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COMPLAINT OF NUECES BAY
TRACTS, LLC AGAINST RINCON
WATER SUPPLY CORPORATION

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BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS

**RINCON WATER SUPPLY CORPORATION'S RESPONSE TO
COMPLAINT OF NUECES BAY TRACTS, LLC**

Respondent Rincon Water Supply Corporation ("Rincon") files this its Response to the complaint filed on February 3, 2021 (the "Complaint") by Nueces Bay Tracts, LLC ("NBT"). Pursuant to Order No. 1 in this docket, Rincon is required to file a response to the Complaint by February 26, 2021, and accordingly, this response is timely filed.

I. Introduction and Background

Rincon is a domestic non-profit water supply corporation registered with the Texas Secretary of State under corporation Charter No. 0038068201. Under its water certificate of convenience and necessity ("CCN") No. 11440, Rincon is authorized to provide retail water service in San Patricio County. Rincon currently provides water service to approximately 1,418 connections through its public water system registered under PWS No. TX2050078.

The Complaint alleges that NBT is waiting on two engineering plans from Rincon: (i) a waterline redesign, and (ii) a water pump and supply line upgrade. Regarding the waterline redesign, FBT complains that after seven months from submittal of the plan, Rincon has not approved the redesign plan, and further that NBT disagrees with the amount Rincon is requiring to reserve 22 new taps. NBT does not state a specific complaint regarding the water pump and supply line upgrade plan, but NBT does complain with respect to both engineering plans that NBT should not be required to comply with the City of Portland's ETJ subdivision development standards as Rincon is requiring. Finally, NBT lists steps that it believes Rincon should be required to take in its approval process for the NBT project.

II. General Response

Rincon disagrees that it has done anything to warrant the filing of the Complaint or the Commission's ordering of any remedial action. As described in Rincon's specific responses to the allegations of the Complaint set out below, Rincon's actions to date with respect to NBT's proposed project have been entirely reasonable and in compliance with the requirements of its tariff concerning providing service to new subdivision projects. The delays and disagreements by NBT generally arise out of several changes to the project by NBT which necessitated further review and approvals by Rincon. Concerning the need to comply with the City of Portland's ETJ development standards, Rincon's tariff expressly requires that new development projects comply with the ETJ subdivision development standards of any city in whose ETJ the project is located. Finally, the project approval steps that NBT wishes Rincon would follow are not in accord with Rincon's tariff and cannot be accepted.

III. Specific Responses Per Order No. 1

1. The Commission's Jurisdiction Over This Proceeding.

Under Procedural Rule §22.242, the Commission has jurisdiction to consider complaints concerning any action in violation of any law or any order, ordinance, rule or regulation of the Commission. Because NBT has not alleged the violation by Rincon of any law or any order, ordinance, rule or regulation of the Commission, there is no basis for asserting the jurisdiction of the Commission to consider the Complaint. Moreover, to the extent an alleged violation of Rincon's tariff is considered the basis for the Commission's jurisdiction in this case, NBT has not alleged any violation by Rincon of its tariff and again therefore, there is no basis for asserting the jurisdiction of the Commission to consider the Complaint. Finally, none of Rincon's actions stated in the Complaint constitute a violation of Rincon's tariff and again therefore, there is no basis for asserting the jurisdiction of the Commission to consider the Complaint.

2. Allegations Raised in the Complaint.

The following is a chronology of key actions that occurred with respect to NBT's subdivision project which shows that all actions of Rincon in this matter have been in compliance

with its tariff and entirely reasonable given the various project changes that NBT has requested over this timeline:

