

SOAH DOCKET NO. _____
TCEQ DOCKET NO. 2011-0726-UCR

APPLICATION OF DEER CREEK	§	BEFORE THE TEXAS
RANCH WATER CO., LLC TO	§	
CHANGE ITS RATES AND TARIFF	§	
UNDER CERTIFICATE OF	§	COMMISSION ON
CONVENIENCE AND NECESSITY NO.	§	
11241 IN HAYS AND TRAVIS	§	ENVIRONMENTAL QUALITY
COUNTIES		

**DEER CREEK RANCH WATER COMPANY'S
RESPONSE TO THE EXECUTIVE DIRECTOR'S PETITION FOR INTERIM RATES**

TO THE HONORABLE COMMISSIONERS:

Deer Creek Ranch Water Co., LLC, (the "Water Co.") respectfully submits this Response to the Executive Director's ("E.D.s") Petition for Interim Rates (the "Petition") and will show the following in support:

**I.
INTRODUCTION**

As the E.D. noted on the first page of his Petition, the E.D.'s request for interim rates before the application is scheduled for a preliminary hearing, before the State Office of Administrative Hearings assigns a judge, and before the naming of any potential protesting parties is not only extraordinary, but also fails to provide any basis to allow the Commission to make an informed decision on evidence in the record. This radical step is yet another example of the E.D. staff's extreme bias and prejudice toward this small utility, another example of the E.D. staff's pursuit of their goal to bankrupt this Water Co., and another example of the E.D.'s staff failure to follow State law and the will of the Texas Legislature.

Since August 2006, when the Water Co.'s water supply well went dry due to the drought, the E.D. has sent notice after notice of allegations only to have each charge later dropped due to the lack of any proof.¹ More important, the most recent TCEQ Comprehensive Compliance Investigation found no violations.² This Petition is simply a thinly disguised attempt to inflict punishment against the Water Co. without any support or merit and without any administrative record to support the E.D.'s claims – whether the Commission should set interim rates or even whether the Commission should punish the Water Co. for the E.D.'s baseless allegations.

The E.D.'s Petition is simply legal argument, not sworn testimony or evidence in an administrative record. To base interim rates on legal argument would eviscerate the due process provisions of both the Water Code and the Texas Administrative Procedures Act. If a party were to appeal, there is no administrative record upon which to base the initial decision or an appeal.

The E.D. has declared the Water Co.'s application complete, and the E.D. has authorized the implementation of the new rate.³ If the E.D. wishes to punish this small utility for any alleged violations, then the proper avenue is for the E.D. to pursue enforcement under Chapter 7 of the Texas Water Code, not preclude the Water Co. from establishing a new rate in a manner authorized by the Texas Legislature. And, in fact, the E.D. has sent another Notice of Violation outlining the same allegations contained in this Petition,⁴ which the Water Co. has already shown to be meritless.⁵

Clearly, the E.D.'s constant harassment of this utility, the never ending pursuit of dubious enforcement, and this attempt to involve the Commission in this application before the

¹ See e.g., **Exhibit A**, Notice of Enforcement, March 19, 2007 (dropped due to lack of proof); see also **Exhibit B**, Notice of Violation, November 5, 2010 (also dropped due to lack of proof).

² See **Exhibit C**, Comprehensive Compliance Investigation Letter, November 12, 2010.

³ See **Exhibit D**, E.D. Letter Authorizing New Rate, May 16, 2011.

⁴ See **Exhibit E**, Notice of Violation, May 18, 2011.

⁵ See **Exhibit F**, Response to Notice of Violation, June 21, 2011; see also **Exhibit G**, Documentation of Refunds in Accordance with TCEQ Order.

preliminary hearing or any evidence is in the record is an attempt to swamp the utility in never ending legal costs... to never give the utility a breath of fresh air. Moreover, the E.D. has failed to meet the legal criteria for setting an interim rate: submitting evidence that the proposed rate would result in unjust and unreasonable rates.

II. **GROUND FOR DENYING INTERIM RATE PETITION**

The Texas Legislature has authorized all utilities to implement its new rate 60 days after delivery of the utility's statement of intent to change rates to each ratepayer and with the regulatory authority having original jurisdiction.⁶ As discussed previously, the E.D. found that the Water Co. has met the Legislature's criteria for implementing the new rate, as shown in the E.D.'s letter authorizing the Water Co. to begin charging the new rate on June 30, 2011.⁷

As the E.D. noted in his Petition, under Commission Rule 291.21 (d), the Commission or an Administrative Law Judge may set interim rates **IF** the new rates result in 1) unreasonable economic hardship to a utility's customers, 2) unjust and unreasonable rates, or 3) could result in unreasonable economic hardship to a utility.⁸ Regarding this application, the E.D. is claiming that the proposed rates would result in unjust and unreasonable rates.⁹ However, the E.D. failed to introduce any evidence into the record to support his Petition. Instead, the E.D. argues that his unsubstantiated allegations of violation should be the basis for setting an interim rate, which is not a legal basis under Commission Rule 291.29 (d) for setting interim rates.¹⁰ He also re-argues the merits of the prior rate from the prior rate case, filed nearly 30 months ago, which is not the

⁶ TEX. WATER CODE ANN. § 13.187 (a).

⁷ See **Exhibit D**.

⁸ See 30 TEX. ADMIN. CODE § 291.29(d).

⁹ E.D. PETITION FOR INTERIM RATES, at 6.

¹⁰ *Id.* at 7.

proposed rate at issue in this matter,¹¹ and which is also not a legal basis under the Commission's rules or the Water Code for setting interim rates. These arguments do not meet the Commission's own criteria for setting an interim rate.

A. Petition's Ground One Fails to Meet Criteria for Setting Interim Rates

The E.D. argues that allowing the Water Co. to collect its new rate would "negate the effect of the refunds to which the customers are entitled."¹² The E.D.'s argument fails to show that the new rate is unjust and unreasonable, the Commission criteria for setting an interim rate. The E.D. argues that a utility that is refunding revenues collected during a prior rate case cannot apply for a new rate, but this is counter to State law.

Under Chapter 13, a utility is allowed to submit a rate application annually.¹³ Moreover, the Legislature allows a utility to submit a rate application more often than annually if "the regulatory authority determines that a financial hardship exists."¹⁴ In this case, the Water Co. submitted its prior rate change application in February 2009, and the Water Co. submitted the application at issue in this matter on March 29, 2011, more than two years since filing the prior rate change application.

It is common for the filing of a new rate change application and the implementation of a new rate to overlap the period in which the utility is refunding money previously collected. Moreover, if the Legislature felt that allowing a utility to charge the new rate during the pendency of a refund was unjust and unreasonable, then the Legislature would have disallowed the implementation of the new rate. But, the Legislature did not. Furthermore, refunds can last many years into the future. In the case of the prior rate case, refunds under the Commission's

¹¹ *Id.* at 8.

¹² *Id.* at 7.

¹³ TEX. WATER CODE ANN. § 13.187 (p).

¹⁴ *Id.*

Order will not end until nearly four years from the date that the prior application was filed with the E.D. Following the E.D.'s argument to fruition, the Water Co. would be prohibited from filing any rate increase for the next 17 or so months, ignoring the reality of cost increases incurred by the Water Co.

Just because a refund is ongoing does not make the new rate unjust and unreasonable. The two issues are patently unrelated, and the refund has no bearing on whether a rate is just or reasonable. For these reasons, the Commission should deny the E.D.'s petition.

B. Petition's Ground Two Fails to Meet Criteria for Setting Interim Rates

Next, the E.D. reargues the merits of the prior rate case, filed nearly 30 months ago, which is not the proposed rate at issue in this matter. The E.D. claims that the doctrine of collateral estoppel precludes a utility from filing any future rate change applications.¹⁵ These "grounds" for setting an interim rate are contrary to State law and fail to meet the Commission's criteria – that the rates are unjust and unreasonable. The E.D. fails to make any claim regarding the proposed rate, only the prior rate. And if the E.D.'s assertion was true, then a utility could never file another rate change application again, as it would be precluded by the E.D.'s claim of collateral estoppel.

