



## **Filing Receipt**

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**DOCKET NO. 55028**

**APPLICATION OF DRIFTWOOD  
WATER CONSERVATION, LLC FOR  
AN EXEMPT UTILITY  
REGISTRATION**

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**PUBLIC UTILITY COMMISSION  
  
OF TEXAS**

**NOTICE OF APPROVAL**

This Notice of Approval addresses the application of Driftwood Water Conservation, LLC for an exempt utility registration. The Commission issues exempt utility registration number N0084 to Driftwood.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. Driftwood is a Texas limited liability company registered with the Texas secretary of state under file number 0804754749.
2. Driftwood does not currently provide retail water service to any customers.
3. Once operational, Driftwood will own and operated for compensation in Texas equipment or facilities for the transmission, storage, distribution, sale, or provision of potable water to the public.

**Application**

4. On May 22, 2023, Driftwood filed the application at issue in this proceeding, in which it seeks to be registered by the Commission as an exempt utility.
5. On July 27, August 24, October 30, and December 22, 2023, and January 29, 2024, Driftwood filed corrections and supplemental information for the application.
6. In Order No. 4 filed on September 6, 2023, the administrative law judge (ALJ) found the application administratively complete.

**Notice**

7. On September 12, 2023, Driftwood filed the affidavit of Victoria Cox, member of Driftwood, attesting that Driftwood provided notice of the application, on September 12, 2023, to the Guadalupe-Blanco River Authority.
8. On October 30, 2023, Driftwood clarified that it has no current customers, and therefore there are no customers to which notice needed be provided.
9. In Order No. 6 filed on November 27, 2023, the ALJ found notice sufficient.

**Evidentiary Record**

10. In Order No. 7 filed on January 25, 2024, the ALJ admitted the following evidence into the record of this proceeding:
  - a. Driftwood's application filed on May 22, 2023;
  - b. Driftwood's response to Order No. 2 filed on July 27, 2023;
  - c. Driftwood's corrected application filed on August 24, 2023;
  - d. Commission Staff's recommendation on administrative completeness filed on September 5, 2023;
  - e. Driftwood's supplemental filing filed on September 12, 2023;
  - f. Driftwood's supplemental filing filed on October 30, 2023;
  - g. Commission Staff's recommendation on sufficiency of notice filed on November 21, 2023;
  - h. Driftwood's updated tariff filed on December 22, 2023;
  - i. Driftwood's consent form filed on December 22, 2023; and
  - j. Commission Staff's final recommendation filed on January 10, 2023.
11. In Order No. 10 filed on February 13, 2024, the ALJ admitted the following evidence into the record of this proceeding:
  - a. Driftwood's updated exempt utility form filed on January 29, 2024; and
  - b. Commission Staff's response to Order No. 9 filed on February 12, 2024, including the memorandum of Jaspinder Singh.

**Effect on Customers**

12. There are no current customers.

**Certificate Not Required**

13. The water utility at issue in this proceeding will be served by one water well, will have less than 15 potential service connections, and will cover 21 acres.
14. The water utility at issue in this proceeding is not owned by or affiliated with a retail public water utility or any other provider of potable water service.
15. The service area of the water utility at issue in this proceeding is not within the certificated area of another retail public water utility.
16. The service area of the water utility at issue in this proceeding is not within the corporate boundaries of a district or municipality.

**Tariff and Map**

17. On December 20, 2023, Commission Staff emailed its proposed map to Driftwood.
18. On December 22, 2023, Commission Staff emailed its proposed tariff to Driftwood.
19. On December 22, 2023, Driftwood filed its consent to the proposed map and tariff.

**Informal Disposition**

20. More than 15 days have passed since the completion of the notice provided in this docket.
21. No person filed a protest or motion to intervene.
22. Driftwood and Commission Staff are the only parties to this proceeding.
23. No party requested a hearing, and no hearing is needed.
24. Commission Staff recommended approval of the application.
25. This decision is not adverse to any party.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. The Commission has authority over the application under Texas Water Code (TWC) §§ 13.041, 13.242(c), and 13.250.

