

Buddy Garcia, *Chairman*  
Larry R. Soward, *Commissioner*  
Bryan W. Shaw, Ph.D., *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

January 14, 2009

TO: Persons on the attached mailing list.

RE: Kendall County Utility Co. and Tapatio Springs Service Co., Inc.  
TCEQ Docket No. 2008-0304-UCR; SOAH Docket No. 582-08-2241  
Certificate of Convenience and Necessity Nos. 11904, 12122, and 20698

This letter is your notice that the Texas Commission on Environmental Quality (TCEQ) executive director (ED) has issued final approval of the above-named application. According to 30 Texas Administrative Code (TAC) Section 50.135 the approval became effective on the date the ED signed the approval. A copy of the final approval is enclosed and cites the effective date.

You may file a **motion to overturn** with the chief clerk. A motion to overturn is a request for the commission to review the TCEQ ED's approval of the application. Any motion must explain why the commission should review the TCEQ executive director's action. According to 30 TAC Section 50.139 an action by the ED is not affected by a motion to overturn filed under this section unless expressly ordered by the commission.

A motion to overturn must be received by the chief clerk within 23 days after the date of this letter. An original and 11 copies of a motion must be filed with the chief clerk in person, or by mail to the chief clerk's address on the attached mailing list. On the same day the motion is transmitted to the chief clerk, please provide copies to the applicant, the ED's attorney, and the Public Interest Counsel at the addresses listed on the attached mailing list. If a motion to overturn is not acted on by the commission within 45 days after the date of this letter, then the motion shall be deemed overruled.

You may also request **judicial review** of the ED's approval. According to Texas Water Code Section 5.351 a person affected by the ED's approval must file a petition appealing the ED's approval in Travis County district court within 30 days after the effective date of the approval. Even if you request judicial review, you still must exhaust your administrative remedies, which includes filing a motion to overturn in accordance with the previous paragraphs.

Individual members of the public may seek further information by calling the TCEQ Office of Public Assistance, toll free, at 1-800-687-4040.

Sincerely,

A handwritten signature in cursive script, appearing to read "LaDonna Castañuela".

LaDonna Castañuela  
Chief Clerk

LDC/ms

MAILING LIST

for

Kendall County Utility Co. and Tapatio Springs Service Co., Inc.  
TCEQ Docket No. 2008-0304-UCR; SOAH Docket No. 582-08-2241  
Certificate of Convenience and Necessity Nos. 11904, 12122, and 20698

FOR THE APPLICANT:

Patrick Lindner  
Davidson & Troilo  
7550 West IH-10, Suite 800  
San Antonio, Texas 78229

INTERESTED PERSONS:

Will C. Jones, IV  
The Jones Law Firm  
300 West 6<sup>th</sup> Street, Suite 1400  
Austin, Texas 78701  
*Representing Tapatio Springs HOA  
and Tapatio Ridge HOA*

Eric D. Sherer  
Attorney at Law  
11124 Wurzbach Road  
San Antonio, Texas 78230  
*Representing Ranger Creek HOA*

Michael A. Guevara  
Pardue and Associates  
16047 Fontaine Avenue  
Austin, Texas 78734  
*Representing Ridge View Condominium HOA*

FOR THE EXECUTIVE DIRECTOR:

Shana Horton, Staff Attorney  
Texas Commission on Environmental Quality  
Environmental Law Division MC-173  
P.O. Box 13087  
Austin, Texas 78711-3087

Brian Dickey, Technical Staff  
Texas Commission on Environmental Quality  
Water Supply Division MC-153  
P.O. Box 13087  
Austin, Texas 78711-3087

FOR PUBLIC INTEREST COUNSEL:

Christina Mann, Attorney  
Texas Commission on Environmental Quality  
Public Interest Counsel MC-103  
P.O. Box 13087  
Austin, Texas 78711-3087

FOR THE CHIEF CLERK:

LaDonna Castañuela  
Texas Commission on Environmental Quality  
Office of Chief Clerk MC-105  
P.O. Box 13087  
Austin, Texas 78711-3087

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## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

January 14, 2009

Mr. Patrick Lindner  
Davidson & Troilo  
7550 IH-10 West  
Northwest Center, Suite 800  
San Antonio, Texas 78229

Re: Kendall County Utility Co., Inc., and Tapatio Springs Service Co., Inc., Certificates of Convenience and Necessity Nos. 11904, 12122 and 20698 Order Granting Water and Sewer Rate/Tariff Changes

Dear Mr. Lindner:

Enclosed is a certified copy of an order issued by the Commission approving the rate/tariff changes to Certificates of Convenience and Necessity (CCN) Nos. 11904 and 12122 and sewer CCN No. 20698.

This action is taken under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

Should you have any questions, please contact Ms. Sheresia Perryman by phone at (512) 239-3654 or Mr. Brian Dickey at (512) 239-0936, by fax at (512) 239-6972, by e-mail at [sperryma](mailto:sperryma@tceq.state.tx.us) or [bdickey@tceq.state.tx.us](mailto:bdickey@tceq.state.tx.us), or if by correspondence, include MC-153 in the letterhead address.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Chenoweth".

Todd Chenoweth, Director  
Water Supply Division

TC/SP/BD/as

Enclosure

cc: Mailing List

Mailing List for:  
Kendall County Utility Co., Inc. and Tapatio Spring Service Co., Inc.  
SOAH Docket No. 582-08-2241; TCEQ Docket No. 2008-0304-UCR  
Application Nos. 35933-R, 35934-R and 35935-R

Patrick Lindner  
Davidson & Troilo  
7550 IH-10 West  
Northwest Center, Suite 800  
San Antonio, Texas 78229

Representing Kendall county Utility Co.,  
Inc., and Tapatio Springs Service Co., Inc.

Will C. Jones, IV  
The Jones Law Firm  
300 W. 6<sup>th</sup> Street, Suite 1400  
Austin, Texas 78701

Representing Tapatio Springs Homeowners  
Association and Tapatio Ridge Homeowners  
Association

Eric D. Sherer  
Attorney at Law  
11124 Wurzbach Rd.  
San Antonio, Texas 78230

Representing Ranger Creek Homeowners  
Association

Michael A. Guevara, Attorney  
Pardue and Associates  
16047 Fontaine Ave.  
Austin, Texas 78734

Representing Ridge View Condominium  
Homeowners Association

Shana Horton, Staff Attorney  
TCEQ - MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

Representing the Executive Director of the  
Texas Commission on Environmental  
Quality

Christina Mann  
TCEQ - MC 103  
P.O. Box 13087  
Austin, Texas 78711-3087

Representing the Office of Public Interest  
Counsel



SOAH DOCKET NO. 582-08-2241  
TCEQ DOCKET NO. 2008-0304-UCR  
APPLICATIONS NOS. 35933-R, 35934-R, and 35935-R

APPLICATION OF KENDALL COUNTY § BEFORE THE TEXAS COMMISSION  
UTILITY CO., INC., TO CHANGE ITS §  
WATER RATE/TARIFF IN KENDALL §  
COUNTY, AND APPLICATION OF § ON  
TAPATIO SPRINGS SERVICE CO., INC., §  
TO CHANGE ITS WATER AND SEWER §  
RATES/TARIFFS IN KENDALL COUNTY § ENVIRONMENTAL QUALITY

**ORDER**

Applications by Kendall County Utility Company, Inc., for an increase in its retail water rates and for tariff changes in Kendall County and by Tapatio Springs Service Co., Inc., for an increase in its retail water and sewer rates and for tariff changes in Kendall County, Texas, (Applications) were presented to the Executive Director (ED) of the Texas Commission on Environmental Quality (Commission) for approval, pursuant to section 5.122 of the Texas Water Code (Code). Kendall County Utility Company, Inc., acquired Tapatio Springs Service Co., Inc., after the applications were filed. Therefore, the applications were consolidated for processing. The utilities will be referred to together in this Order as the "Applicant" and the Order shall apply to Kendall County Utility Company, Inc., Tapatio Springs Service Co., Inc. The Applicant provides water and sewer service in Kendall County, Texas, and is a public utility as defined in section 13.002(23) of the Code.