As previously noted, the Texas Legislature does not recognize the applicability of the doctrine of collateral estoppel in a rate case; otherwise, the Texas Legislature would not allow a utility to file another application within 12 months of the prior application. Furthermore, for every application filed before the Commission, the applicant could not renew a permit, as the facts, as argued by the E.D., have not changed since the prior application for Commission authorization.

¹⁵ E.D. PETITION FOR INTERIM RATES, at 10.

As the Commission knows, and the E.D. repeats regularly, each and every application must stand on its own merit. This proposition is why the Commission requires every applicant to file a complete renewal application for every renewal of every TCEQ authorization.

Most important, the law, the Commission's position on several issues, and the facts have changed since the Water Co. filed its last rate change application. The Water Co.'s rate change application is distinctly different than prior applications.

1. Regulatory Changes Adopted Since Prior Rate Case:

- In 2009, the 81st Texas Legislature passed Senate Bill (SB) 2306, which amended Section 13.131 of the Texas Water Code and required the Commission to allow water utilities to claim the book cost less net salvage of depreciable utility plant retired to be charged in its entirety to the accumulated depreciation account, consistent with accounting treatment of regulated electric and gas utilities in Texas. Although this statute had passed before the prior rate hearing, the ALJ had ruled that the Commission could not take into account this change in law in determining the revenue requirement for the Water Co., as the Commission had not yet adopted rules implementing the statutory change. By filing this rate change application after the Commission's adoption of rules implementing SB 2306, the Water Co. can now claim the book cost less net salvage of depreciable utility plant retired, which greatly increases the revenue requirement for the Water Co.
- In the prior rate case, the ALJ asserted that payment of the LCRA Reservation Fee was not a legitimate charge for providing water to the Water Co.'s customers. Since the Water Co.'s prior case, the E.D. and the Commission have now changed Commission policy on this issue, and have now declared payment of the LCRA reservation fee to be a reasonable and necessary charge for providing water service to a utility's customers, as outlined in the LCRA Rate

Appeal.¹⁶ This change increases the Water Co.'s revenue requirement by approximately \$13,000 per year.

- Under the cash needs approach, the Commission allows the inclusion of loan payments as part of the revenue requirement. In the prior rate case, the ALJ did not allow for the loan payments when he developed his revenue requirement for the Water Company, as the utility method of rate design does not allow for the payment of loans, but instead allows for only a return on investment. This change in application will increase the revenue requirement for the utility by \$130,000 per year. Also, the change to the cash need application eliminates any Water Company return on investment.

2. Factual Changes in Water System Since Prior Rate Case:

- The test year in this rate change application is distinctly different from prior applications. The test year for this application is August 1, 2009 through July 31, 2010. The test year for the prior application was two years earlier, from July 1, 2007 to June 30, 2007. In that time, the number of customers served by the Water Co. has increased, and the number of gallons used by customers has grown. By increasing the number of customers served and the number of gallons produced, the revenue requirement for the utility has increased greatly. More important, these changes significantly increase the usefulness of all of the improvements constructed by the Water Co.
- The Water Co. has moved to a new office with a new lease, and it no longer shares its space with any other entities. This new lease increases the revenue requirement for the Water Company.

¹⁶ See E.D. REPLY TO EXCEPTIONS, Appeal of the Retail Water and Wastewater Rates of the Lower Colorado River Authority, SOAH DOCKET NO. 582-08-2863, TCEQ DOCKET NO. 2008-0093-UCR, at Table 1; Proposal for Decision, Appeal of the Retail Water and Wastewater Rates of the Lower Colorado River Authority, SOAH Docket No. 582-08-2863, TCEQ Docket No. 2008-0093-UCR, at 42.

- The Water Co.'s current application includes customer contributions, showing each dollar collected under the prior surcharge, which was not shown or properly allocated in the prior application.

C. Petition Denies Due Process

The E.D.'s petition is tantamount to an enforcement proceeding without the E.D. following the proper procedures as outlined in the Commission's rules or in Chapter 7 of the Texas Water Code. For most of his Petition, the E.D. alleges that the Water Co. has violated this provision or that provision, without any proof or evidence. Furthermore, even if these allegations were true, there is not any evidence in an administrative record that the rates are unjust and unreasonable, which is the only criteria for which the Commission may set interim rates.

Furthermore, despite the E.D.'s complaint in this Petition, the E.D.'s staff already authorized the Water Co.'s use of the cash need application for this rate change.¹⁷ It is simply wrong for the E.D. to now claim that the Commission must set interim rates without a hearing or an administrative record to support any interim rates, especially when the E.D. staff in December recommended filing of the very application that is at issue in this matter back.

III. **PRAYER**

For these reasons, Deer Creek Ranch Water Company, LLC respectfully asks that the Commission deny the E.D.'s Petition for Interim Rates. In the alternative, Deer Creek Ranch Water Company, LLC respectfully asks that the Commission remand the E.D.'s request for interim rates to the State Office of Administrative Hearings for an evidentiary hearing on interim rates in accordance with the Commission's Rule 291.29 (f).

¹⁷ See **Exhibit H**, Affidavit of Donald G. Rauschuber, P.E.

Respectfully submitted,

Randall B. Wilburn, Attorney-At-Law
3000 South IH 35, Suite 150
Austin, Texas 78704
Telephone: (512) 326-3200
Facsimile: (512) 326-8228



By: _____

Randall B. Wilburn
State Bar No. 2403334

ATTORNEYS FOR DEER CREEK RANCH WATER
CO., LLC

CERTIFICATE OF SERVICE

This is to certify that the undersigned sent a true and correct copy of the foregoing Response to the E.D. Petition for Interim Rates, via first class mail, electronic mail, hand delivery, or fax in accordance with the applicable agency rules on this 24th day of June 2011 to the following parties:

Cathleen Parsley, Chief Administrative Law Judge
STATE OFFICE OF ADMINISTRATIVE HEARINGS
P. O. Box 13025
Austin, Texas 78711-3025
Telephone: 475-4993
Telecopier: 475-4994

Melissa Chao, Acting Chief Clerk of the TCEQ
TCEQ OFFICE OF THE CHIEF CLERK, MC 173
P.O. Box 13087
Austin, Texas 78711-3087
Telephone: 512-239-3300
Telecopier: 512-239-3311

Blas Coy
TCEQ OFFICE OF PUBLIC COUNSEL, MC 103
P.O. Box 13087
Austin, Texas 78711-3087
Telephone: 512-239-6363
Telecopier: 512-239-6377

Brian MacLeod
TCEQ ENVIRONMENTAL LAW DIVISION, MC 173
P.O. Box 13087
Austin, Texas 78711-3087
Telephone: 512-239-0600
Telecopier: 512-239-0606

Mr. David M. Gottfried
Law Office of David M. Gottfried, P.C.
1505 West 6th Street
Austin, Texas 78703
Telephone: 512-494-1481
Telecopier: 512-472-4013

Jennifer Jones
740 Green Oak Dr.
Dripping Springs, Texas 78620
Telephone: 512-291-7446
Electronic Mail: jbirdrn@austin.rr.com

Christina Chavez
601 Panorama Dr.
Dripping Springs, Texas 78620
Telephone: 512-680-9540
Electronic Mail: info78620@yahoo.com

Royce H. Henderson
108 Twin Creek Circle
Dripping Springs, Texas 78620
Telephone: 512-264-1056

Chris Elder
1020 Tanaqua Ln.
Austin, Texas 78739
Telephone: 512-791-7862
Electronic Mail: chris@lukeparkerhomes.com

Jonathan McCabe
10006 Thomas Ln.
Dripping Springs, Texas 78620
Telephone: 512-924-6665
Electronic Mail: mccabehomes@gmail.com

Bradley and Stephanie Weaver
17202 Panorama Dr.
Dripping Springs, Texas 78620
Telephone: 512-389-7416
Telecopier: 512-369-6219



Randall B. Wilburn

EXHIBIT A

2007-03-22 15:47

Willburn Consulting 512-535-1678 >> 15123268228

P 2/4

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 19, 2007

**CERTIFIED MAIL 7002 0860 0000 9049 6586
RETURN RECEIPT REQUESTED**

Mr. Randall B. Wilburn, Registered Agent
Deer Creek Ranch Water Co, LLC
7408 Rain Creek Parkway
Austin, Texas 78759

Re: Notice of Enforcement for Complaint Investigation at:
Deer Creek Water,
17506 Panorama Drive, Seven miles North of Dripping Springs, Travis County
Public Water Supply ID No. 2270049, RN100822527

Dear Mr. Wilburn:

On February 9, 2007, the Texas Commission on Environmental Quality (TCEQ) Austin Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public drinking water facilities. During this investigation, an alleged violation was documented. Enclosed is a summary which lists the investigation findings.