- On October 20, 2015, the Rincon Board of Directors considered NBT's request for water service to fourteen 6.67-acre tracts. At this time, NBT did not have a development plan or proposed plat for its development, nor did NBT have any of the required permits from San Patricio County. At this Board meeting, NBT requested that Rincon pay for water utility installation work and that NBT or Jim Fay be allowed to perform the construction work, notwithstanding the fact that neither NBT or Mr. Jim Fay are licensed or qualified to install potable water lines. Because the proposed development was located outside of Rincon's then-existing CCN boundaries, this project necessitated Rincon's securing of a CCN amendment to include the project area. The Rincon Board of Directors approved NBT's proposed development contingent upon NBT obtaining the required permits from San Patricio County, but the Board did not approve paying for the water utility installation nor allowing NBT or Mr. Fay to perform the construction work.
- At the February 28, 2017 Rincon Board meeting, NBT requested that the Board provide NBT a written guarantee of reimbursement of NBT's costs of the new water line in the event of any new requests for service on the water line. The Board denied NBT's request for a guarantee of reimbursement but did approve sending the proposed 14-lot development to Rincon's engineer for the design work.
- On February 26, 2018, Rincon filed the CCN amendment application to include NBT's proposed development (see PUC Docket No. 48104). The CCN amendment was eventually approved on February 8, 2019. Upon approval of the CCN amendment, Rincon's engineer began the water facilities design engineering work for NBT's 14-lot subdivision. At this point in time, Rincon advised NBT that there was only enough remaining capacity in the existing pumping system for 16 service connections. Therefore, NBT agreed to pay the membership fees to reserve capacity for the 14 connections.

- At the Board meeting on August 20, 2019, the Board was scheduled on its agenda to consider the completed water line engineering plans for NBT's proposed 14-lot development, but just prior to the Board meeting, NBT requested that the Board table that agenda item. At this point in time, the design work for the 4-inch water lines to NBT's development had been completed and placed out for bids.
- On November 6, 2019, NBT provided a check in the amount of \$21,000 to cover Rincon's costs of obtaining the CCN amendment and to pay for the engineering costs for the 14 requested connections. However, despite being previously advised by Rincon that NBT also needed to file service applications and agreements for the 14 requested connections, NBT failed to submit the service applications and agreements to document Rincon's holding of the membership fees. Because NBT failed to submit the required service applications and agreements to support Rincon's holding of the funds, the Rincon Board decided to return the funds to NBT.
- At the Rincon Board meeting on November 19, 2019, the Board was scheduled to approve construction of the 4-inch water lines and to award the construction work to the successful bidder JD Underground of Sinton. But at the same Board meeting, NBT presented a new revised development project calling for 128 small-acre lots rather than the 14 originally proposed 6.67-acre lots. According to NBT and its engineer, there would be no difference in the water utility design and construction work for 128 small-acre lots as there was for the original 14 large-acre lots. Because of this surprising new action by NBT, the Rincon Board decided to table the award of the bid and the construction work for the 4-inch water lines.
- At the Rincon Board meeting on September 15, 2020, NBT stated its intention to proceed with the 4-inch water line construction work for Phase 1 of his subdivision project, but that the project would now include 22 lots -- with 84 to 100 additional lots to be developed at an unspecified later date. According to NBT, there should be no changes in the plans for water system design and construction for the 22 proposed lots as compared to the original 14-lot project.

- At the Rincon Board meeting on October 20, 2020, NBT presented yet another change in its proposed development plat and requested the Board to approve a feasibility study for the revised plat. The Board approved conducting a feasibility study and cost analysis for the revised plat which would be based on Rincon's engineer's determination of all needed water distribution and pump system upgrades.
- At the present time, Rincon's engineer cannot make the determination of the needed water distribution and pumping system improvements until NBT submits a complete site design and plat and obtains all required San Patricio County permits. In order to accommodate NBT to the extent possible, Rincon's engineer has been instructed to prepare a simple and brief description of the water system needs and estimated costs. Moreover, due to a number of new water service connections in the NBT project area, Rincon's water system no longer has available capacity for new connections. Accordingly, new developments and subdivision projects like NBT's will need to financially contribute to the construction of a new water pump station and water distribution system upgrades.

3. Applicable Statutes, Rules, Orders and Tariff Provisions.

Although Section 13.250 of the Texas Water Code obligates Rincon to provide continuous and adequate water service to NBT's proposed project, under Section 13.2502 a developer of a new subdivision must comply with the water service extension policy of a water supply corporation as set forth in its tariff. Among various other requirements, Rincon's tariff provides that no development project will be approved unless it meets the criteria imposed by San Patricio County and in Rincon's tariff, including successful completion of all listed stages of a project. See Section 3.06 of Rincon's tariff (copy attached hereto). All costs related to project feasibility (Stage 1), preliminary plat and utility plans (Stage 2), construction of improvements (Stage 3), and final acceptance (Stage 4) are borne by the developer. See Section 3.07 of Rincon's tariff (copy attached hereto). Developers of Stage 1 projects are required to submit a new set of project feasibility materials whenever there is a significant change of facts pertaining to the project. See Section (a)(iv)(7) of Rincon's tariff (copy attached hereto). Finally, development projects located in a

city's ETJ or proposed ETJ must comply with applicable development standards of the city. See Section 3.08 of Rincon's tariff (copy attached hereto).