2. Once operational, Driftwood will be a utility or water utility as those terms are defined in TWC § 13.002(23) and 16 Texas Administrative Code (TAC) § 24.3(38).
3. Driftwood qualifies as an exempt utility under TWC § 13.242(c) and 16 TAC § 24.229(e).
4. The Commission processed the application in accordance with the requirements of the APA,<sup>1</sup> the TWC, and Commission Rules.
5. Driftwood provided reasonable notice in accordance with 16 TAC § 22.55.
6. Under TWC § 13.242(c) and 16 TAC § 24.229(e), Driftwood is not required to obtain a certificate of convenience and necessity to provide water service.
7. Driftwood's application was processed in accordance with the requirements of TWC § 13.242(c) and 16 TAC § 24.229(e).
8. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

### **III. Ordering Paragraphs**

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

1. The Commission issues exempt utility registration number N0084 to Driftwood for water service in Hays County as shown on the map attached to this Notice of Approval.
2. The Commission approves the map attached to this Notice of Approval.
3. The Commission approves the tariff attached to this Notice of Approval.
4. Driftwood must comply with the service rule requirements in the Exempt Utility Tariff Form prescribed by the Commission.
5. Driftwood must provide a copy of the tariff approved in this Notice of Approval to each future customer at the time service is requested and upon request to each current customer.
6. Driftwood must maintain a copy of the tariff approved in this Notice of Approval at its business location.

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<sup>1</sup> Administrative Procedure Act, Tex. Gov't Code §§ 2001.001-.903.

7. Driftwood may not change the rates charged under exempt utility registration number N0084 unless the procedures outlined in 16 TAC § 24.229(e)(7)(B) are followed.
8. Driftwood must not cease operations under exempt utility registration number N0084 unless it obtains written authorization from the Commission.
9. Within 10 days of the date this Notice of Approval is filed, Commission Staff must provide the Commission with a clean copy of the approved exempt utility water tariff to be stamped *Approved* and retained by Central Records.
10. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

**Signed at Austin, Texas on the 13th day of February 2024.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
\_\_\_\_\_  
**HUNTER BURKHALTER**  
**CHIEF ADMINISTRATIVE LAW JUDGE**

PUCT Docket No. 55028  
Driftwood Water Conservation, LLC  
Exempt Water Utility  
Exempt Utility Registration No. N0084  
Hays County



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

**Exempt Water Utility**

 N0084 - Driftwood Water Conservation LLC

**Water CCN**

 13254 - Aqua Texas Inc

0 125 250  
Feet



Map by: Komal Patel  
Date: October 11, 2023  
Project: 55028DriftwoodWC.mxd

# Driftwood Water Conservation, LLC

## EXEMPT UTILITY INFORMATION FORM

01/01/2024

Effective Date

Driftwood Water Conservation, LLC

(512) 256-5676

(Water system Name)

(Phone Number)

8940 FM 150

Driftwood

TX

78619

(Utility Address)

(City)

(State)

(Zip Code)

### WATER

Rate Schedule	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
Residential	\$125.00 <u>(INCLUDING 0 GALLONS)</u>	\$17.25 per 1000 gallons
Commercial/Tenant	\$125.00 <u>(INCLUDING 0 GALLONS)</u>	\$17.25 per 1000 gallons

TAP FEE ..... \$750.00

### OTHER EXTENSION FEES

REGULATORY ASSESSMENT ..... 1.0%

A REGULATORY ASSESSMENT EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY. MUST BE COLLECTED FROM EACH RETAIL CUSTOMER.

### RECONNECTION FEE

THIS RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non-payment of bill (not to exceed \$25 without justification) ..... \$25.00
- b) Customer's request ..... \$50.00
- c) Other Reasons (specify) .....