In the listing of alleged violations, the applicable requirements have been cited, including TCEQ rules. If you would like to obtain a copy of the applicable TCEQ rules, you may contact any of the sources listed in the enclosed brochure entitled *Obtaining TCEQ Rules*.

Please be advised that the Legislature has granted enforcement powers to the TCEQ to carry out its mission to protect human health and the environment. Due to the apparent seriousness of the alleged violation, formal enforcement action has been initiated, and additional violations may be cited upon further review.

The Commission recognizes that the great majority of the regulated community want to prevent pollution and to comply with environmental laws. We dedicate considerable resources toward making voluntary compliance achievable. But where compliance has not been met it is our duty to protect the public and the environment by enforcing the state's environmental laws, regulations, and permits.

Also, if you believe the violation documented in this notice has been cited in error, and you have additional information that we are unaware of, you may request an enforcement review meeting (ERM). However, in order to qualify for an ERM, you must have new information that was not evaluated by the

Reply To: REGION 11 • 1921 CEDAR BEND DR., STE. 150A • AUSTIN, TEXAS 78758 5327 • 512/339-2929 • FAX 512/339 3795

P.O. Box 13087 • Austin, Texas 78711 3087 • 512/239-1000 • Internet address: www.tceq.state.tx.us

Deer Creek Response to E.D. Petition

EXHIBIT A

2007-03-22 15:48

Willburn Consulting 512-535-1678 >> 15123268228

P 3/4

Mr. Randall B. Wilburn

Page 2

March 19, 2007

referring investigator. To request an ERM, submit a letter with all supporting documentation within 14 days from the date of this letter to address below or via fax at (512) 239-0134.

ERM Coordinator
Enforcement Division, MC 219
Re: Enforcement Review Meeting Request
Texas Commission on Environmental Quality
Post Office Box 13087
Austin, Texas 78711-3087

Should you have a question regarding matters other than an ERM, please feel free to contact Lawrence King in the Austin Region Office at (512) 339-2929. For questions concerning an ERM, you may contact the ERM Coordinator at (512) 239-2545.

Sincerely,



Herschel Janus
PWS Work Leader
Austin Region Office

Enclosures: Summary of Investigation Findings
Obtaining TCEQ Rules

EXHIBIT A

2007-03-22 15:48

Willburn Consulting 512-535-1678 >> 15123268228

P 4/4

Summary of Investigation Findings

DEER CREEK WATER

Investigation # 541249

17506 PANAROMA DR

Investigation Date: 02/06/2007

DRIPPING SPRINGS, TRAVIS COUNTY, TX 78620

Additional ID(s): 2270049

ALLEGED VIOLATIONS NOTED AND RESOLVED

Track No: 268712

30 TAC Chapter 290.46(q)(1)

Alleged Violation:

Investigation: 541249

Comment Date: 3/14/2007

The Respondent failed to issue a boil water notification within 24 hours after a water outage. The Austin Region Office received complaints concerning the water outage on February 6, 2007. The system operator was contacted on February 6 and acknowledged that a water line break had caused a water outage to the portion of the subdivision in Travis County. The operator stated that pressure would be returned that afternoon. The Austin Region Office received additional complaints by telephone and electronic mail on February 8 and 9. The complainants stated that, since the water outage on February 6, water had been cloudy or brownish and that no boil water notification had been issued by the water system. The water system operator acknowledged that no notification had been issued. He posted boil-water-notification signs at the entrances to the subdivision on the afternoon of February 9.

Recommended Corrective Action:

Resolution: The Respondent posted boiled water notices on signs at the entrances to the subdivision on February 9, 2007.

EXHIBIT B

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 5, 2010

Mr. Randall B. Wilburn, Attorney
Wilburn Consulting, LLC
3000 S. IH 35, Suite 150
Austin, Texas 78704

CERTIFIED MAIL

NOTICE OF VIOLATION

Re: SOAH DOCKET NO. 582-09-5328 and TCEQ DOCKET NO. 2009-0929-UCR, Water Rate Tariff Change of Deer Creek Ranch Water Company, LLC, Certificate of Convenience and Necessity (CCN) No. 11241, in Hays and Travis Counties; Application No. 36336-R
CN: 600703797; RN: 104256375

Dear Mr. Wilburn:

The State Office of Administrative Hearings (SOAH) issued an Order which set interim rates for Deer Creek Ranch Water Company, LLC (Deer Creek). These interim rates were effective immediately and all future bills were to go out based on the interim rate. Deer Creek was required to begin to charging the interim rates effective October 15, 2010. In accordance with 30 Texas Administrative Code §291.29(j), Deer Creek is required to provide a notice to its customers including the interim rates set by the commission or judge with the first billing at the interim rates with the following wording: "The commission (or judge) has established the following interim rates to be in effect until the final decision on the requested rate change (appeal) or until another interim rate is established."

The SOAH Order also required Deer Creek to submit to the Commission a copy of the escrow agreement for deposit of all monies collected from customers in excess of the prior rate within 10 days of the decision, by October 26, 2010. Deer Creek is also required to file monthly statements on that account by the 10th day of each month and maintain escrow account records pursuant to 30 TAC Section §291.30.

Please submit a copy of the above reference notice and copy of the escrow agreement to our office by **December 10, 2010**. Failure to comply with this directive will result in an enforcement action for violation of the 2010 Order.

If you have any questions, please contact Ms. Elsie Pascua at 512/239-5367 or Mr. Brian Dickey at 512/239-0963 or if by correspondence, include MC 153 in the letterhead address.

Sincerely,

A handwritten signature in cursive script that reads "Tammy Benter".

Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division

TB/EP/ln

P.O. Box 13087

Austin, Texas 78711-3087

512-239-1000

Internet address: www.tceq.state.tx.us

printed on recycled paper using soy-based ink

Deer Creek Response to E.D. Petition

EXHIBIT C

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



COPY

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 12, 2010

RECEIVED

NOV 16 2010

Professional General
Management Services, Inc.

Mr. Sam Hammett, President
Deer Creek Ranch Water Company, L.L.C.
Post Office Box 436
Dripping Springs, Texas 78620

Re: Comprehensive Compliance Investigation at:
Deer Creek Water System, Hamilton Pool Road, Dripping Springs (Travis County), Texas
TCEQ Public Water Supply ID 2270049, RN100822527

Dear Mr. Hammett:

On October 20, 2010, Lawrence King of the Texas Commission on Environmental Quality (TCEQ) Austin Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public drinking water systems. No violations are being alleged as a result of the investigation, however, please see the enclosed Additional Issue.

The TCEQ appreciates your assistance in this matter and your continued efforts to ensure protection of the public health. If you or members of your staff have a question regarding this matter, please feel free to contact Mr. King in the Austin Region Office at (512) 339-2929.

Sincerely,

A handwritten signature in black ink, appearing to read "Shea Cockrell".

Shea Cockrell
Water Section Work Leader
Austin Region Office

SC/lok

Enclosure: Investigation Report

cc: (with enclosure) Mr. Patrick King, President, Professional General Management Services, Inc.,
Dripping Springs

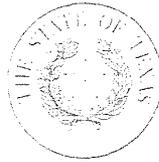
REPLY To: REGION 11 • 2800 S. INTERSTATE HWY. 35, STE. 100 • AUSTIN, TEXAS 78704-5700 • 512-339-2929 • FAX 512-339-3795

Austin Headquarters: 512-239-1000 • www.tceq.state.tx.us • How is our customer service? www.tceq.state.tx.us/goto/customersurvey

printed on recycled paper using soy-based ink

EXHIBIT D

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 16, 2011

Mr. Donald G. Rauschuber, P.E.
P.O. Box 2777
Georgetown, Texas 78627

Re: Water Rate/Tariff Change Application of Deer Creek Ranch Water Co., LLC,
Certificate of Convenience and Necessity (CCN) No. 11241, in Travis and Hays
Counties; Application No. 37007-R.