4. Copies of Any Rates or Tariffs That Are the Subject of the Complaint.

As indicated above, copies of the referenced provisions of Rincon's tariff are being provided with this Response.

5. Any Other Matters Relevant to the Complaint.

In its Complaint, NBT lists several demands concerning how it wishes Rincon to implement the engineering plans for its proposed project. However, all such demands are unwarranted and in violation of Rincon's tariff. For example, in addition to Rincon's tariff requiring that development projects within the City of Portland's ETJ must comply with the city's applicable development standards, Rincon has an agreement with the City of Portland that Rincon will perform all utility constriction work within the city's ETJ in accordance with the city's standards. Rincon has examined the City of Portland's ETJ and has determined that the NBT project is located within Portland's ETJ.

Moreover, in order to provide quality assurance and compatibility with Rincon's existing facilities, all materials and equipment are subject to Rincon's specifications and must be purchased by and through the contractor that Rincon selects. Upon completion of the engineering design and bid documents, Rincon will propose the construction project for bid and the final selection of the construction contractor is made by Rincon, not the project developer. Moreover, the winning bid is the one that provides the best value to Rincon and its members, not necessarily the lowest bid. Finally, obtaining permits for road and highway crossings is the responsibility of Rincon and its engineer since the crossings must be designed by a licensed engineer. Therefore, the proposed bidding and engineering procedures listed by NBT in the Complaint are unwarranted and are contrary to Rincon's tariff and its discretion to manage and operate its business in the manner it chooses.


IV. Conclusion and Request for Relief

Based on the above facts, the Complaint is jurisdictionally defective because it fails to specifically allege a violation of any law, rule, order or provision of Rincon's tariff. Moreover,

Rincon has at all times treated NBT professionally and reasonably, with due diligence, and in accordance with Rincon's tariff, especially given the numerous project changes made by NBT. Accordingly, NBT's Complaint should be summarily dismissed and no remedial action should be ordered by the Commission.

Nevertheless, Rincon stands ready to discuss this matter with NBT and Rincon will do whatever it can, subject to the terms and conditions of its tariff, to accommodate the needs of NBT for its project in as expeditious a time frame as possible.

Respectfully submitted,



Stephen C. Dickman
State Bar No. 05836500
Law Office of Stephen C. Dickman
6005 Upvalley Run
Austin, Texas 78731
Telephone: (512) 922-7137
Facsimile: (512) 454-8495
Email: sdickmanlaw@att.net
ATTORNEY FOR RINCON WSC

CERTIFICATE OF SERVICE

The undersigned hereby certifies 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 on February 26, 2021 in accordance with the Order Suspending Rules issued in project No. 50664.



Stephen C. Dickman



RINCON WATER SUPPLY CORPORATION

P.O. DRAWER 7 TAFT, TEXAS 78390

(361) 528-3969 PWS ID. NO. 205-0078 CCN #11440

rinconwatercorp@gmail.com

Rincon Water Supply Corporation is an Equal Employment Opportunity Employer

Rincon Water Supply Corporation does not discriminate based on sex, religious belief, race, national origin, or ethnic background

TARIFF

RULES AND REGULATIONS

ADOPTED BY THE RINCON WATER SUPPLY CORPORATION BOARD OF DIRECTORS MARCH 17, 2020

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Article I. INTRODUCTION

Section 1.01 ORGINIZATION

- (a) Rincon Water Supply Corporation (also referred to as “Corporation,” “Rincon WSC,” or “RWSC”) is a non-profit water supply Corporation incorporated pursuant to the provisions of the water supply/sewer service Corporations act, article 1434a, Texas revised civil statutes (annotated), and the Texas non-profit Corporation act, Texas revised civil statutes, article 1396-1.01, et seq., for the purpose of providing water supply to a rural area, and operating under Chapter 67 the Texas water code.
- (b) Membership in the Corporation and associated water supply service is provided to all applicants who comply with the provisions of these *rules and regulations (rules)*, regardless of race, creed, color, national origin, age, gender, or marital status.
- (c) The RWSC Tariff (*rules and regulations*) contained herein apply to the provision of water service by Rincon Water Supply Corporation, and the conditions and requirements under which this service may be provided. Failure on the part of the customer, consumer, or applicant to observe and follow the rules, regulations, and policies of Rincon WSC, including those outlined within these *rules*, after due notice of such failure, gives the Corporation immediate authority to deny or to discontinue the furnishing of water service, and to impose such fees and penalties as approved by the board of directors.