On December 28, 2007, the Applicant filed the Applications with the Commission, which were assigned Application Nos. 35933-R, 35934-R, and 35935-R. Notice of the rate change with

a proposed effective date of March 1, 2008, was provided to the customers on December 28, 2007, by the Applicant. The notice of the rate increase complied with the notice requirements of section 13.187 of the Code and Title 30, section 291.22 of the Texas Administrative Code and was sufficient to place affected persons on notice regarding the proposed rate increase. The Commission received requests for a public hearing on the application from more than 10% of the customers.

The Honorable Catherine C. Egan, an administrative law judge (ALJ) of the State Office of Administrative Hearings (SOAH), conducted a preliminary hearing on May 6, 2008, in Austin, Texas. The ALJ took jurisdiction over the case and designated the following parties: the Applicant, the ED; the Public Interest Counsel of the Commission; and protestants Ranger Creek Home Owners Association, Ridge View Condominium Home Owners Association, and Tapatio Springs Home Owners Association and Tapatio Ridge Home Owners Association. Ranger Creek Home Owners Association and Ridge View Condominium Home Owners Association withdrew as parties to the case. The remaining parties entered into settlement negotiations and reached a settlement in the matter. The Applicant asked that the case be remanded to the ED, pursuant to Title 30, section 80.101 of the Texas Administrative Code. Therefore, on October 2, 2008, the ALJ dismissed the matter from SOAH's docket and remanded it to the ED.

The rate structure requested by the Applicant is just and reasonable and adequate to allow the utility to recover its cost of providing water and sewer service, as required by sections 13.182 and 13.183 of the Code. Attached is a tariff reflecting the requested rates.

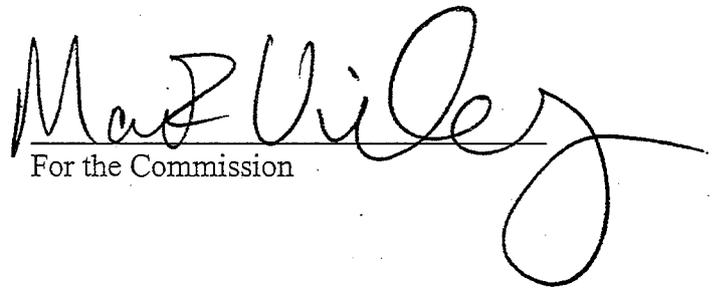
NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY that:

1. A rate increase for the applicant is approved as listed on the attached rate tariff, effective October 14, 2008.

2. Unless previously provided the applicant, shall provide written notice of the final rate structure approved in this proceeding to all affected customers with the next billing cycle after issuance of this Order.
3. The Chief Clerk of the Texas Commission on Environmental Quality shall forward a copy of this Order and tariff to the parties.
4. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: **DEC 29 2008**

TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

  
For the Commission





SECTION 1.0 -- RATE SCHEDULE (Continued)

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) Non payment of bill (Maximum \$25.00) .....~~\$25.00~~
- b) Customer's request that service be disconnected .....\$35.00

TRANSFER FEE .....\$35.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL).....\$5.00

TCEQ 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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

The utility may pass on to each affected customer an increase or decrease in any fixed fee and/or consumption-based fee from the Guadalupe-Blanco River Authority, Cow Creek Groundwater Conservation District and/or other such governmental authority shall be passed through to all customers affected by such fees using the following calculations.

