rate for Airport and Whispering Ridge is \$28.00 for a 5/8" meter and \$2.75 per 1,000 gallons for the first 5,000 gallons, then \$3.75 per 1,000 gallons thereafter.

Application

9. On April 8, 2020, Crystal Clear filed its Application to change its water rates and associated Tariff under Texas Water Code (TWC) § 13.1872.
10. The Application was based on a test year ending December 31, 2019, adjusted for known and measurable changes.
11. In the Application, Crystal Clear requested a revenue requirement of \$175,506 and a rate of return of 15.00% with a proposed effective date of July 1, 2020.
12. On April 23, 2020, Crystal Clear filed additional information to supplement its Application.
13. In Order No. 4 issued June 4, 2020, the Commission Administrative Law Judge (ALJ) found Crystal Clear's rate Application administratively incomplete, established an opportunity to cure the deficiency, and suspended the effective date.
14. On August 19, 2020, Crystal Clear filed a revised Application.
15. In the revised Application, Crystal Clear requested a revenue requirement of \$281,162 and a rate of return of 15.00% with a proposed effective date of December 1, 2020.
16. In Order No. 8, the Commission ALJ found Crystal Clear's revised Application administratively complete and suspended the effective date of the rate change for 265 days from the proposed effective date of December 1, 2020 to August 23, 2021.

Interventions and Protests

17. More than 10% of the ratepayers affected by the proposed rate increase filed protests in this Docket.
18. In Order No. 2 issued May 18, 2020, the Commission ALJ acknowledged ratepayers Kim and Arlettia Sharp, Harold Winnett, Justin Witte, Wayne Barnett, Pete Lohmer, Joy Lohmer, Roy Ince, Jr., Glenn Sommons, Thomas Murdoch, Walter Lane, Karla Lowder, Leonard and Janice McCain, Jeff and Krist Hall, Jasper Fuqua, John Graham, Donald Benda, Billy and Barbara Arnold, Emilie Shipman, Bryan Bronstad, Dale Hulme, Carl Montgomery, Judy Bingaman, James Nawara, Petra Rodriguez, Lance Alsobrook, Tony Hardin, Gerald Longacre, Troy and Jana Spies, Ben Johnson, Stephen Philipp, Dwayne Jackson, Dennis Poe, and James Greenwade as intervenors in this Docket.

19. In Order No. 5 issued on June 8, 2020, the Commission ALJ acknowledged ratepayers Bill Reitmeyer, Nicholas P. Kuhn, Jr., George Saxon, Kelly Anderson, and Britton Warren as intervenors in this Docket.
20. In Order No. 6 issued on July 1, 2020, the Commission ALJ acknowledged ratepayer Kelly Anderson as an intervenor in this Docket.
21. In Order No. 9 issued September 17, 2020, the Commission ALJ acknowledged ratepayers Gary Fossett, Patrick and Renee Cauley, Glenn Sammons, Leonard and Janice McCain, Joe and Linda Howard, Nicholas P Kuhn, Jr., Carl Montgomery, Sam Wells, Kristi and Jeffrey Hall, and Troy and Janna Spies as intervenors in this Docket.
22. In Order No. 10 issued October 26, 2020, the Commission ALJ acknowledged ratepayers Kirk and Mary Sims as intervenors in this Docket.
23. On June 30, 2021, Crystal Clear filed a Withdrawal of Requests to Intervene by Leonard McCain, Janice McCain, Dale Hume, Dennis Poe, and Kelly Anderson.
24. In SOAH Order No. 3, the SOAH ALJ dismissed Leonard McCain, Janice McCain, Dale Hulme, Dennis Poe, and Kelly Anderson as parties.
25. On March 1, 2023, Crystal Clear filed a Motion to Admit Evidence and Dismiss Intervenor including an Affidavit of Robert Payne, President of Crystal Clear, confirming that Bryan Bronstad is no longer a customer of Crystal Clear, and requesting the PUC ALJ dismiss Bryant Bronstad as a party.
26. In Order No. ___ issued on _____, 2023, the Commission ALJ dismissed Bryan Bronstad as a party.

Referral to SOAH for Hearing

27. On December 30, 2020, the Commission referred the Application to the State Office of Administrative Hearings (SOAH) for a contested case hearing.
28. In SOAH Order No. 1 issued January 8, 2021, the SOAH ALJ set a prehearing conference for February 9, 2021 and acknowledged ratepayers Juanita Cospers, Darrell Winnett, Jimmy and Kristi McElyea, Annette Wells, and Melissa Boyette as intervenors in this Docket.
29. On January 29, 2021, the Commission issued a preliminary order.

30. In SOAH Order No. 2 issued February 23, 2021, the SOAH ALJ memorialized the prehearing conference held on February 9, 2021, acknowledged ratepayers Marion Marshall, Tom Marshall, Linda Johnson, Connie Blenden, and Leslie and Todd Marshall as intervenors, abated the proceeding, and referred the proceeding to mediation.
31. On September 3, 2021, Crystal Clear, Commission Staff, and Intervenors filed their Joint Motion to Admit Evidence and Remand to the Commission that included the Unanimous Stipulation and Settlement Agreement, the agreed proposed Tariff, a Joint Proposed Final Order, and agreed list of assets (First Joint Motion).
32. In SOAH Order No. 5 issued September 7, 2021, the SOAH ALJ dismissed the case from SOAH's docket and remanded it to the Commission.