Section 1.02 GOVERNANCE AND ADMINISTRATION OF THE CORPORATION

- (a) Rincon Water Supply Corporation is governed by a seven-member board of directors. The board members are elected by the members of the Corporation. The board is responsible for the adoption of the Corporation’s rules, regulations, and policies. The regular board meeting of the board of directors is normally held once per month, and other special board meetings may be set as deemed necessary by the board. A once-per-year annual membership meeting is also held by the board of directors.
- (b) Rincon Water Supply Corporation has adopted various other policies to cover the sundry aspects of the Corporation, and such policies may be amended from time to time. These policies are on file for inspection in the office of the Corporation.
- (c) Rincon Water Supply Corporation employs a general manager to administer the day-to-day operations of the Corporation, and he/she reports to the board of directors. The general manager is responsible for overseeing all Rincon WSC office and field operations and for supervising, hiring, evaluating, and terminating other Corporation employees. All Rincon WSC employees fall under the purview of the Corporation’s *personnel policies* (as amended), as approved by the board of directors.
- (d) In addition to the regular employees of the corporation, consultants are hired by the board of directors, on an as-needed basis, to provide engineering, auditing, and legal services. The general manager interfaces with these consultants on an as-needed basis.

- (d) The subsequent user shall be required to pay a subsequent user fee equal to the total number of EDU's requested by the subsequent user, multiplied by the cost-per-EDU.
- (e) Any water main or water service that is connected to the oversized facilities for provision of service to another development or a unit or units outside of the original development area shall be subject to payment of subsequent user fees. Connections other than the above are not subject to subsequent user fee reimbursement if they are made within the development area. Connections made to the oversized facilities by the Corporation are not subject to subsequent user fee reimbursement.
- (f) No connection shall be made to any oversized facilities which would result in exceeding the capacity of such facilities.

Section 3.06 Development Project Procedures

(a) Criteria for approval or disapproval and right of access/easements

- (i) No project shall be considered for a development area for construction and final approval unless it meets the criteria imposed by San Patricio county and Rincon Water Supply Corporation, including payment of all related fees and charges, and the project must successfully complete the stages of project completion.*
- (ii) Throughout this subsection, when the Corporation's board of directors has authority to disapprove a proposed development project, said disapproval may be made only because of detrimental engineering, economic, and/or operational impact of the proposed project on Rincon WSC water system, and not for aesthetic or other related purposes.*
- (iii) The board of directors may vote to withdraw a prior stage approval of a project development if such approval was based on written statements/commitments regarding the project development made by the developer or representative of the developer, and if such developer or representative has failed to timely comply with such written statements/commitments.*
- (iv) In the event the general manager determines that a developer has failed to timely comply with a prior written statement or commitment, a written notice, by both certified and regular mail, shall be submitted to the developer within five (5) days of the determination by the Corporation's general manager that a failure to comply has occurred. The developer shall then have ten (10) days to comply with the written statements/commitments and to respond to the Corporation's notice. The board of directors may discuss this item at a regular or special meeting of the board, and a decision as to the continuation or withdrawal of approval shall be made by the board of directors, and a letter shall be submitted to the developer informing him/her of the board's decision.*
- (v) If the board of directors withdraws approval of the project and if construction activities are underway, then such activities shall be halted until the developer has complied with his written statement or commitment.*