LATE CHARGE ..... 10%

For bill not received by due date

RETURNED CHECK CHARGE ..... Per Bank Charge \$35.00

CUSTOMER DEPOSIT ..... \$0.00

METER TEST FEE (Not to exceed \$25) ..... \$25.00

The attached Service Rules are part of the tariff.

CUSTOMER NOTICE: TI-ES UTILITY SERVICE PROVIDER IS EXEMPT FROM MANY OF THE REQUIREMENTS FOR UTILITIES, BUT IT STILL MUST COMPLY WITH THESE SERVICE RULES. THE COMMISSION WILL NOT REVIEW RATE CHANGES UNLESS PROTESTED BY AT LEAST 50% OF THE CUSTOMERS WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THE RATE CHANGE.

## REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES

### **Rate Changes**

Rates can be changed no more than once per year without the approval of the commission. Customers will be given a notice of rate change which states the effective date of the rate change, the old rates, the new rates, the commission's address and a statement that written protests can be submitted to the commission.

### **Application for and Provision of Water Service**

All new applicants will be given a copy of this Exempt Utility Tariff.

Where service has been disconnected for nonpayment of a bill, service will be reconnected within one working day after the customer has met the requirements for reconnection.

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

### **Refusal of Service**

This exempt utility is **not required** to have a designated service area and is **not obligated** to serve every applicant for service but is required to provide service in a nondiscriminatory manner.

### **Customer Deposits**

Refund of deposit - If service is not connected, or after permanent disconnection of service to a customer, the utility will promptly refund, within 30 days, the customer's deposit or the balance, if any, in excess of the unpaid bills for service furnished.

### **Meter Requirements, Readings, and Testing**

One meter or connection may be required for each customer. The exempt 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 a test of the accuracy of the customer's meter. The test may be made using a container of known volume.

A meter test will cost \$ **50.00** Following the completion of any requested test, the utility will promptly advise the customer in writing of the results. If the meter is in error by more than 3% the meter should be replaced at the utility's expense. Meters will be read at MONTHLY (preferably monthly) intervals.

### **Billing**

Bills from the utility will be mailed at intervals specified in the service agreement. 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, is not received at the designated payment location 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 work day after the due date.

### **Late Fee**

A late penalty may be charged (if listed on the tariff) on bills received after the due date. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide the following information (at a minimum): The total amount due for water service, the due date of the bill and a telephone number (or numbers) for customers to call if they have questions.

### **Metered Service**

If service is metered the bill must also state the date and reading of the meter at the beginning and end of the period for which the bill is rendered, and the numbers of gallons consumed.

### **Service Disconnection and Disputed Bills**

If a customer or applicant for service files a complaint about all or a portion of the bill, the utility will promptly investigate the matter and advise the complainant of the results. Service may 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/she has recourse through the Public Utility Commission of Texas complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

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

The exempt utility is encouraged, **but not required**, 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 disconnection has been given.

Notice of disconnection must be a separate mailing or hand delivery.

Utility service may also be disconnected without notice if an imminent hazard to the utility system exists.

The utility is required to reconnect service after a customer who has been disconnected for nonpayment pays a delinquent bill and any other applicable fees in accordance with this tariff and any applicable service agreement. The utility may permanently disconnect service to an existing customer only if authorized to in writing by commission and after notice has been issued.

**Reconnection of Service**

Service will be reconnected within 24 hours, unless otherwise stated on the service agreement, after the past due bill, reconnection fee and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

**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.

**Quality of Service**

The utility will provide properly treated and disinfected water and facilities with sufficient pressure and capacity for reasonable consumer uses unless otherwise stated on the service agreement.

**Standard Extension Requirements**

All practices and policies related to the extension of service to new applicants or restoration of service must be reasonable and nondiscriminatory.

**Specific Utility Rules**

(May not conflict with commission required rules. Attach additional pages if needed.)