Evidentiary Record

33. In SOAH Order No. 5 issued September 7, 2021, the SOAH ALJs admitted the following evidence into the record:
 - (a) the Application of Crystal Clear Water, Inc. for Authority to Change Rates, filed on April 8, 2020;
 - (b) Additional Information filed by Crystal Clear on April 23, 2020;
 - (c) Crystal Clear's Revised Water Rate Increase with Attachments filed on August 19, 2020;
 - (d) Crystal Clear's Response to Commission Staff's First Request for Information, filed on April 15, 2021;
 - (e) Crystal Clear's Response to Commission Staff's Second Request for Information, filed on April 26, 2021;
 - (f) Crystal Clear's First Supplement to Response to Commission Staff's Second Request for Information, filed on May 12, 2021;
 - (g) Crystal Clear's Response to Commission Staff's Third Request for Information, filed on May 12, 2021;
 - (h) Agreements appointing Intervenors' representatives, attached to the First Joint Motion as Exhibit 1;
 - (i) Unanimous Stipulation and Settlement Agreement, attached to the First Joint Motion as Exhibit 2 (Original Agreement);

- (i) the agreed Joint Proposed Final Order (Attachment A to the Original Agreement), the agreed proposed Tariff (Attachment B to the Original Agreement), and the agreed list of assets (Attachment C to the Original Agreement); and
 - (k) the affidavit of Anna Givens in support of the agreement, filed on September 3, 2021.
- 34. On October 12, 2021, Commission Counsel filed a memorandum requesting an affidavit of a licensed attorney supporting the reasonableness of the rate-case expenses.
- 35. On November 12, 2021, Crystal Clear filed a Response to the October 21, 2021 Commission Counsel Memorandum and Motion to Admit Evidence to admit the affidavit of David Klein in support of the rate-case expenses.
- 36. On November 12, 2021, Commission Counsel filed a memorandum requesting responses regarding Crystal Clear's consolidation of multiple systems, notice to OPUC, and affiliates.
- 37. In Order No. 11, issued November 15, 2021, the Commission ALJ admitted the affidavit of David Klein into the record.
- 38. On March 7, 2022 the parties filed a Response to the November 12, 2021 Commission Counsel Memorandum, Motion to Admit Evidence to admit Crystal Clear's facility information and the affidavit of Robert Payne, and Motion for Good Cause Exception (Response to Commission Counsel's Memo).
- 39. On March 7, 2022, the parties filed a Joint Motion to Admit Additional Evidence (Joint Motion);
- 40. In Order No. 12 issued on March 30, 2022, the Commission ALJ admitted the following evidence into the record:
 - (a) the water systems facilities information, attached to the Response to Commission Counsel's Memo as Attachment A;
 - (b) the affidavit of Robert Payne, attached to the Response to Commission Counsel's Memo as Attachment D;
 - (c) Revised Unanimous Stipulation and Settlement Agreement (Revised Agreement), attached to the Joint Motion as Exhibit 1;

- (d) the agreed Revised Proposed Final Order (Attachment A to the Revised Agreement), the agreed proposed Tariff (Attachment B to the Revised Agreement), and the agreed list of assets (Attachment C to the Revised Agreement);
41. On August 1, 2022, Crystal Clear filed a Response to Order Remanding to Docket Management and Motion to Admit Additional Evidence (Response).
42. In Order No. 16 issued on August 4, 2022, the Commission ALJ admitted the following evidence into the record:
- (a) Texas Secretary of State records for entities owned by Robert Payne, owner of Crystal Clear, attached to the Response as Exhibit A;
 - (b) an estimate of office and warehouse lease rates, attached to the Response as Exhibit B;
 - (c) a quote for equipment rentals, attached to the Response as Exhibit C;
 - (d) Promissory Notes executed in 2005 and 2018, attached to the Response as Exhibit D;
 - (e) a list of capital investments and the amounts financed by Crystal Clear's loans, attached to the Response as Exhibit E;
 - (f) a proposed Tariff, attached to the Response as Exhibit F.
43. On September 12, 2022, Crystal Clear filed a Supplemental Response to the Order Remanding to Docket Management, Motion to Admit Additional Evidence, and Motion for Extension of Time (Supplemental Response).
44. In Order No. 17 issued on September 15, 2022, the Commission ALJ admitted the following evidence into the record:
- (a) checks from 1997 and 1998 for some of the projects and services for the Whispering Ridge PWS, attached to the Supplemental Response as Exhibit A;
 - (b) the Bill of Sale for the purchase of the Airport PWS, attached to the Supplemental Response as Exhibit B;