- (vi) As a public water supply agency engaged in activities that affect the health and welfare of the residents of its service area, Rincon Water Supply Corporation has a right to access its facilities, with both personnel and equipment, for the reasonable performance of repair, maintenance, and operational duties, and this right of access shall not be abridged by any citizen or property owner.*
- (vii) The Corporation shall also have the authority to require easements for its facilities from developers developing land within the Rincon WSC service area boundaries - both on property owned by the developer that is under the process of project approval and on other property owned by the developer within the Corporation's service boundaries. Easements required in conjunction with the developer's project shall be granted at no cost to Rincon Water Supply Corporation. A request for an easement or easements may be made by the board of directors, the RWSC general manager, or the RWSC consulting engineer, and shall be submitted during Stage I or Stage II of the project development process. The easement(s) shall be finalized prior to the granting of Stage III approval by the board of directors.*
- (viii) Additionally, the developer shall obtain all necessary easements for any facilities, to be constructed by the developer, that are to be installed on property not owned by the developer, and these easements - or a letter of intent to furnish such easement or easements (as provided by the owner of the property) - shall be submitted by the developer to the Corporation prior to the board of directors' consideration of Stage III approval.*
- (ix) As part of the development process, the developer shall have the easement prepared per the directions of Rincon Water Supply Corporation, and shall submit it to the Corporation and such approved easement(s) shall be recorded on the final plat and/or filed in the San Patricio county courthouse as required. All costs associated with the preparation of the easement(s) shall be borne by the developer.*

Section 3.07 Stages of Project Completion

(a) Stage I. Project Feasibility

- (i) The costs for all expenses related to this stage of project, or development completion shall be borne by the developer. No reimbursements shall be made for engineering and legal costs of the developer, unless such reimbursements are for unusual circumstances and are specified in the "project development agreement"*
- (ii) Upon submission of request by a developer, or developer's representative, for the board of director's consideration of Stage I (project feasibility) approval, the developer or developer's representative shall submit a deposit in one of the following amounts, depending on the size of the proposed development:*

1) Development size	Amount of deposit
• 0.1 - 20 acres	\$20,000.00
• 21 - 50 acres	25,000.00
• 51 - 100 acres	30,000.00
• 101 or more acres	35,000.00

(iii) This deposit shall be non-refundable and utilized for payment of the Corporation's consulting engineer's charges for engineering services and for any services performed by a legal consultant or other consultant for work related to the project. Charges will also be assessed for Rincon WSC employees' work related to the development, at the standard hour rate plus ten percent (10%) overhead fees. Any deposit remaining after all charges have been rendered and paid from the deposit by Rincon WSC will be applied to the construction costs. Any charges that are in excess of the deposit will be billed during the Stage IV process and collected prior to initiation of Stage V. Finalization of the project will not occur until all outstanding charges are paid by the developer.

(iv) Each development project shall be reviewed and its feasibility determined based on the merit of that project as such project relates to the Corporation as a whole. The Rincon WSC board of directors shall determine the feasibility of each developer project, and the basis for this determination shall be the submission of the appropriate project feasibility materials, which shall include but not be limited to those listed below:

1) General Information

- **Name of developer and name of developer's representative and address(es) and telephone number(s).**
- **Name of engineering firm and engineer and address and telephone number.**
- **General description of development and its location within the Rincon Water Supply Corporation.**
- **Are there any easements required?**

2) A map or drawing showing location of project, with:

- **Number and size of lots**
- **Type construction (residential - single-family or multi-family, or commercial, etc.)**
- **General layout and size of water mains**
- **Other water system facilities**

3) Maximum and average water demands:

- **Number of Equivalent Dwelling Unit's**

- *Flow requirements*
 - *Computer model (performed by RWSC engineer)*
- 4) *Letter of recommendation from the general manager, which shall include:*
- *Compatibility statement - relating to the comparison of the development with the policies of the Corporation and a comparison with existing or in-process developments,*
 - *Capacity statement - relating to the demands of the project and the effect upon the existing RWSC customers and services,*
 - *Over-sizing statement - relating to the necessity for any facilities over-sizing to be completed by the developer, and*
 - *Concluding recommendation - relating to the general manager's positive or negative recommendation concerning the proposed development.*
- 5) *Each project shall be considered in the order as received and recorded in the Corporation office, and a project number (year-month-project) shall be issued to each project. In order to be considered by the board of directors on the date of their regular monthly meeting, Stage I materials must be received by the general manager at least twenty (20) days prior to the board meeting that the Stage I materials are to be considered by the board. (Note: this item may not be placed on the agenda if the stage I materials are not received as specified above).*
- 6) *After reviewing the project feasibility materials and considering any additional oral representations or other information concerning a project presented to the board at a regular meeting or special meeting, the board of directors may:*
- *Vote to approve the feasibility of the project and allow the project to proceed into Stage II;*
 - *Vote to disapprove the feasibility of a project;*
 - *Vote to table approval of the feasibility of the project until further information is provided by the developer or Rincon WSC staff or consultants to answer material concerns raised by the board;*
 - *Vote to conditionally approve the project feasibility subject to such changes, additions, and modifications to the project including but not limited to, oral and written representations about the project made by the developer at the board meeting, which the board of directors deems material to the Corporation's ability to meet its obligations to the project and/or other areas of Rincon Water Supply Corporation.*