CN: 600703797; RN: 104256375

Dear Mr. Rauschuber:

Thank you for your response received on May 6, 2011, regarding the above referenced application. Your application has been accepted for filing and assigned Application No. 37007-R. Please refer to this number in future correspondence.

Your new rates may go into effect on June 30, 2011. Your new effective date must be at least 60 days following the date your completed application was mailed to us and correct notice is mailed or delivered to the customers. The effective date of the new rates must be the first day of the billing period, and the new rates may not apply to service provided before the effective date of the new rates.

During a telephone conversation with Ms Lisa Fuentes, Ms. Heidi Graham, and Ms. Leila Guerrero on April 27, 2011, you informed them that your meter reading date will be moved from the 25th to the 29th of each month. Ms. Fuentes had explained to you the consequences of moving the meter reading date. Pursuant to Texas Administrative Code (TWC) §291.89(b)(2)(B), "The utility shall charge for volume usage at the lowest block charge on its approved tariff when the meter reading date varies by more than two days from the normal meter reading date". After the first bill of the new rate, please provide us two samples of your billing to customers.

The application will be scheduled for a hearing if:

- the Texas Commission on Environmental Quality (TCEQ) receives complaints from at least 10% of the ratepayers within 90 days of the effective date of the rate increase, or
- TCEQ staff protests the actual service rates.

You will be notified if a hearing is scheduled. If, during the course of a hearing, rates are set which are different from the rates charged by Deer Creek Ranch Water Co., LLC, you may be required to refund or credit future bills. The refund or credit will include all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered, plus interest, as determined by the TCEQ.

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • www.tceq.texas.gov

How is our customer service? www.tceq.texas.gov/goto/customersurvey

printed on recycled paper using soy-based ink

EXHIBIT D

Mr. Donald G. Rauschuber, P.E.
Page 2
May 16, 2011

If TCEQ does not receive the required number of complaints within 90 days of the effective date, and the staff does not require a hearing, you will receive another letter or notification from TCEQ so informing you, along with your approved tariff.

Please contact the staff listed below if you have any questions. Include MC-153 in the address if you contact TCEQ by correspondence.

Ms. Debi Loockerman, CPA at (512) 239-4714 or by email at Debi.Loockerman@tceq.texas.gov.

Ms. Heidi Graham at (512)239-0844 or by email at Heidi.Graham@tceq.texas.gov.

Sincerely,



Tammy Benter, Manager
Utilities and Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/DL/HG/ln

EXHIBIT E

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 18, 2011

BY REGULAR & CERTIFIED MAIL to:

Mr. Randall B. Wilburn, Esq.
7408 Rain Creek Parkway
Austin, Texas 78759

NOTICE OF VIOLATION

Re: Deer Creek Ranch Water Company, LLC, Certificate of Convenience and Necessity (CCN) No. 11241 in Travis & Hays Counties

CN: 600703797; RN: 104256375

On February 22, 2011, an order was signed and issued by the Texas Commission on Environmental Quality (Commission) requiring Deer Creek Ranch Water Company, LLC (Deer Creek) to:

- (1) Refund or credit all sums collected since May 1, 2009, plus 0.61% interest on the over-collection to the customers. The refund was ordered to be \$52.65 per customer per month and was to be refunded over a 17-month period to begin with the first billing period after February 22, 2011, the date the order was signed;
- (2) Refund the amounts, if any, collected over the interim rates established in the Administrative Law Judge's Order No. 8 after October 15, 2010, within 30 days of the date of signed final order which was February 22, 2011; and
- (3) Pay the costs of recording and transcribing the contested rate case hearings.

It has come to our attention that Deer Creek may not be issuing or crediting refunds to customers as required in the Commission Order. Please provide evidence that the utility has complied with the February 22, 2011 order and provide documentation showing any outstanding refund amounts.

In addition, the Commission recently learned that Deer Creek may have instituted an unauthorized increase of their Lower Colorado River Authority (LCRA) pass through rate for water bills issued in April 2011. TCEQ received a notice sent to the customers of Deer Creek notifying them of an increase of the LCRA gallonage rate to \$3.37.

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • www.tceq.texas.gov

How is our customer service? www.tceq.texas.gov/goto/customersurvey

printed on recycled paper using soy-based ink

EXHIBIT E

Mr. Randall B. Wilburn, Esq.
Page 2
May 18, 2011

The TCEQ also received customer bills showing the LCRA pass through rate was increased to \$3.37 for April 2011. Based on TCEQ's records, the approved LCRA pass through rate for Deer Creek is \$3.14 per 1,000 gallons.

According to Title 30, Chapter 291.21(h)(4), a utility wishing to recover additional costs such as an increase in water use fees, is required to submit written notice to the executive director (ED) and mail notice to the utility's customers. The notice to their customers and the ED must meet the requirements outlined in Chapter 291.21(4)(B) and 291.21(h)(5). The utility must also receive approval from the ED prior to revising its billings to its customers. Notice was not provided to the ED and approval was not given by ED prior to implementation of the rate increase.

Please provide a written response regarding this issue. The response should include copies of records showing that Deer Creek ceased charging the unapproved rate. It should also provide evidence that customers have been refunded. These records may include copies of bills issued to customers showing the amount refunded or credited on the bill, a list of the customers that received refunds, and the total dollar amount of refunds issued. If refunds have not been issued in the total amount over collected, please provide a written plan as to how those refunds will be made including a timeline and the remaining balance still due to the customers.

Please provide all of the requested information by **June 11, 2011**. Failure to provide this information may result in enforcement action.

Please contact Heidi Graham by telephone at 512-239-0844 or by emailing heidi.graham@tceq.texas.gov if you have any questions. If you contact TCEQ by correspondence, include MC 153 in the address.

Sincerely,



Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/HG/cp

EXHIBIT F

RANDALL B. WILBURN

ATTORNEY AT LAW

3000 SOUTH I.H. 35, SUITE 150
AUSTIN, TEXAS 78704

June 21, 2011

Via Electronic Mail Only

Ms. Tammy Benter, Manager
Utilities & Districts Section, MC 153
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Re: Deer Creek Ranch Water Co., LLC (the "Water Co."); Response to Notice of Violation Dated May 18, 2011

Dear Mr. Benter:

First, I must apologize for not responding earlier. As you may already know, Ms. Thelma Rhodes with PGMS, the Water Co.'s long-time billing company, passed away unexpectedly on the evening of June 4, 2011. Ms. Rhodes handled the Water Co.'s billing for PGMS. Besides losing a wonderful person and great friend to everyone that knew Thelma, both PGMS and the Water Co. are dealing with a great loss in institutional memory. She is missed greatly.

As you noted, the Commission's order is dated February 22, 2011. Under Commission rules, the effective date of that order was not until March 13, 2011.¹ The refund was to begin with the first billing period after the effective date, which would have been the April billing period, which was billed at the end of April. For some unknown reason, Ms. Rhodes did not include the refund until the May billing period. The refund has been included in all billing sent after Ms. Rhodes began with the May billing period. Unfortunately, we cannot ask Ms. Rhodes why she did not include any refunds in the prior billing.

Regarding the LCRA pass-through charges, the TCEQ-approved methodology for determining the LCRA gallonage charge is as follows:

$$\text{LCRA Pass Through Charge} = \text{LCRA Charge}/0.85^2$$

¹ See 30 TEX. ADMIN. CODE §§ 80.271(a), 80.273.

² See ATTACHMENT "A," Approved TCEQ Rate Tariff and Order.