- (c) the Amendment to the Promissory Note dated July 1, 2019, attached to the Supplemental Response as Exhibit C;
 - (d) commercial rental property listings, attached to the Supplemental Response as Exhibit D;
 - (e) an unexecuted lease between Crystal Clear and RP AG, LLC, attached to the Supplemental Response as Exhibit E;
 - (f) evidence of Crystal Clear's rate cases expenses from October 1, 2021, to August 2022, attached to the Supplemental Response as Exhibit F;
 - (g) a proposed Tariff, attached to the Supplemental Response as Exhibit G.
45. On November 22, 2022, Crystal Clear filed a Motion to Admit Additional Evidence to admit an executed amended and restated lease between Crystal Clear and RP AG, LLC, and updated rate consultant invoice.
 46. In Order No. 20 issued on November 28, 2022, the Commission ALJ admitted the executed lease and updated rate consultant invoice into the record.
 47. On January 20, 2023, Crystal Clear filed a Motion to Admit Additional Evidence to admit evidence of its rate case expenses through December 31, 2022.
 48. In Order No. 22 issued on January 24, 2023, the Commission ALJ admitted Crystal Clear's evidence of rate case expenses through December 31, 2022 into the record.
 49. On March 1, 2023, Crystal Clear filed a Motion to Admit Evidence and Dismiss Intervenor including the Affidavit of Robert Payne regarding Bryan Bronstad's status as a customer of Crystal Clear, the Affidavit of David Klein, and the Amended and Restated Lease.
 50. On March 8, 2023, Commission Staff filed its Statement of Position.
 51. On March 8, 2023, the parties filed a Second Joint Motion to Admit Additional Evidence (Second Joint Motion).
 52. In Order No. ____ issued on _____, 2023, the Commission ALJ admitted the following evidence into the record:

- (a) Second Revised Unanimous Stipulation and Settlement Agreement (Second Revised Agreement), attached to the Second Joint Motion as Exhibit 1;
- (b) the agreed Revised Proposed Final Order (Attachment A to the Second Revised Agreement), the agreed proposed Tariff (Attachment B to the Second Revised Agreement), and the agreed list of assets (Attachment C to the Second Revised Agreement);
- (c) the affidavit of Robert Payne regarding Bryan Bronstad's status as a customer of Crystal Clear;
- (d) the Amended and Restated Lease between Crystal Clear and RP AG, LLC;
- (e) the affidavit of David Klein in support of rate-case expenses; and
- (f) Commission Staff's Statement of Position.

Intervention by OPUC and Request for Good Cause Exception

- 53. On November 12, 2021, Commission Counsel filed a memorandum requesting that the parties provide evidence that notice was sent to the Office of Public Utility Counsel or request a good cause exception.
- 54. Crystal Clear notified OPUC of its Application and the Original Agreement on November 23, 2021.
- 55. OPUC filed its Unopposed Motion to Intervene on February 28, 2022.
- 56. On March 7, 2022, Crystal Clear and Commission Staff filed a Joint Response to Commission Counsel Memorandum, Motion to Admit Evidence, and Motion for Good Cause Exception requesting a good cause exception to the notice requirement under 16 TAC § 24.27(d)(1)(A) which requires a utility requesting a rate change to provide notice of the propose change to the Office of Public Utility Counsel at least 35 days before the effective date of the proposed change.
- 57. In Order No. 12, issued on March 30, 2022, the Commission ALJ granted OPUC's Motion to Intervene.
- 58. Crystal Clear demonstrated that good cause supports granting an exception to the notice requirement under 16 TAC § 24.27(d)(1)(A).

Second Revised Agreement

59. Crystal Clear, Commission Staff, OPUC (on limited issues), and the Intervenors engaged in settlement negotiations and entered into the Revised Agreement, memorializing an agreed schedule of retail water-utility rates and other Tariff amendments, and agreed rate-case expenses.
60. The Commission rejected the Revised Agreement at its April 21, 2022, Open Meeting and issued an Order Remanding to Docket Management with a list of issues to be addressed.
61. Crystal Clear, Commission Staff, OPUC (on limited issues), and the Intervenors renewed settlement negotiations and entered into the Second Revised Agreement, memorializing an agreed schedule of retail water-utility rates and other Tariff amendments, as set for in the Tariff included as Attachment B to the Second Revised Agreement, an agreed rate-case expenses.
62. Crystal Clear total annual revenue requirement is \$178,512.00.
63. It was reasonable and in the public interest to approve total invested capital as of December 31, 2019, in the amount of \$155,855, which includes \$138,404 of net plant in service and \$17,451 of cash working capital. Attachment C to the Second Revised Agreement identifies all of Crystal Clear's net plant in service as of December 31, 2019.
64. The rate of return of 6.34% will not yield Crystal Clear's more than a fair return on the invested capital used and useful in rendering service.
65. It is appropriate not to specify a return on equity in this proceeding.
66. The parties agree that Crystal Clear should be allowed to implement the retail water rates located in the Tariff attached to the Second Revised Agreement as Attachment B.
67. The agreed retail water rate schedule for Crystal Clear are as follows:

Meter Size	Minimum Monthly Charge (includes 0 gallons)
5/8" or 3/4"	\$38.56
1"	\$96.40
1 ½"	\$192.80

Usage	Gallage Charge
1 st 5,000 gallons	\$3.74 per 1,000 gallons
Next 5,000 gallons	\$5.61 per 1,000 gallons
Thereafter	\$6.95 per 1,000 gallons