Driftwood Water Conservation, LLC

**WATER SERVICE APPLICATION/AGREEMENT**

Date: \_\_\_\_\_

Exempt Utility Name	<u>Driftwood Water Conservation, LLC</u>
Business Address	<u>8940 FM 150</u>
Street . State. Zip	<u>Driftwood, Texas 78619</u>
(AC) Telephone	<u>(512) 256-5676</u>

**APPLICATION FOR WATER SERVICE**

Name of Applicant/Customer: \_\_\_\_\_

Service Location: \_\_\_\_\_

Billing Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

**Check Applicable Items:**

Residential  Owner       Commercial  Tenant

The Exempt Utility agrees to sell and deliver water to the Applicant and the Applicant agrees to purchase and receive water from the Utility in accordance with the rules and regulations required by the Public Utility Commission of Texas which are included in its Exempt Utility Tariff and any other rules or requirements contained in this agreement.

Water will  will not  be disinfected.      Water will  will not  be measured by meters which are furnished, installed, owned and maintained by the Utility. The meter and/or connection is for the sole use of the Applicant/Customer to serve water to one dwelling, business or property. The Applicant/Customer shall not share, resell, or submeter water to any other dwelling, business, property, etc., without the specific written authorization of the Utility and in compliance with applicable laws and regulations.

The Utility has the right to locate a water service meter/connection and the pipe necessary to connect the meter to the utility's water main on the property of the Applicant at a point mutually agreeable to both the Utility and the Applicant. The Applicant/Customer will allow the Utility access at all reasonable times to its property and equipment located upon Applicant/Customer's premises for the limited purposes of reading the water meter, repairing or replacing existing facilities and the inspection of the Applicant/Customer's facilities to check for illegal connections or unsafe plumbing practices or cross-connections, in compliance with the requirements of the Texas Commission on Environmental Quality's "Rules and Regulations for Public Water Systems."

The Applicant will install, at his own expense, a service line from the water meter/connection to the Applicant's point of use which includes  /does not include  a cutoff valve on the Applicant's side of the water meter/connection. The Applicant/Customer will be responsible for maintenance and repair of the Applicant/Customer's service line. The Applicant/Customer shall hold the Utility harmless from any and all claims or demands for damage to real or personal property occurring from the point the Applicant/Customer ties on the water meter/connection to the final destination of the line installed by Applicant/Customer.

## Driftwood Water Conservation, LLC

The Applicant agrees to grant to the utility an easement/right-of-way for the purpose of installing, maintaining and operating such pipe lines, meters, valves, and any other equipment which may be deemed necessary for the provision of Utility service to that Applicant/Customer. The utility will attempt to restore the Applicant/Customer's property to its original condition after installation or repairs. This easement may be in such form as is required by the utility. The Applicant/Customer agrees not to interfere with the utility's employees in the discharge of their duties. The Applicant/Customer will not permit anyone except the utility's employees to tamper with or interfere with any of the utility's equipment installed on the Applicant/Customer's premises.

### Non-standard Service

Will the Applicant's use of water place unique, non-standard service demands upon the system or require any

special facilities?      \_\_\_\_\_ No      \_\_\_\_\_ Yes. If yes, please describe:

[Note: Non-Standard water/sewer service may be provided by Driftwood Water Conservation, LLC, at customer cost.]

### OTHER AGREEMENTS OR REQUIREMENTS FOR SERVICE

The service applicant has been provided a copy of the utility's exempt utility tariff and agrees to pay the rates in the tariff and abide by the requirements in this service agreement. This utility is exempted from most of the requirements for water utilities as long as service is provided in accordance with the exempt utility tariff. The commission will not review rate changes by the utility unless it receives written protests from at least 50% of the customers within 90 days after the effective date of a rate change.

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Signature of Applicant or Customer Date

\_\_\_\_\_ Tap Fee Collected      \_\_\_\_\_ Deposit Collected

Service will be connected at the service location on or about \_\_\_\_\_ 20\_\_\_\_\_

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Utility Representative Date