EXHIBIT F

Ms. Tammy Benter, Manager
Utilities & Districts Section
Texas Commission on Environmental Quality
June 21, 2011
Page 2 of 2

As you know, the amount that LCRA charges the Water Co. is made up of two separate charges: a volume charge and a raw water charge. In August 2008, LCRA raised the volume charge to \$2.40 per 1,000 gallons.³ In October 2010, LCRA raised the raw water charge to \$151 per acre-foot.⁴ Thus, as of January 1, 2011, the LCRA volume charge was \$2.86, and the LCRA pass through charge was \$3.37 per 1,000 gallons.

Regarding the refund of any amount collected over the interim rate established by Judge Newchurch in Order No. 8, those funds have already been refunded. As I understand the facts, PGMS included the entire amount collected in refunds shown on the December 2010 billing.

While investigating these LCRA pass through charges and the refund issue, the Water Co. has discovered that PGMS has not collected the correct LCRA's fees for many, many years, or simply did not collect any money for LCRA during many months. In the near future, the Water Co. will begin collecting the entirety of these outstanding fees on behalf of LCRA to ensure that LCRA is made whole under its current contracts with the Water Co. As you know, the Commission has already authorized pass through of these LCRA charges to the Water Co.'s customers.

I thank you for your assistance in this matter. If you have any questions, please give me a call.

Sincerely,



Randall B. Wilburn

³ See ATTACHMENT B, Notice to Benter re: LCRA August 2008 Rate Increase.

⁴ See ATTACHMENT C, Notice to Benter re: LCRA October 2010 Rate Increase.

EXHIBIT F

ATTACHMENT "A"

TEXAS COMMISSION ON ENVIRONMENTAL
QUALITY



THE STATE OF TEXAS
COUNTY OF TRAVIS

I hereby certify that this is a true and correct copy of a
Texas Commission on Environmental Quality document,
which is filed in the permanent records of the Commission.
Given under my hand and the seal of office on

LaDonna Casianuela DEC 27 2007

LaDonna Casianuela, Chief Clerk
Texas Commission on Environmental Quality

SOAH DOCKET NO. 582-07-0521
TCEQ DOCKET NO. 2006-1690-UCR
APPLICATION NO. 35408-G

APPLICATION OF DEER CREEK RANCH §
WATER CO., LLC, TO CHANGE ITS §
WATER RATE/TARIFF, CERTIFICATE OF §
CONVENIENCE AND NECESSITY (CCN) §
NO. 11241 IN HAYS COUNTY, TEXAS §

BEFORE THE TEXAS COMMISSION

ON

ENVIRONMENTAL QUALITY

ORDER

An application by Deer Creek Water Co., LLC, (Applicant) for an increase in its retail water rate and tariff change by means of a pass through and surcharge in Hays County (Application) was presented to the Executive Director of the Texas Commission on Environmental Quality (Commission) for approval pursuant to Section 5.122 of the Texas Water Code (Code). The Applicant provides water service in Hays County, Texas, and is a public utility as defined in Section 13.002(23) of the Code.

On July 20, 2006, the Applicant filed the Application with the Commission, which was assigned Application No. 35408-G. Notice of the rate change with a proposed effective date of September 1, 2006, was provided to the customers by the Applicant. The notice of the rate increase complied with the notice requirements of Section 13.187 of the Code and 30 Texas Administrative Code (TAC) Section 291.22 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

EXHIBIT F

ATTACHMENT "A"

from more than 10% of the customers.

The Honorable William G. Newchurch, an administrative law judge of the State Office of Administrative Hearings (SOAH), conducted a preliminary hearing on December 7, 2006, in Austin, Texas, took jurisdiction of the case, and designated parties. At the preliminary hearing held on April 3, 2007, the parties reached a settlement of all issues in controversy except for the portion of the Application that proposed to pass an impact fee of \$4300 through to the customers. The ED and the Applicant later agreed that the impact fee would be treated as a surcharge to all customers rather than a pass through of an impact fee. The change in treatment of the impact fee required new notices and a new preliminary hearing. The new notice of the rate increase complied with the notice requirements of Section 13.187 of the Code and 30 Texas Administrative Code (TAC) Section 291.22 and was sufficient to place affected persons on notice regarding the change in treatment of the portion of the proposed rate increase that remained after the first settlement.

On July 16, 2007, the administrative law judge convened a second preliminary hearing. The ALJ admitted into evidence the new notices and determined that the notices were sufficient to continue the proceedings. The following parties who had been named at the first preliminary hearing appeared at the second preliminary hearing: (1) Applicant; (2) the Executive Director of the Commission; (3) the Public Interest Counsel of the Commission; (4) Elder Corporation (represented by Chris Elder); (5) Chris Peterman; and (6) Bradley S. Weaver. The ALJ also allowed Stephanie Weaver to become a party on behalf of herself, David Lenz, Vanessa Gordon Lenz, and Terese Hutchinson. At the second preliminary hearing the parties were able to agree to a surcharge for the LCRA "Annual Fee" that represented the impact fee LCRA charged Deer Creek. The settlement agreement included a clause stating that the LCRA surcharge will be maintained in a separate escrow account that may only be used by the Applicant for payment to the LCRA for the

EXHIBIT F

ATTACHMENT "A"

"Annual Fee" up to \$50,000.00 per year until the maximum amount of \$1,333,000 is collected, or the utility will cease collecting the LCRA surcharge earlier if the utility ceases to pay the LCRA "Annual Fee."

The ED moved for the case to be dismissed from SOAH's docket and remanded to the ED for processing consistent with the settlement. The administrative law judge signed an order remanding the case to the ED on July 17, 2007.

The rate structure agreed to by the designated parties, is just, reasonable, and adequate to allow the utility to recover its costs of providing water service, as required by Sections 13.182 and 13.183 of the Code. Attached is a tariff reflecting the agreed upon 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, and subject to the agreement of the parties which is also attached hereto as an exhibit;
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. The Chief Clerk of the Texas Commission on Environmental Quality shall forward a copy of this Order and tariff to the parties.

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 14 2007

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY



For the Commission

EXHIBIT F

ATTACHMENT "A"

WATER UTILITY TARIFF
FOR

Deer Creek Ranch Water Company, LLC
(Utility Name)

P.O. Box 436
(Business Address)

Dripping Springs, Texas 78620
City, State, Zip Code)

(512)858-5276
(Area Code/Telephone)

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

11241

This tariff is effective in the following county:

Hays and Travis

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

None

This tariff is effective in the following subdivisions or systems:

Deer Creek Water Company: PWS ID # 2270049

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 3

SECTION 3.0 -- EXTENSION POLICY 10

SECTION 4.0 -- DROUGHT CONTINGENCY PLAN 15

APPENDIX A -- SAMPLE SERVICE AGREEMENT

TEXAS COMM. ON ENVIRONMENTAL QUALITY
35408-G. CCN 11241, JULY 2007
APPROVED TARIFF BY SP/BD

EXHIBIT F

ATTACHMENT "A"

Deer Creek Ranch Water Company, LLC

Water Tariff Page No. 2

SECTION A -- RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$35.00</u> (Includes <u>2,000</u> gallons)	<u>\$3.00</u> per 1,000 gallons 2,001-10,000 <u>\$4.00</u> per 1,000 gallons 10,001-20,000 <u>\$5.00</u> per 1,000 gallons 20,001 thereafter

MONTHLY SURCHARGE (monthly fee to be collected until March 1, 2010) \$12.00
This fee will be charged to each customer on a monthly basis for five years to collect sufficient revenue to pay for improvements to the water system. All funds collected from the surcharge will be escrowed and handled in accordance to 30 TAC 291.30 (Escrow of Proceeds Received under Rate Increase).

LCRA Annual Fee Surcharge = \$50,000/(number of customers at the beginning of the monthly billing cycle divided by the number of months in the billing year. The LCRA annual fee surcharge will terminate when Deer Creek Ranch Water System's obligation to pay the \$50,000/year charge terminates. All funds collected from the surcharge will be maintained in a separate escrow account.

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.

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

TAP FEE \$1,200.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

LARGE METER TAP FEE Actual Cost
TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8" or 3/4" METERS.