68. The agreed miscellaneous fees are as follows:

Fee	Agreed Charge
Tap fee (standard)	\$1,500.00
Tap fee (unique costs)	Actual Cost
Tap fee (large meter)	Actual Cost
Reconnection fee (nonpayment of bill)	\$25.00
Reconnection fee (customer's request that service be disconnected)	\$25.00
Reconnection fee (seasonal reconnect fee)	No less than \$25.00 and no more than \$13.35 per month disconnected, times the number of months disconnected, not to exceed 6 times.
Transfer fee	\$50.00
Late charge	10%
Returned check charge	\$25.00
Customer deposit residential	\$50.00
Commercial & non- residential deposit	1/6th of estimated annual bill
Meter test fee	Actual cost of testing meter up to \$25.00
Meter relocation fee	Actual cost

69. Crystal Clear may implement the other Tariff provisions included in the agreed proposed Tariff in Attachment B to the Second Revised Agreement.
70. The proposed Tariff that is attached to the Second Revised Agreement as Attachment B governs the water utility rates, terms, treatments, and conditions for the water systems and service area specified in the Tariff.

71. The rates, terms, and conditions of the Tariff resulting from the Second Revised Agreement are just and reasonable.

Rate-Case Expenses

72. Crystal Clear is entitled to recover \$44,965.00 in rate-case expenses. These rate-case expenses shall be recovered through a \$8.50 per connection monthly surcharge to ratepayers over a period of 23 months.
73. Crystal Clear may not seek to recover any additional rate-case expenses incurred in connection with this Application in a future proceeding.
74. The Agreement's treatment of rate-case expenses is appropriate, and the agreed rate-case expense surcharges are reasonable and necessary.

Effective Date

75. In the revised Application, Crystal Clear requested approval of the proposed rate and Tariff changes contained in its Application to be effective no sooner than December 1, 2020.
76. In Order No. 8, the Commission ALJ suspended the effective date of the rate change for 265 days from the proposed effective date of December 1, 2020 until August 23, 2021.
77. On August 27, 2021, the parties filed a motion for interim rates that would allow Crystal Clear to begin charging the agreed-upon settlement rates beginning on August 23, 2021.
78. On August 30, 2021, the SOAH ALJ issued SOAH Order No. 4 adopting interim rates as set out in the Tariff.

Informal Disposition

79. More than 15 days have passed since the completion of notice provided in this Docket.
80. No hearing is required in this case.
81. All parties to this proceeding are signatories to the Second Revised Agreement.
82. The decision is not adverse to any party.

III. CONCLUSIONS OF LAW

The Commission makes the following conclusions of law.

1. Crystal Clear is a public utility as defined in TWC § 13.002(23) and 16 Texas Administrative Code (TAC) § 24.3(51) and (76).
2. Crystal Clear is a class D utility under TWC § 13.002(4-d) and 16 TAC § 24.3(8) because it has less than 500 active water connections.
3. The Commission has jurisdiction to consider Crystal Clear's application for a rate increase and related Tariff amendments, and to conduct both formal and informal ratemaking hearings in accordance with TWC §§ 13.041, 13.181, and 13.1872, using the procedures in subchapter B of 16 TAC Chapter 24.
4. The Commission processed this Docket in accordance with the requirements of the TWC, the Administrative Procedure Act,¹ and Commission rules.
5. Crystal Clear did not initially comply with the requirement to provide notice to OPUC. This deficiency was cured and an exception was made for good cause under 16 TAC § 22.5(b) so that Crystal Clear has now complied with the requirement to provide notice of the rate application as required by TWC § 13.1871(b) and 16 TAC § 24.27(d).
6. The rates approved in this proceeding are just and reasonable under TWC § 13.182(a).
7. As required by TWC § 13.182(b), the rates approved in this proceeding are not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each class of customers.
8. Under TWC § 13.183(a), the Commission is required to establish a revenue requirement in setting rates.
9. Crystal Clear's overall revenues will permit it a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public over and above its reasonable and necessary operating expenses and will preserve Crystal Clear's financial integrity.

¹ Administrative Procedure Act, Tex. Gov't Code §§ 2001.001–.902 (APA).

10. It is not necessary for Crystal Clear to implement a refund, credit, or surcharge to return or collect amounts recovered under the rates effective August 23, 2021 under 16 TAC § 24.37.
11. The rate-case expenses approved in this Order are just, reasonable, necessary, and in the public interest as required under 16 TAC § 24.44(a).
12. Permission for a utility to record a cost in its books is not permission to recover those costs through its rates.
13. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

IV. ORDERING PARAGRAPHS

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

1. The Commission approves the agreed rates and associated Tariff to the extent provided in this Order.
2. The Commission approves Crystal Clear's Tariff attached to the Second Revised Agreement as Attachment B, and other the provisions of such Tariff, effective on the date this Order is signed.
3. Under 16 TAC § 24.2(b), the Commission grants Crystal Clear an exception to the notice requirements of 16 TAC § 24.27(d)(1)(A).
4. Crystal Clear must comply with its commitments set forth in the Second Revised Agreement, except as modified by this Order.
5. The Commission authorizes Crystal Clear to collect rate-case expenses of \$44,965.00 via a monthly surcharge of \$8.50 per connection over a 23-month period.
6. Crystal Clear must not seek to recover any additional rate-case expenses incurred in connection with this Docket in a future proceeding.
7. Crystal Clear must provide the Commission with a surcharge collection update every six months until the \$44,965.00 in rate case expenses authorized is fully collected. These update reports shall include supporting documentation showing the amounts of the surcharge collected by meter size along with remaining amounts due.

8. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the Agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
9. Within 10 days of the date of this Order, Commission Staff must file a clean copy of Crystal Clear's Tariff with Central Records to be marked *Approved* and kept in the Commission's tariff book.
10. All other motions and any other requests for general or specific relief that have not been expressly granted are denied.

Signed at Austin, Texas the _____ day of _____ 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

CHAIRMAN PETER LAKE

COMMISSIONER WILL MCADAMS

COMMISSIONER LORI COBOS

COMMISSIONER JIMMY GLOTFELTY

COMMISSIONER KATHLEEN JACKSON

ATTACHMENT B

Proposed Tariff



WATER UTILITY TARIFF

Docket Number: 50721

(this number will be assigned by the Public Utility Commission after your tariff is filed)

Crystal Clear Water, Inc.
(Utility Name)

122 S Avenue D
(Business Address)

Clifton, TX 76634
(City, State, Zip Code)

254-675-3551
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity: 12997

This tariff is effective in the following counties:
Bosque

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

This tariff is effective in the following subdivisions or public water systems:
Lakeline Acres (TX0180025); Glenshores (TX0180030); Airport (TX0180032); and Whispering Ridge (TX0180081)

TABLE OF CONTENTS

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

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SECTION 1.0-RATE SCHEDULE	2
SECTION 2.0- SERVICE RULES AND POLICIES	4
SECTION 3.0- EXTENSION POLICY	12
APPENDIX A - DROUGHT CONTINGENCY PLAN	17
APPENDIX B- APPLICATION FOR SERVICE	18

Note: Appendix A – Drought Contingency Plan (DCP) is approved by the Texas Commission on Environmental Quality; however, the DCP is included as part of your approved utility tariff pursuant to PUC rules. If you are establishing a tariff for the first time, please contact the TCEQ to complete and submit a DCP for approval.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge	Gallonage Charge
5/8" or 3/4"	\$ 38.56 (Includes 0 gallons)	3.74 per 1000 gallons, 1 st 5,000 gallons
1"	\$ 96.40	5.61 per 1000 gallons, next 5,000 gallons
1½ "	\$ 192.80	6.95 per 1000 gallons thereafter

FORM OF PAYMENT: The utility will accept the following forms of payment:
Cash X Check X Money Order X Credit Card Other (specify)

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

RATE CASE EXPENSE SURCHARGE \$8.50

TO BE COLLECTED PER MONTH CALCULATED AS FOLLOWS: $\$44,965 \div 230 \text{ CONNECTIONS} \div 23 \text{ MONTHS} = \8.50 . CRYSTAL CLEAR WATER, INC. MAY COLLECT THE SURCHARGE FOR 23 CONSECUTIVE MONTHS.

REGULATORY ASSESSMENT 1.0%

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

Section 1.02 - Miscellaneous Fee

TAP FEE (Standard) \$ 1,500.00

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 THE UTILITY'S UNIQUE COSTS IS PERMITTED.

TAP FEE (Unique Costs) Actual Cost

UNIQUE COSTS ARE ADDITIONAL COSTS THAT ARE NECESSARY FOR THE UTILITY TO EXTEND ITS WATER SYSTEM TO DELIVER WATER TO THE CUSTOMER'S PROPERTY, IF THERE IS NO EXISTING WATER LINE ON THE CUSTOMER'S PROPERTY AT THE TIME WATER SERVICE IS REQUESTED. FOR EXAMPLE, UNIQUE COSTS COULD INCLUDE, BUT ARE NOT LIMITED TO, LABOR, EQUIPMENT, AND MATERIALS COSTS TO EXCAVATE LAND AND INSTALL A NEW WATERLINE TO CONNECT THE UTILITY'S EXISTING WATERLINES ON THE CUSTOMER'S LAND TO THE METER OR A ROAD BORE.

TAP FEE (Large Meter) Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8" METERS.

RECONNECTION FEE

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

- a) Nonpayment of bill (Maximum \$25.00) \$ 25.00
- b) Customer's request that service be disconnected or other reason listed under Section 2.0 of this tariff \$ 25.00
- c) Seasonal Reconnect Fee: A customer requesting reconnection at the same location and for the same location and for the same type of service, will be assessed a reconnect fee of no less than \$25.00 and no more than \$13.35 per month disconnected, times the number of months disconnected, not to exceed 6 times.

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE \$ 50.00

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

LATE CHARGE 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 \$ 25.00

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

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

COMMERCIAL & NON-RESIDENTIAL DEPOSIT

1/6TH OF ESTIMATED ANNUAL BILL

METER TEST FEE (Actual Cost of testing meter up to) \$ 25.00

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

METER RELOCATION FEE Actual Cost

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER.

