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DOCKET NO. 55028

APPLICATION OF DRIFTWOOD	§	PUBLIC UTILITY COMMISSION
WATER CONSERVATION, LLC FOR	§	
AN EXEMPT UTILITY	§	OF TEXAS
REGISTRATION	§	

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND NOTICE AND PROPOSED PROCEDURAL SCHEDULE**

On May 22, 2023, Driftwood Water Conservation, LLC (Driftwood) filed an application for an exempt utility registration in accordance with Texas Water Code § 13.242(c) and 16 Texas Administrative Code (TAC) § 24.229(e). Driftwood filed supplemental information on July 27, 2023, and August 24, 2023.

On August 23, 2023, the administrative law judge (ALJ) filed Order No. 3, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file comments regarding the administrative completeness of the application and notice, how the application should be processed, and propose a procedural schedule, if necessary, by September 5, 2023. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum of Jaspinder Singh, of the Commission's Infrastructure Division, Staff has reviewed the application and recommends that it be found administratively complete and accepted for filing under 16 TAC §§ 24.229. Staff also suggests that Driftwood be required to provide notice as specified in Mr. Singh's memorandum.

II. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule for further processing of this docket:

Event	Date
Deadline for Driftwood to file with the Commission signed affidavits that the notice was given along with a copy of the notice sent to the affected parties	October 10, 2023
Deadline for Commission Staff to file a recommendation on sufficiency of notice	Within 10 days of Driftwood filing proof of notice with the Commission
Deadline to intervene	30 days after last date notice is issued

III. CONCLUSION

For the reasons stated above, Staff recommends that the application be deemed administratively complete and requests an order be issued consistent with the schedule detailed above.

Dated: September 5, 2023

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

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/s/ Kevin Pierce
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CERTIFICATE OF SERVICE

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on September 5, 2023, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Kevin Pierce
Kevin Pierce

Public Utility Commission of Texas

Memorandum

TO: Kevin Pierce, Attorney
Legal Division

FROM: Jaspinder Singh, Engineering Specialist
Infrastructure Division

DATE: September 5, 2023

RE: Docket No. 55028 – *Application of Driftwood Water Conservation, LLC for an Exempt Utility Registration*

On May 22, 2023, Driftwood Water Conservation, LLC (Driftwood Water), filed an application for registration of an exempt utility under 16 Texas Administrative Code (TAC) § 24.229(e). The requested area includes 8 connections and that is the maximum number of connections.

Based on the mapping review by Hank Journeay, Infrastructure Division, the revised maps and digital mapping data submitted with Item 5 on July 27, 2023 are sufficient.

- The requested area includes 8 customer connections and approximately 21 acres that is proposed to obtain a new water Exempt Utility Registration Number (N#####).
- The application proposes the addition of approximately 21 acres to obtain a new water Exempt Utility Registration No. (N#####).
- The application does not indicate that the total acreage being requested, however, the mapping review determined the requested area is approximately 21 acres.

Under 16 TAC § 24.229(e), a utility is exempt from the requirement to possess a certificate of convenience and necessity (CCN) in order to provide retail water service if it has less than 15 potential service connections. Based on the information provided, it appears Driftwood Water has less than 15 potential retail water service connections. Driftwood Water asserts there are 8 active water connections.

Based on the mapping review and my technical and managerial review of the additional information filed by Driftwood Water on July 27, 2023, and August 24, 2023, I recommend that the application be deemed administratively complete. A copy of the required customer notice and service rules must be provided to each current customer and to each future customer at the time they connect to the system. I recommend that Driftwood Water be ordered to

provide notice of the application to the existing customers and file in the docket a copy of the signed "Water Service Application/Agreement" from each of the existing customers. I further recommend that Driftwood Water be ordered to do the following:

1. Provide notice of the application by first-class mail to the Guadalupe -Blanco River Authority.

The addresses can be obtained by Driftwood Water from the Water Utility Database at <http://www.puc.texas.gov/watersearch>. District information and addresses can be obtained from the Texas Commission on Environmental Quality's (TCEQ) web site located at <http://www14.tceq.texas.gov/iwud/>.