Fixed Charge:

Monthly Minimum Charge + (Annual Fee ÷ Numbers of Customers Affected ÷ 12 months)

Volume Charge:

Monthly Gallonage Charge per 1000 gallons + (Increase or Decrease in Pumpage Fee x 1.15)

Any change in the utility's cost attributable to the Guadalupe-Blanco River Authority, Cow Creek Groundwater Conservation District and/or other such government authority shall go into affect thirty days after notice to all customers subject to TCEQ filings required in 30 TAC 291.21(1).

RATES LISTED ARE EFFECTIVE ONLY  
IF THIS PAGE HAS TCEQ APPROVAL STAMP

**WATER UTILITY TARIFF  
FOR**

Tapatio Springs Service Comany, Inc.  
(Utility Name)

P.O. Box 1335  
(Business Address)

Boerne, Texas 78006  
(City, State, Zip Code)

(830) 537-5755  
(Area Code/Telephone)

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

12122

This tariff is effective in the following county:

Kendall

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

None

This tariff is effective for the following public water system and subdivisions:

None

**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):

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES .....	4
SECTION 3.0 -- EXTENSION POLICY .....	12
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN .....	17

APPENDIX A -- SAMPLE SERVICE AGREEMENT  
APPENDIX B -- APPLICATION FOR SERVICE



SECTION 1.0 -- RATE SCHEDULE (Continued)

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) Non payment of bill (Maximum \$25.00)..... \$25.00
- b) Customer's request that service be disconnected ..... \$35.00

TRANSFER FEE ..... \$35.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... \$5.00

TCEQ 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

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Fixed Charge:

Monthly Minimum Charge + (Annual Fee ÷ Numbers of Customers Affected ÷ 12 months)

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Monthly Gallonage Charge per 1000 gallons + (Increase or Decrease in Pumpage Fee x 1.15)

Any change in the utility's cost attributable to the Guadalupe-Blanco River Authority, Cow Creek Groundwater Conservation District and/or other such government authority shall go into affect thirty days after notice to all customers subject to TCEQ filings required in 30 TAC 291.21(1).

RATES LISTED ARE EFFECTIVE ONLY  
IF THIS PAGE HAS TCEQ APPROVAL STAMP

**SEWER UTILITY TARIFF  
FOR**

Tapatio Springs Service Company, Inc.  
(Utility Name)

P.O. Box 1335  
(Business Address)

Boerne, Texas 78006  
(City, State, Zip Code)

(830) 537-5755  
(Area Code/Telephone)

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

20698

This tariff is effective in the following county:

Kendall

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

None

This tariff is effective in the following subdivisions or systems:

Tapatio Springs: WQ0012404-001

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):

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES .....	4
SECTION 3.0 -- EXTENSION POLICY .....	9
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly</u>	<u>Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"		\$33.00 (Includes 0 gallons)	\$5.01 per 1,000 gallons
3/4"		\$33.00	
1"		\$82.50	
1½"		\$165.00	
2"		\$264.00	
3"		\$495.00	
4"		\$660.00	

Volume charges are determined based on an average consumption for winter period which includes the following months: December, January, & February

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:** \$8.37 per month per connection will be charged to each water and sewer customers of Kendall County Utility Company, Inc. and Tapatio Springs Service Co. Inc. until the total amount of \$101,686.75 is collected.

REGULATORY ASSESSMENT..... 1.0%  
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$400.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Connection Tap).....Actual Cost  
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

RATES LISTED ARE EFFECTIVE ONLY  
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SECTION 1.0 - RATE SCHEDULE

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21003

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Kendall

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None

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TEXAS COMM. ON ENVIRONMENTAL QUALITY  
 35935-R, CCN 21003, OCTOBER 14, 2008  
 APPROVED TARIFF BY LJ/BTD

SECTION 1.0 - RATE SCHEDULE

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COMMERCIAL & NON-RESIDENTIAL DEPOSIT ..... 1/6TH OF ESTIMATED ANNUAL BILL

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REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

RATES LISTED ARE EFFECTIVE ONLY  
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