SECTION 2.0 – SERVICE RULES AND POLICIES

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

Section 2.01 - Application for Water Service

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

Section 2.02 - Refusal of Service

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

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

(A) Customer Deposits

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

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

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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

(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 16 Texas Administrative Code (TAC) § 24.163(d).

(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 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 2.0 – SERVICE RULES AND POLICIES (Continued)

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.

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

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, Title 30 TAC § 290.46(j). The utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.07 - Back Flow Prevention Devices

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

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

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC § 290.47(f), Appendix F, 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.

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 2.0 – SERVICE RULES AND POLICIES (Continued)

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. 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 2.0 – SERVICE RULES AND POLICIES (Continued)

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 2.0 – SERVICE RULES AND POLICIES (Continued)

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 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 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

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

Section 2.16 - Customer Complaints and Disputes

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

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

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

Section 2.17 - Customer Liability

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

SECTION 3.0 – EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: NO CONTRIBUTION IN AID OF CONSTRUCTION MAY BE REQUIRED OF ANY CUSTOMER EXCEPT AS PROVIDED FOR IN THIS APPROVED EXTENSION POLICY.

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

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

SECTION 3.0 – EXTENSION POLICY (Continued)

Unless an exception is granted by the TCEQ, 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 TCEQ 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 by the TCEQ, 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 3.0 – EXTENSION POLICY (Continued)

Section 3.03 - Contributions in Aid of Construction

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

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

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.163(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.163(d)(4), 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 utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director. for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

SECTION 3.0 – EXTENSION POLICY (Continued)

Section 3.04 - Appealing Connection Costs

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

Section 3.05 - Applying for Service

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

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. 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 3.0 – EXTENSION POLICY (Continued)

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
(Utility Must Attach TCEQ-Approved Plan)**

DROUGHT CONTINGENCY PLAN FOR THE

Crystal Clear Water Inc. – Whispering Ridge / Airport / Lake Line & Glenshores

**122 S Avenue D
Clifton, TX 76634
254-675-3551**

**12997
(CCN#s)**

**0180081 / 0180032 / 0180025 / 0180030
(PWS#’s)**

September 20, 2018


Section 1 Declaration of Policy, Purpose and Intent

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

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

I Robert Payne, being the responsible official for Crystal Clear Water, Inc. request inclusion of the attached Drought Contingency Plan in the utilities approved tariff.


(Signature)


(Date)

Section 2 Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by: *bill insert inviting comment.*

Section 3 Public Education

The Crystal Clear Water Inc. will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage.

Drought plan information will be provided by : X utility bill inserts

Section 4 Coordination with Regional Water Planning Groups

The service area of the Crystal Clear Water Inc. is located within the Brazos Regional Water Planning Group (RWPG), Region G. Crystal Clear Water Inc. has mailed a copy of the Plan to the RWPG.

Section 5 Notice of Requirements

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

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

The utility must notify the TNRCC by telephone at (512) 239-6020, or electronic mail at watermon@tnrcc.state.tx.us prior to implementing Stage III and must notify in writing the Public Drinking Water Section at MC – 155, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days if implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TNRCC at the initiation and termination of mandatory water use restrictions (i.e. Stages III and IV).

Section 6 Violations

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

Section 7 Exemptions or Variances

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

Section 8 Response Stages

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

STAGE I – CUSTOMER AWARENESS

Stage 1 will begin:

Every April 1st, the utility will mail a public announcement to its customers. No notice to TNRCC required.

Stage 1 will end:

Every September 30th, the utility will mail a public announcement to its customers.

No notice to TNRCC required.

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

Voluntary Water Use Restrictions:

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

STAGE II – VOLUNTARY WATER CONSERVATION:

GOAL: Reduce total water use by 5%

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

Demand or Capacity Based Triggers

Total daily demand as exceeds 85% of storage capacity

Upon initiation and termination of Stage 2, the utility will mail a public announcement to its customers. No notice to TNRCC required.

Requirements for termination

Stage 2 of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 2, Stage 1 comes operative.

Utility Measures:

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

Voluntary Water Use Restrictions:

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

STAGE III – MANDATORY WATER USE RESTRICTIONS:

GOAL: Reduce total water use by 10%

The water utility will implement Stage 3 when any one of the selected triggers is reached:

Demand or Capacity Based Triggers

Total daily demand exceeds 95% of storage capacity

Upon initiation and termination of Stage 3, the utility will mail a public announcement to its customers. Notice to TNRCC required.

Requirements for termination

Stage 3 of the Plan may end when all the conditions listed as triggering Events have ceased to exist for a period of three (3) consecutive days.

Upon termination of Stage 3, Stage 2 becomes operative.

Utility Measures:

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

Mandatory Water Use Restrictions: The following water use restrictions shall Apply to all customers.

1. Irrigation of landscaped areas with hose end sprinklers or automatic irrigation systems **shall be limited to Mondays for water customers with a street address ending with the numbers 1, 2, r 3, Wednesdays for water customers with a street address ending with the numbers 4, 5, or 6 , and Fridays for water customers with a street address ending with the numbers 7, 8, 9, or 0.** Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand held bucket or a hand held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
3. Use of water to fill, refill, or add to any indoor or outdoor swimming Pools, wading pools or “jacuzzi” type pools 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.
4. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
5. Use of water from hydrants or flush valves shall be limited to maintaining public health, safety, and welfare.