- 7) *Projects which are disapproved may be reconsidered by the board of directors upon a significant change of facts pertaining to the project. A new set of "project feasibility materials" must be submitted to the general manager for those projects to be reconsidered by the board. Initial submittals or reconsideration submittals of project feasibility materials should be submitted to the general manager at least fifteen (15) days prior to the date of the board meeting in which the materials will be considered by the board of directors. (Note: the related agenda item may not be placed on the agenda if these materials are not received by the specified day and time).*
- 8) *If the board votes to approve or conditionally approve a project's feasibility, the project may advance to Stage II of the development process.*

(b) Stage II. Preliminary Plat and Utility Plans

- (i) *The cost for all expenses related to this stage of the development process shall be borne by the developer.*
- (ii) *Stage iii shall consist of, (1) approval by the board of directors of the developers final plat, or record plat; (2) the submittal of all necessary easements; (3) the submittal of an acceptable letter of credit by the developer, in an amount equal to the estimated cost of the proposed water system improvements, including engineering and inspection fees; and, (4) the execution of a project development agreement by the Corporation and the developer.*
- (iii) *For approval of a project's final plat, the developer must file the final or record plat, and if applicable, a written statement by the developer accepting and agreeing to such additional features or attributes to the project not shown on the final plat or associated utility plans which are made part of a conditional approval of the project in either Stage I or Stage II of these rules and regulations. Such items, as described in the preceding, shall be filed in the office of the general manager not less than thirty (30) days prior to the meeting at which these items may be considered. (Note: the related agenda item will not be placed on the agenda if these materials are not received by the specified day and time). The plans shall be reviewed for correlation with the corporation's water system and compliance with related standards, and associated recommendations will be prepared by the RWSC engineer and the general manager.*
- (iv) *In addition to the letter of credit, the developer and the Corporation shall enter into a "project development agreement". This agreement shall act as a formal contract by and between RWSC and the developer whereby each party agrees to the project development policy in effect on the date of the approval of that particular project, and the developer assures the Corporation of compliance with all applicable rules and regulations and requirements of Rincon Water Supply Corporation and San Patricio county; moreover, the project development agreement shall include a covenant by the developer to comply with any and all representations of features or attributes of the project made to the board of directors by the developer, which are deemed material to the Corporation's ability to meet its obligations to the project as completed and/or to other areas of Rincon Water Supply Corporation, and which are made part of a conditional approval of the project in Stage 1 and/or Stage II of this subsection of this document (rules and regulations).*

- (v) *Upon successful completion of all requirements of this stage, including payment of all related costs and charges, the project may advance to stage III.*