RECONNECTION FEE
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):
a) Non payment of bill (Maximum \$25.00) \$25.00
b) Customer's request that service be disconnected \$50.00

RETURNED CHECK CHARGE \$25.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY
35408-G, CCN 11241, JULY 1, 2007
APPROVED TARIFF BY SP/BD

EXHIBIT F

ATTACHMENT "A"

Deer Creek Ranch Water Company, LLC

Water Tariff Page No. 2a

SECTION A-- RATE SCHEDULE (CONTINUED)

TRANSFER FEE \$50.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

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

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

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

METER RELOCATION FEE Actual cost to relocate that meter
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER.

METER CONVERSION FEE Actual cost to convert that meter
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMER'S SERVICE DEMAND.

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:
Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

- AG = G + B/(1-L), where
AG = adjusted gallonage charge, rounded to the nearest one cent;
G = approved gallonage charge (per 1,000 gallons);
B = change in purchased water/district gallonage charge (per 1,000 gallons);
L = system average line loss for preceding 12 months not to exceed 0.15
BR = approved base rate
C = number of customers
N = number of 1,000 gallons in base rate
LBR = LCRA monthly base rate
ABR = adjusted base rate,
ABR = BR + (LBR/C) + [B*N]/[1-L]

To implement the Temporary Water Rate, the utility must comply with all notice and other requirements of 30 T.A.C. 291.21(h).

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY
35408-G, CCN 11241, JULY 1, 2007
APPROVED TARIFF BY SP/BD

**EXHIBIT F
ATTACHMENT "B"**

RANDALL B. WILBURN

ATTORNEY AT LAW

7408 RAIN CREEK PARKWAY
AUSTIN, TEXAS 78759

September 2, 2008

Via Regular Mail

Ms. Tammy Holguin-Benter
Utilities and Districts Section, MC 153
Texas Commission on Environmental Quality
PO Box 13087
Austin, TX 78711-3087

Re: Deer Creek Ranch Water Co., LLC; Notice of LCRA Increase in Pass-Through-
Charges

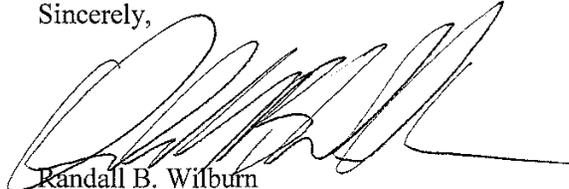
Dear Tammy:

Attached is a copy of the LCRA Notice of Increase in rates received by Deer Creek Ranch Water Co., LLC. To ensure that the Utility is fully compliant with Texas Commission on Environmental Quality Rule 291.21(h) and to minimize any confusion, the Utility is sending the attached in its October billing.

Again to ensure full compliance with TCEQ rules, I am, on behalf of the Utility, providing you with this courtesy notice of the addition of the LCRA charges.

If you have any further questions, please give me a call.

Sincerely,



Randall B. Wilburn

Enclosures

PHONE (512) 535-1661

FAX (512) 535-1678

WILBURNCONSULTING@AUSTIN.RR.COM

Deer Creek Response to E.D. Petition

**EXHIBIT F
ATTACHMENT "B"**



August 29, 2008

Mr. Sam Hammett, President
Deer Creek Ranch Water Co., L.L.C.
P.O. Box 436
Dripping Springs, Texas 78620

Re: LCRA Wholesale Potable Water Services Agreement

Dear Mr. Hammett:

The Lower Colorado River Authority (LCRA) Board of Directors (Board) approved its Fiscal Year (FY) 2009 Business Plan on May 21, 2008. As stated in the Water Services Agreement, the potable and raw water rates are subject to change by the LCRA Board. On August 20, 2008, the LCRA Board approved increases to the potable and raw water rates charged to wholesale customers of the West Travis County Regional Water System.

The table below will show the approved rates for your specific water contract.

	Monthly Charge (\$)	Volume Charge (\$/1,000 gal.)	Raw Water Diversion (\$/acre-foot)	FY 2007 Annual Usage (1,000 gal.)	Total Charges
Existing	\$2,500	\$2.12	\$126	25,920	\$95,059
Proposed	\$2,500	\$2.40	\$138	25,920	\$103,354

The new potable water rates will become effective on October 1, 2008 and the raw water increase will become effective January 1, 2009. An October 1st meter reading will be taken for the potable water rates and the October monthly invoice will be prorated accordingly.

Please contact me if you need additional information or have any questions. I can be contacted by phone at 473-3334 or by e-mail at jstephen@lcra.org

Sincerely,

Janet Stephenson
West Travis County Regional Manager

**EXHIBIT F
ATTACHMENT "C"**

RANDALL B. WILBURN

ATTORNEY AT LAW

3000 SOUTH I.H. 35, SUITE 150
AUSTIN, TEXAS 78704

November 1, 2010

Via Regular Mail

Ms. Tammy Holguin-Benter
Utilities and Districts Section, MC 153
Texas Commission on Environmental Quality
PO Box 13087
Austin, TX 78711-3087

Re: Deer Creek Ranch Water Co., LLC; Notice of LCRA Increase in Pass-Through-
Charges

Dear Tammy:

Attached is a copy of the LCRA Notice of Increase in rates received by Deer Creek Ranch Water Co., LLC. To ensure that the Utility is fully compliant with Texas Commission on Environmental Quality Rule 291.21(h) and to minimize any confusion, the Utility is sending the attached in its January billing.

Again to ensure full compliance with TCEQ rules, I am, on behalf of the Utility, providing you with this courtesy notice of the addition of the LCRA charges.

If you have any further questions, please give me a call.

Sincerely,



Randall B. Wilburn

Enclosures

**EXHIBIT F
ATTACHMENT "C"**



October 20, 2010

Mr. Sam Hammett, President
Deer Creek Ranch Water Co., L.L.C.
P.O. Box 436
Dripping Springs, Texas 78620

Dear Mr. Hammett:

At the September 2010 LCRA Board Meeting, the Board of Directors approved the 9.5 percent raw water use rate increase that was communicated to you in my letter of June 17, 2010. The rate increase will take effect January 2011.

The table below shows the approved rates.

Current Rate:	Approved Rate:
Diversion/Use \$138/AF	Diversion/Use \$151/AF
Reservation Fee \$69/AF	Reservation Fee \$75.50/AF
Inverted Block \$262.20/AF	Inverted Block \$302.00/AF

Please call Janet Stephenson at 473-3334 if you have questions.

Sincerely,

A handwritten signature in black ink that reads "Janet Stephenson". The signature is written in a cursive style.

Janet Stephenson
West Travis County Regional Manager

Cc: Randall Wilburn

EXHIBIT G

ADJUSTMENTS

Friday, June 3, 2011

10:07:58AM

Reprinted For: 5/31/11

Page 1 of 8

Reprinted for: 5/31/2011
 DEER

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
74		1	\$3.44		5/2/11
784		1	\$7.41		5/11/11
		\$10.85	For Adjustment 1		
266		2	\$236.96	tr	5/17/11
		\$236.96	For Adjustment 2		
266		3	\$25.00	tr	5/17/11
		\$25.00	For Adjustment 3		
41		10	(\$97.05)		5/18/11
	operator damaged line/credit f				
41		10	(\$82.94)	tr	5/18/11
	adjust LCRA water rate fee				
680		10	(\$50.00)	LM	5/31/11
	Correct computer malfunction				
		(\$229.99)	For Adjustment 10		
852		13	\$125.00		5/6/11
		\$125.00	For Adjustment 13		
1		17	(\$52.65)		5/24/11
2		17	(\$52.65)		5/24/11
5		17	(\$52.65)		5/24/11
8		17	(\$52.65)		5/24/11
13		17	(\$52.65)		5/24/11
14		17	(\$52.65)		5/24/11
19		17	(\$52.65)		5/24/11
24		17	(\$52.65)		5/24/11
25		17	(\$52.65)		5/24/11
27		17	(\$52.65)		5/24/11
29		17	(\$52.65)		5/24/11
30		17	(\$52.65)		5/24/11
31		17	(\$52.65)		5/24/11
35		17	(\$52.65)		5/24/11
36		17	(\$52.65)		5/24/11
40		17	(\$52.65)		5/24/11
41		17	(\$52.65)		5/24/11
42		17	(\$52.65)		5/24/11
43		17	(\$52.65)		5/24/11
46		17	(\$52.65)		5/24/11
48		17	(\$52.65)		5/24/11
49		17	(\$52.65)		5/24/11
50		17	(\$52.65)		5/25/11
52		17	(\$52.65)		5/25/11
53		17	(\$52.65)		5/25/11
54		17	(\$52.65)		5/25/11
55		17	(\$52.65)		5/25/11
58		17	(\$52.65)		5/25/11
59		17	(\$52.65)		5/25/11
62		17	(\$52.65)		5/25/11
65		17	(\$52.65)		5/25/11
66		17	(\$52.65)		5/25/11
71		17	(\$52.65)		5/25/11
73		17	(\$52.65)		5/25/11