6. Use of water for the irrigation of golf courses, parks, and green belt areas is prohibited except by hand held hose and only on designated watering days between the hours of 12 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.
7. The following uses of water are defined as non-essential and are prohibited:
 - a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard surfaced areas,
 - b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - c. use of water for dust control;
 - d. flushing gutters or permitting water to run or accumulate in in any gutter or street;
 - e. failure to repair a controllable leak(s); and
 - f. any waste water.

STAGE IV – CRITICAL WATER USE RESTRICTIONS:

GOAL: Reduce total water usage by 20 %

The water utility will implement Stage 4 when any of the selected triggers is reached:

Demand or Capacity Based Triggers

1. **Total daily demand exceeds 95% of storage capacity; or**
2. **Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service; or**
3. **Natural or man made contamination of the water supply source(s)**

Upon initiation and termination of Stage 4, the utility will mail a public announcement to its customers. Notice to TNRCC required.

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 three (3) consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

Drought Contingency Plan for IOUs – Revised 11-26-04

Operational Measures:

The utility shall visually inspect lines and repair leaks on a daily basis. Flushing is prohibited except for dead end mains and only between the hours of 9:00 p.m. and 3:00 a.m.. Emergency interconnects or alternative supply arrangements shall be initiated. All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers.

Manadtory Water Use Restrictions: All outdoor use of water is prohibited.

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

Drought Contingency Plan for IOU's- Revised 11-26-04

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

Crystal Clear Water, Inc

Application for Water Service

This application is for Residential, Multi-Family, and Commercial customers initiating a new water service account (s) or to establish an additional service. Please complete all blanks.

APPLICATIONS WILL NOT BE ACCEPTED IN THE NAME OF LESSEE OR TENANT ON MULTI-FAMILY/MULTI UNIT ACCOUNTS

I. General Information:

Select the account type you wish to establish:

☐ Single Family Residential

☐ Commercial

☐ Multi-Family

If Multi-Family Units, please indicate the number of apartments/units: _____

Today's Date: _____ Date of Deed or Lease: _____ Request Date for Service: _____

Name on Deed or Lease (Account Holder's Name): _____

Service Address: _____ City: _____ State: _____ Zip+4: _____

Day Phone: _____ Evening Phone: _____

Cell Phone: _____

E-mail Address: _____

Driver's License No.: _____ State Issued: _____

Name of Property owner/Landlord: _____

☐ Same as above

Address: _____ City: _____ Zip: _____

Day Phone: _____

E-mail Address: _____

Mailing Address: (If left blank the bill will be mailed to the service address)

Attention: _____ Phone Number: _____

Address: _____ City: _____ State: _____ Zip+4: _____

Please select one under each category of business or property type listed below.

Please note, a recorded deed will be required to establish water service depending on the type of account.

Property/Business Type:

COMMERCIAL

- ☐ One Unit
- ☐ Two Units
- ☐ Three or more
- ☐ Condo/Townhouse
- ☐ Apartments
- ☐ Trailer Park
- ☐ RV Park

MULTI-FAMILY

- ☐ Two Units
- ☐ Three Units
- ☐ Four Units
- ☐ Condo/Townhouse
- ☐ Apartments
- ☐ Trailer
- ☐ Park
- ☐ Not applicable

I understand that Crystal Clear Water, Inc. shall have the right to terminate water service if any of the information provided in this application is determined to be false. In addition, I understand and agree that Crystal Clear Water, Inc., through its authorized employees, shall have access to its equipment at all reasonable times for the purpose of reading meters, inspection, testing, repairing, and/or replacing any equipment which is the property of Crystal Clear Water, Inc. If such equipment is located where an electronic security system is required, Crystal Clear Water, Inc. shall be provided with the security pass code for access to the property. I understand Crystal Clear Water, Inc. has the right to estimate a bill due to inclement weather, when the meter is inaccessible, and/or obstructed. In addition, I understand that I am responsible for all minimum bills regardless of whether the water is used or not. I understand water service may be terminated if the required security deposit and/or monthly bills are unpaid.

By my signature below, I acknowledge that I am the authorized representative and it is my responsibility to establish water service with Crystal Clear Water, Inc. and all information provided in this application is true and correct. I agree to comply with all Customer Account Services' Policies and Ordinances as governed by Crystal Clear Water, Inc.

I am the:

☐ Property Owner

☐ Tenant

Printed Name

Title

Applicant's Signature

Date

Crystal Clear Water Inc. Service Agreement 2021

- I. **PURPOSE.** Crystal Clear Water Inc. is responsible for protecting the drinking water supply from contamination or pollution which could result from improper system construction or configuration on the retail connection owner's side of the meter. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The public water system enforces these restrictions to ensure the public health and welfare. Each retail customer must sign this agreement before Crystal Clear Water Inc. will begin service. In addition, when service to an existing retail 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 0.25% 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 Crystal Clear Water Inc. (the Water System) and _____ (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.