(c) Stage III. Construction of Project Improvements

- (i) *The cost for all expenses related to this stage of the development process shall be borne by the developer.*
- (ii) *A pre-construction meeting shall be held between the Corporation's representative(s) and project contractor's representative(s) approximately ten (10) working days, and no less than five (5) working days, prior to commencement of construction activities within the development area. Notification of any contractor disruption of district services (e.g., water shut-off, etc.) shall be delivered to the general manager or other designated RWSC employee no less than seventy-two (72) hours prior to the service disruption.*
- (iii) *An employee(s) of Rincon Water Supply Corporation shall make daily inspections of work in progress. Periodic inspections may be made by the Corporation's engineer, and special inspections and special tests shall be made as required. The costs for inspections and tests completed by the RWSC engineer and those special tests and inspections required by the project shall be billed to the developer at Corporation cost. All standard inspections and tests shall be covered under a "standard inspection and test fee," which shall be calculated as one-half of one percent (0.5%) of the total costs of water system installations. A billing for these inspections and tests shall occur at 50% and 100% of construction completion. Before the final acceptance of construction is granted, the costs of engineering review and all inspections and tests shall be paid to RWSC by the developer.*
- (iv) *Prior to the final acceptance of the project, the Corporation's general manager and the Corporation's engineer shall prepare a "final check list" related to the project and shall verify the following:*
 - 1) *All construction items shall be in compliance with the plans and change orders of the project;*
 - 2) *All inspections and tests shall be satisfactorily completed;*
 - 3) *All charges and fees shall be paid by the developer;*
 - 4) *Three sets of as-built plans of all facilities, along with one set of reproducible as-built plans, shall be furnished to RWSC at the expense of the developer;*
 - 5) *That the developer has complied with all other terms and provisions of the project development agreement (PDA). The RWSC engineer shall also certify that all items have been completed per the requirements of Rincon Water Supply Corporation.*
- (v) *Upon successful completion of all requirements of this Stage IV, as described above and verified by the general manager, and after delivery to RWSC of a copy of the recorded deed restrictions on the lands within the project, the project may advance to Stage IV.*

(d) Stage IV Final Acceptance of Project

- (i) The costs for all expenses related to this stage of the development process shall be borne by the developer.*
- (ii) After all approved off site and/or on site system improvements have been constructed, including all oversized facilities, and released for acceptance for permanent maintenance by the Corporation, Rincon Water Supply Corporation shall be furnished with conveyance instruments, transferring title to RWSC, of all property, right-of-way, equipment and facilities installed as a part of the project system improvements.*
- (iii) After receipt of the materials listed above, the RWSC general manager shall submit, to the board of directors, a "conveyance instrument" executed by the developer. The general manager shall provide his/her associated recommendation regarding the project. The board of directors shall vote on the acceptance of the completed project at a regular or special meeting of the board.*
- (iv) The conveyance of title to Rincon Water Supply Corporation, the payment of all related charges associated with the project by the developer, and the board of directors' positive vote concerning the project shall constitute final acceptance of the project by Rincon Water Supply Corporation and shall end the development process for the project under that particular development agreement*

Section 3.08 Developments within City Limits or Extraterritorial Jurisdiction of a City

- (a) In addition to the above, If the development project occurs inside a City Extraterritorial Jurisdiction (ETJ) or proposed Extraterritorial Jurisdiction the following will apply**

(i) Design and construction of developments are under the authority of the City.

- 1) If required the subdivision must be approved by the City prior to any design and/or construction activities commence.**
- 2) If required, subdivision development, or service connection design and construction may be under the inspection of the City to assure adherence with sub-division standards and policies.**

(ii) Unless approved by the Corporation's Board of Directors, all new development within the area of the Corporation's authorized Certificate of Public Convenience and Necessity (CCN) shall connect to the Corporation's water system and provide adequate potable water for domestic water use and fire protection.

1) Standards

- ❖ The developer shall install adequate water appurtenances (including valves, fittings, and fire hydrants), subject to Corporation and State specifications. All water mains shall be looped and sized in accordance with the Rincon Water Supply Corporation Standards, Specifications and Details.
- ❖ Subdivisions with tracts of five (5) acres or less are presumed to be residential developments unless the land is restricted to nonresidential uses on the final plat and all deeds and contracts for deeds. The

Article IV. PROVISION OF WATER SERVICE

Section 4.01 Service Entitlement

- (a)** Rincon Water Supply Corporation is the sole retail potable water provider within its CCN(s) (certificate of convenience and necessity), and shall have the ability to exert control over retail potable water service within its water service boundaries.
- (b)** An applicant applying for Corporation membership shall be considered fully qualified and entitled to water service when proper application has been made, terms and conditions of service provision have been met, and all fees, deposits, and charges have been paid as prescribed by these *rules and regulations* (RWSC Tariff). Additionally, a "customer service inspection" (CSI) shall be required for all new water service connections, service transfers, service disconnect/reconnect, including non-pay disconnect/reconnect, prior to receiving permanent water service from Rincon WSC and in accordance with the Corporation's *cross-connection control program*. Further, all new water service connections, service transfers, or if service has been discontinued, including non-pay disconnect, and re-connection is desired the applicant shall at his/her expense have installed and tested, within a time period of not more than 30 days, by a licensed installer, a back flow prevention device as determined by the Corporation's General Manager within 18" of the meter with no connections between the meter and the back flow prevention device as per the Corporation's Cross-connection Control Policy (section 7&8).
- (c)** Service entitlement (membership) shall only remain in effect when the conditions described in subsection 4.01.b are constant and valid.