2. Provide notice using the attached notice forms.
3. Provide a copy of the maps deemed sufficient during administrative review delineating the requested area with the notice.
4. File in the docket a copy of notice and the maps deemed sufficient during administrative review along with the signed affidavit specifying every person and entity to whom notice was provided, and the date that the notice was provided

Driftwood Water Conservation, LLC
EXEMPT UTILITY INFORMATION FORM

01/01/24

Effective Date

Driftwood Water Conservation, LLC
(Water System Name)

(512) 256-5676
(Phone Number)

8940 FM 150
(Utility Address)

Driftwood
(City)

Tx
(State)

78619
(Zip Code)

WATER

RATE SCHEDULE	Monthly Minimum Charge	Gallonage Charge
Residential	\$ 89.59 (INCLUDING 0	GALLONS) \$ 4.20 per 1000 gallons
Commercial / <u>Tenant</u>	\$ 89.59 (INCLUDING 0	GALLONS) \$ 4.20 per 1000 gallons
SEWER: \$ PER 1,000 GALLONS WATER USE		

WATER TAP FEE 750.00

~~SEWER TAP FEE~~

OTHER EXTENSION FEES AT COST

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

THE 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. (Select either \$5.00 or 10%)

RETURNED CHECK CHARGE Per Bank Charge \$

CUSTOMER DEPOSIT \$ 0.00

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

The attached Service Rules are part of this tariff.

CUSTOMER NOTICE: THIS 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.

Driftwood Water Conservation, LLC

(Utility Name)

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.

(Utility Name)

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 Driftwood Water Conservation, LLC
Business Address Street 8940 FM 150
City, State, Zip Driftwood, Texas 78619
(AC)Telephone (512) 256-5676

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.

Signature of Applicant or Customer

Date

\$ _____ Tap Fee Collected

\$ _____ Deposit Collected

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

Utility Representative

Date

Notice to Neighboring Systems, Customers, and Cities

**NOTICE OF APPLICATION OF DRIFTWOOD WATER CONSERVATION, LLC FOR AN
EXEMPT UTILITY REGISTRATION IN HAYS COUNTY, TEXAS**

To: _____ Date Notice Mailed: _____, 20____
(Neighboring System, Landowner, Customer or City)

(Address)

(City State Zip)

Driftwood Water Conservation, LLC has filed an application for registration of an exempt utility under 16 Texas Administrative Code (TAC) § 24.229(e). Under 16 TAC § 24.229(e), a utility is exempt from the requirement to possess a certificate of convenience and necessity (CCN) in order to provide retail water service if it has less than 15 potential service connections. The requested area includes 8 connections and that is the maximum number of connections.

The requested area overlaps the district boundaries of Guadalupe-Blanco River Authority. If this district does not request a public hearing, the Commission shall determine that the district is consenting to the Driftwood Water Conservation, LLC's request to provide retail water/sewer utility service in the requested area.

The requested area includes 8 customer connections, is located approximately 7.4 mile(s) northeast of downtown Wimberly, Texas, and is generally bounded on the north by the intersection of West Farm to Market Road 150 and West Sierra Drive; on the east by Bill Kuykendall Road; on the south by West Farm to Market Road 150; and on the west by West Farm to Market Road 150.

The requested area includes approximately 21 acres that is proposed to obtain a new water Exempt Utility Registration Number (N#####).

The application proposes the addition of approximately 21 acres to obtain a new water Exempt Utility Registration No. (N#####).

See enclosed maps showing the requested area.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date. The letter must include the person's name, address, email address and fax number if applicable.

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

Persons who wish to request a hearing should file the required documents with the:

Public Utility Commission of Texas
Central Records
1701 N. Congress, P. O. Box 13326
Austin, TX 78711-3326

Staff may request additional information regarding your request.

Si desea información en español, puede llamar al 1-888-782-8477.

PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES, AND AFFECTED PARTIES DOCKET NO. 55028

STATE OF TEXAS

COUNTY OF _____

_____ has provided individual notice via first-class mail to the following entities, affected parties, and customers (include a list if more than four):

DATE OF NOTICE

OATH

I, _____, being duly sworn, file this form as _____ (indicate relationship to applicant, that is, owner, member of partnership, title of officer of corporation, or other authorized representative of applicant); that in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the notices given with this application, and have complied with all notice requirements in the application and application acceptance letter; and that all such statements made and matters set for therein are true and correct.

Applicant's Authorized Representative

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

Subscribed and sworn to before me this _____ day of _____, 20____,
to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____