PRINTED NAME: _____

CUSTOMER'S SIGNATURE: _____

DATE: _____

PHYSICAL ADDRESS: _____

MAILING ADDRESS: _____

EMERGENCY CONTACT NUMBER: _____

EMAIL ADDRESS: _____

ATTACHMENT C

List of Assets

Utility Name: Crystal Clear Water, Inc.
Docket Number: 50721
SOAH Docket Number:
End of Test Year: 31-Dec-19

Attachment C

Water System	Description	Acquired Date	Claimed Economic Life, yrs	Claimed Original Cost	% Used & Useful	Ver./Est. Original Cost	Economic Life, yrs	Net Plant*
Airport	Land		n/a	3000	100%	3,000	n/a	3,000
Glenshore	Land	1-Aug-71	n/a	1000	100%	1,000	n/a	1,000
Lakeline	Land		n/a	3000	100%	3,000	n/a	3,000
Whispering Ridge	Land	1-Jan-98	n/a	3000	100%	3,000	n/a	4,921
Structures & Improvements								
Airport	Well House	1-Apr-01	30	4000	100%	4,000	30	1,500
Glenshore	Masonary	1-Dec-71	30	600	100%	600	30	0
Lakeline	Well House Mason	1-Aug-75	30	1200	100%	1,200	30	0
Whispering Ridge	Well House Mason	1-Jul-98	30	4600	100%	4,600	30	1,303
Power Generation Equipment (Electrical/Generator)								
Whispering Ridge	Electrical Controls	1-Nov-17	30	1579	100%	1,579	30	1,465
Transmission/Distribution Mains								
Airport	Re-Distribution	1-Jul-01	30	19728	100%	19,728	30	7,563
Glenshore	Lines	1-Oct-71	50	2500	100%	2,500	50	88
Lakeline	Distrib. System	1-Jan-76	30	5500	100%	5,500	30	0
Whispering Ridge	Distrib. System	1-Mar-98	30	87000	100%	87,000	30	23,680
Whispering Ridge	Distrib. System	1-Jul-98	30	20980	100%	20,980	30	5,944
Fencing & Other Tangible Plant								
Airport	Fencing	1-Jan-02	20	2000	100%	2,000	20	200
Glenshore	Fencing	1-Jan-72	30	450	100%	450	30	0
Lakeline	Fencing	1-Oct-76	20	1500	100%	1,500	20	0
Whispering Ridge	Fencing	1-Jan-99	20	3500	100%	3,500	20	0
Storage Tanks								
Glenshore	4000 gal	1-Oct-71	30	2500	100%	2,500	30	0
Lakeline	Storage Tank	1-May-76	30	23670	100%	23,670	30	0
Whispering Ridge	4000 Gal	1-Jul-98	40	7200	100%	7,200	40	3,330
Whispering Ridge	1000 Pressure	1-Jul-98	40	5000	100%	5,000	40	2,312
Whispering Ridge	Fib 12000 Storage	1-Jun-19	15	22408	100%	22,408	15	21,537
Wells								
Airport	Well	1-Jun-71	50	18000	100%	18,000	50	510
Glenshore	Well	1-Aug-71	50	6300	100%	6,300	50	200
Lakeline	Well	1-Aug-63	50	11500	100%	11,500	50	0
Lakeline	Well	1-Oct-76	50	10000	100%	10,000	50	1,351
Whispering Ridge	Well	1-Jun-98	50	20997	100%	20,997	50	11,934
Well Pumps	Well,>5HP							
Airport	15 HP	10-Jan-17	10	6822	100%	6,822	10	4,795
Glenshore	New Pump & Cable	1-Aug-15	10	14521	100%	14,521	10	8,108
Lakeline	LakeLine	1-Oct-16	10	15907	100%	15,907	10	10,742
Whispering Ridge	10 HP 40 GPM	1-Jul-15	10	6402	100%	6,402	10	3,520
Whispering Ridge	10 HP 40 GPM	10-Jan-17	10	6823	100%	6,823	10	4,796
Booster Pumps	Booster,>5HP							
Airport	7 1/2 HP	20-Jun-17	10	3807	100%	3,807	10	2,844
Airport	5 HP	1-Nov-11	10	1521	100%	1,521	10	279
Lakeline	LakeLine	1-Jul-12	10	1550	100%	1,550	10	388
Whispering Ridge	Booster,>5HP	1-Jun-17	10	3808	100%	3,808	10	2,825
Water Treatment Equipment/ Treatment and Disposal Equipment								
Airport	Chlorine Pump	25-Apr-18	3	335.69	100%	336	3	147
Lakeline	Chlorinator	1-Oct-16	3	500	100%	500	3	0
Whispering Ridge	Cloriwater	1-Aug-18	3	460	100%	460	3	243
Meters and Meter Installations								
Glenshore	Meters	1-Dec-71	30	800	100%	800	30	0
Lakeline	MTRS & Tapline	1-Jun-19	10	1750	100%	1,750	10	1,648
Whispering Ridge	Meters	1-Oct-98	30	2500	100%	2,500	30	729
Whispering Ridge	Meters	1-Jan-00	30	7500	100%	7,500	30	2,501

\$367,719

\$367,719

\$138,404