Section 4.02 Application For Service

- (a)** Any person providing a valid form of identification (Texas drivers license, drivers license from state other than Texas, or other similar form of identification -- with picture of applicant), and be a property owner (indicated by providing a copy of the deed to the property) within the RWSC service area, may file an application for service to that property and seek to become a member (customer) of Rincon WSC. All applications for service will be made on the Corporation's *Service Application and Agreement (Appendix 1&2)* form and will be signed by the applicant before membership is approved and water service is provided by Rincon Water Supply Corporation. Additionally, anyone who is qualified to be a member and requests water service form the corporation must provide an easement in the name of Rincon Water Supply Corporation to allow extension of water lines across the applicant property if necessary. (Appendix 3)
- (b)** Service to newly developed subdivisions:
 - (i)** *No application for service in a subdivision (development area) shall be approved unless the developer of the subdivision has fully complied with all the requirements of Article 3 ("project development policy") of these rules, including, without limitation, payment of all charges and fees owed by the developer.*
 - 1)** *If two or more meters are used to provide water service to a single contiguous tract of land, the Corporation shall not transfer one or more of the service deposits, if such service transfer will result in service to a subdivided tract of land where all the requirements of Article 3 have not been satisfied.*

- 2) *An applicant must provide information showing compliance with all county ordinances applicable to subdivisions. This information shall include a copy of the recorded deed conveying the property to the applicant and a copy of the recorded plat depicting the property.*
- (ii) *Upon transfer of title to property, the new owner(s) must comply with the "one dwelling per meter policy" contained in these rules. If additional service connections are required, the transfer applicant must pay for the corresponding number of connection fees, membership fees (deposits), and all other associated charges.*

Section 4.03 Requirements For Service

- (a) The Corporation's *Service Application and Agreement (Appendix 1&2)* Form shall be completed in full and signed by the applicant. The applicant will also be responsible for having a "customer service inspection" (Appendix 5) and Back Flow prevention device installed (Appendix 4) (Cross-Connection Control Policy section 7&8). The applicant shall provide proof of ownership, (usually by providing a copy of the executed deed) or other legal right to occupy property for which service has been requested.
- (b) The applicant will bear the responsibility for obtaining a "Customer Service Inspection" (CSI) within 30 calendar days of the date of service application. This inspection shall be conducted by a licensed Customer Service Inspector or a licensed Water Supply Protection Specialist upon application for service, new service, service transfer, following plumbing upgrade of residence or business, sale or transfer of property ownership, or following account closure due to non-pay or abandonment. The applicant shall bear the responsibility for the expense of the inspection and all associated upgrades or repairs to the plumbing system required for compliance. The inspector shall use the Texas Commission on Environmental Quality approved form provided by RWSC for the inspection and shall provide the original, indicating a satisfactory inspection, to Rincon Water Supply Corporation before continuous water service may be initiated. Further the applicant shall be responsible for the installation of an approved shut off valve located on the customer side of the meter within 18" of the meter as described in Section 5.04 of this document. Additionally, the applicant shall bear the responsibility and cost for the installation and testing of an approved backflow prevention device to be installed within 18" of the water meter and within 30 calendar days of the application for service. The installation shall be completed by a qualified person and the testing shall be completed by a TCEQ approved, licensed and qualified tester in accordance with the Rincon Water Supply Corporation's Cross-connection Control Program. The BPAT Inspector shall use the TCEQ approved form, and return the completed original to RWSC for filing.
- (c) For application purposes, acceptable forms of identification would be a driver license or Texas identification card issued by the department of public safety. If the membership fee (deposit) is going to be in the name of a Corporation or other similar entity, the applicant's signature will also contain the testimony that the applicant is an authorized agent of that Corporation or entity.
- (d) All service applications approved and cost of service fees charged by the Corporation shall be presented to the applicant in writing, and shall be valid at such time that the application is processed.