EXHIBIT G

Friday, June 3, 2011
 Reprinted for: 5/31/2011
 DEER

10:07:58AM

Reprinted For: 5/31/11

Page 2 of 8

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
74		17	(\$52.65)		5/25/11
78		17	(\$52.65)		5/25/11
79		17	(\$52.65)		5/25/11
80		17	(\$52.65)		5/25/11
81		17	(\$52.65)		5/25/11
82		17	(\$52.65)		5/25/11
83		17	(\$52.65)		5/25/11
84		17	(\$52.65)		5/25/11
85		17	(\$52.65)		5/25/11
86		17	(\$52.65)		5/25/11
87		17	(\$52.65)		5/25/11
88		17	(\$52.65)		5/25/11
89		17	(\$52.65)		5/25/11
90		17	(\$52.65)		5/25/11
91		17	(\$52.65)		5/25/11
93		17	(\$52.65)		5/25/11
94		17	(\$52.65)		5/25/11
95		17	(\$52.65)		5/25/11
96		17	(\$52.65)		5/25/11
97		17	(\$52.65)		5/25/11
98		17	(\$52.65)		5/25/11
99		17	(\$52.65)		5/25/11
103		17	(\$52.65)		5/25/11
104		17	(\$52.65)		5/25/11
105		17	(\$52.65)		5/25/11
106		17	(\$52.65)		5/25/11
107		17	(\$52.65)		5/25/11
113		17	(\$52.65)		5/25/11
116		17	(\$52.65)		5/25/11
117		17	(\$52.65)		5/25/11
118		17	(\$52.65)		5/25/11
119		17	(\$52.65)		5/25/11
121		17	(\$52.65)		5/25/11
124		17	(\$52.65)		5/25/11
125		17	(\$52.65)		5/25/11
126		17	(\$52.65)		5/25/11
128		17	(\$52.65)		5/25/11
134		17	(\$52.65)		5/25/11
135		17	(\$52.65)		5/25/11
136		17	(\$52.65)		5/25/11
137		17	(\$52.65)		5/25/11
139		17	(\$52.65)		5/25/11
140		17	(\$52.65)		5/25/11
141		17	(\$52.65)		5/25/11
143		17	(\$52.65)		5/25/11
146		17	(\$52.65)		5/25/11
148		17	(\$52.65)		5/25/11
149		17	(\$52.65)		5/25/11
152		17	(\$52.65)		5/25/11
154		17	(\$52.65)		5/25/11
155		17	(\$52.65)		5/25/11
156		17	(\$52.65)		5/25/11
158		17	(\$52.65)		5/25/11

EXHIBIT G

Friday, June 3, 2011
 Reprinted for: 5/31/2011
 DEER

10:07:58AM

Reprinted For: 5/31/11

Page 3 of 8

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
160		17	(\$52.65)		5/25/11
161		17	(\$52.65)		5/25/11
163		17	(\$52.65)		5/25/11
164		17	(\$52.65)		5/25/11
165		17	(\$52.65)		5/25/11
166		17	(\$52.65)		5/25/11
167		17	(\$52.65)		5/25/11
168		17	(\$52.65)		5/25/11
172		17	(\$52.65)		5/25/11
173		17	(\$52.65)		5/25/11
174		17	(\$52.65)		5/25/11
176		17	(\$52.65)		5/25/11
177		17	(\$52.65)		5/25/11
178		17	(\$52.65)		5/25/11
182		17	(\$52.65)		5/25/11
184		17	(\$52.65)		5/25/11
185		17	(\$52.65)		5/25/11
187		17	(\$52.65)		5/25/11
188		17	(\$52.65)		5/25/11
189		17	(\$52.65)		5/25/11
191		17	(\$52.65)		5/25/11
192		17	(\$52.65)		5/25/11
195		17	(\$52.65)		5/25/11
197		17	(\$52.65)		5/25/11
201		17	(\$52.65)		5/25/11
204		17	(\$52.65)		5/25/11
207		17	(\$52.65)		5/25/11
208		17	(\$52.65)		5/25/11
215		17	(\$52.65)		5/25/11
224		17	(\$52.65)		5/25/11
226		17	(\$52.65)		5/25/11
229		17	(\$52.65)		5/25/11
230		17	(\$52.65)		5/25/11
231		17	(\$52.65)		5/25/11
233		17	(\$52.65)		5/25/11
236		17	(\$52.65)		5/25/11
238		17	(\$52.65)		5/25/11
239		17	(\$52.65)		5/25/11
240		17	(\$52.65)		5/25/11
242		17	(\$52.65)		5/25/11
244		17	(\$52.65)		5/25/11
245		17	(\$52.65)		5/25/11
248		17	(\$52.65)		5/25/11
254		17	(\$52.65)		5/25/11
255		17	(\$52.65)		5/25/11
261		17	(\$52.65)		5/25/11
263		17	(\$52.65)		5/25/11
265		17	(\$52.65)		5/25/11
266		17	(\$52.65)		5/25/11
268		17	(\$52.65)		5/25/11
269		17	(\$52.65)		5/25/11
271		17	(\$52.65)		5/25/11
272		17	(\$52.65)		5/25/11

EXHIBIT G

Friday, June 3, 2011
 Reprinted for: 5/31/2011
 DEER

10:07:58AM

Reprinted For: 5/31/11

Page 4 of 8

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
273		17	(\$52.65)		5/25/11
274		17	(\$52.65)		5/25/11
275		17	(\$52.65)		5/25/11
278		17	(\$52.65)		5/25/11
279		17	(\$52.65)		5/25/11
281		17	(\$52.65)		5/25/11
289		17	(\$52.65)		5/25/11
291		17	(\$52.65)		5/25/11
293		17	(\$52.65)		5/25/11
303		17	(\$52.65)		5/25/11
307		17	(\$52.65)		5/25/11
311		17	(\$52.65)		5/25/11
317		17	(\$52.65)		5/25/11
325		17	(\$52.65)		5/25/11
326		17	(\$52.65)		5/25/11
328		17	(\$52.65)		5/25/11
330		17	(\$52.65)		5/25/11
334		17	(\$52.65)		5/25/11
342		17	(\$52.65)		5/25/11
343		17	(\$52.65)		5/25/11
345		17	(\$52.65)		5/25/11
346		17	(\$52.65)		5/25/11
353		17	(\$52.65)		5/25/11
354		17	(\$52.65)		5/25/11
355		17	(\$52.65)		5/25/11
358		17	(\$52.65)		5/25/11
359		17	(\$52.65)		5/25/11
362		17	(\$52.65)		5/25/11
367		17	(\$52.65)		5/25/11
369		17	(\$52.65)		5/25/11
370		17	(\$52.65)		5/25/11
373		17	(\$52.65)		5/25/11
376		17	(\$52.65)		5/25/11
378		17	(\$52.65)		5/25/11
382		17	(\$52.65)		5/25/11
387		17	(\$52.65)		5/25/11
388		17	(\$52.65)		5/25/11
389		17	(\$52.65)		5/25/11
391		17	(\$52.65)		5/25/11
392		17	(\$52.65)		5/25/11
394		17	(\$52.65)		5/25/11
397		17	(\$52.65)		5/25/11
408		17	(\$52.65)		5/25/11
409		17	(\$52.65)		5/25/11
410		17	(\$52.65)		5/25/11
415		17	(\$52.65)		5/25/11
416		17	(\$52.65)		5/25/11
426		17	(\$52.65)		5/25/11
428		17	(\$52.65)		5/25/11
430		17	(\$52.65)		5/25/11
432		17	(\$52.65)		5/25/11
440		17	(\$52.65)		5/25/11
441		17	(\$52.65)		5/25/11

EXHIBIT G

Friday, June 3, 2011

10:07:58AM

Reprinted For: 5/31/11

Reprinted for: 5/31/2011

Page 5 of 8

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
442		17	(\$52.65)		5/25/11
443		17	(\$52.65)		5/25/11
445		17	(\$52.65)		5/25/11
446		17	(\$52.65)		5/25/11
447		17	(\$52.65)		5/25/11
448		17	(\$52.65)		5/25/11
450		17	(\$52.65)		5/25/11
452		17	(\$52.65)		5/25/11
453		17	(\$52.65)		5/25/11
457		17	(\$52.65)		5/25/11
460		17	(\$52.65)		5/25/11
464		17	(\$52.65)		5/25/11
465		17	(\$52.65)		5/25/11
466		17	(\$52.65)		5/25/11
467		17	(\$52.65)		5/25/11
468		17	(\$52.65)		5/25/11
471		17	(\$52.65)		5/25/11
472		17	(\$52.65)		5/25/11
476		17	(\$52.65)		5/25/11
480		17	(\$52.65)		5/25/11
481		17	(\$52.65)		5/25/11
483		17	(\$52.65)		5/25/11
488		17	(\$52.65)		5/25/11
489		17	(\$52.65)		5/25/11
490		17	(\$52.65)		5/25/11
492		17	(\$52.65)		5/25/11
495		17	(\$52.65)		5/25/11
497		17	(\$52.65)		5/25/11
499		17	(\$52.65)		5/25/11
501		17	(\$52.65)		5/25/11
505		17	(\$52.65)		5/25/11
513		17	(\$52.65)		5/25/11
514		17	(\$52.65)		5/25/11
515		17	(\$52.65)		5/25/11
516		17	(\$52.65)		5/25/11
519		17	(\$52.65)		5/25/11
522		17	(\$52.65)		5/25/11
523		17	(\$52.65)		5/25/11
529		17	(\$52.65)		5/25/11
530		17	(\$52.65)		5/25/11
532		17	(\$52.65)		5/25/11
533		17	(\$52.65)		5/25/11
534		17	(\$52.65)		5/25/11
535		17	(\$52.65)		5/25/11
536		17	(\$52.65)		5/25/11
538		17	(\$52.65)		5/25/11
540		17	(\$52.65)		5/25/11
541		17	(\$52.65)		5/25/11
542		17	(\$52.65)		5/25/11
543		17	(\$52.65)		5/25/11
545		17	(\$52.65)		5/25/11
549		17	(\$52.65)		5/25/11
550		17	(\$52.65)		5/25/11

EXHIBIT G

Friday, June 3, 2011

10:07:58AM

Reprinted For: 5/31/11

Reprinted for: 5/31/2011

Page 6 of 8

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
551	BLADE BY LABOR / COMPANY	17	(\$52.65)		5/25/11
552		17	(\$52.65)		5/25/11
555		17	(\$52.65)		5/25/11
560		17	(\$52.65)		5/25/11
561		17	(\$52.65)		5/25/11
562		17	(\$52.65)		5/25/11
565		17	(\$52.65)		5/25/11
567		17	(\$52.65)		5/25/11
569		17	(\$52.65)		5/25/11
570		17	(\$52.65)		5/25/11
572		17	(\$52.65)		5/25/11
573		17	(\$52.65)		5/25/11
574		17	(\$52.65)		5/25/11
575		17	(\$52.65)		5/25/11
576		17	(\$52.65)		5/25/11
577		17	(\$52.65)		5/25/11
578		17	(\$52.65)		5/25/11
580		17	(\$52.65)		5/25/11
584		17	(\$52.65)		5/25/11
585		17	(\$52.65)		5/25/11
586		17	(\$52.65)		5/25/11
587		17	(\$52.65)		5/25/11
588		17	(\$52.65)		5/25/11
590		17	(\$52.65)		5/25/11
591		17	(\$52.65)		5/25/11
592		17	(\$52.65)		5/25/11
594		17	(\$52.65)		5/25/11
595		17	(\$52.65)		5/25/11
596		17	(\$52.65)		5/25/11
601		17	(\$52.65)		5/25/11
603		17	(\$52.65)		5/25/11
604		17	(\$52.65)		5/25/11
606		17	(\$52.65)		5/25/11
609		17	(\$52.65)		5/25/11
611		17	(\$52.65)		5/25/11
614		17	(\$52.65)		5/25/11
615		17	(\$52.65)		5/25/11
616		17	(\$52.65)		5/25/11
617		17	(\$52.65)		5/25/11
618		17	(\$52.65)		5/25/11
619		17	(\$52.65)		5/25/11
620		17	(\$52.65)		5/25/11
621		17	(\$52.65)		5/25/11
622		17	(\$52.65)		5/25/11
625		17	(\$52.65)		5/25/11
626		17	(\$52.65)		5/25/11
627		17	(\$52.65)		5/25/11
628		17	(\$52.65)		5/25/11
629		17	(\$52.65)		5/25/11
630		17	(\$52.65)		5/25/11
631		17	(\$52.65)		5/25/11
632		17	(\$52.65)		5/25/11
633		17	(\$52.65)		5/25/11

EXHIBIT G

Friday, June 3, 2011
 Reprinted for: 5/31/2011
 DEER

10:07:58AM

Reprinted For: 5/31/11

Page 7 of 8

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
634		17	(\$52.65)		5/25/11
635		17	(\$52.65)		5/25/11
636		17	(\$52.65)		5/25/11
637		17	(\$52.65)		5/25/11
638		17	(\$52.65)		5/25/11
639		17	(\$52.65)		5/25/11
640		17	(\$52.65)		5/25/11
642		17	(\$52.65)		5/25/11
645		17	(\$52.65)		5/25/11
647		17	(\$52.65)		5/25/11
649		17	(\$52.65)		5/25/11
653		17	(\$52.65)		5/25/11
654		17	(\$52.65)		5/25/11
655		17	(\$52.65)		5/25/11
657		17	(\$52.65)		5/25/11
658		17	(\$52.65)		5/25/11
659		17	(\$52.65)		5/25/11
660		17	(\$52.65)		5/25/11
661		17	(\$52.65)		5/25/11
662		17	(\$52.65)		5/25/11
663		17	(\$52.65)		5/25/11
664		17	(\$52.65)		5/25/11
665		17	(\$52.65)		5/25/11
666		17	(\$52.65)		5/25/11
667		17	(\$52.65)		5/25/11
668		17	(\$52.65)		5/25/11
670		17	(\$52.65)		5/25/11
671		17	(\$52.65)		5/25/11
672		17	(\$52.65)		5/25/11
673		17	(\$52.65)		5/25/11
675		17	(\$52.65)		5/25/11
676		17	(\$52.65)		5/25/11
678		17	(\$52.65)		5/25/11
680		17	(\$52.65)		5/25/11
681		17	(\$52.65)		5/25/11
682		17	(\$52.65)		5/25/11
683		17	(\$52.65)		5/25/11
684		17	(\$52.65)		5/25/11
685		17	(\$52.65)		5/25/11
686		17	(\$52.65)		5/25/11
687		17	(\$52.65)		5/25/11
688		17	(\$52.65)		5/25/11
689		17	(\$52.65)		5/25/11
690		17	(\$52.65)		5/25/11
691		17	(\$52.65)		5/25/11
692		17	(\$52.65)		5/25/11
693		17	(\$52.65)		5/25/11
694		17	(\$52.65)		5/25/11
695		17	(\$52.65)		5/25/11
696		17	(\$52.65)		5/25/11
697		17	(\$52.65)		5/25/11
698		17	(\$52.65)		5/25/11
700		17	(\$52.65)		5/25/11

EXHIBIT G

Friday, June 3, 2011
 Reprinted for: 5/31/2011
 DEER

10:07:58AM

Reprinted For: 5/31/11

Page 8 of 8

ACCT. #	CODE	AMOUNT	APPROVAL	DATE
701	17	(\$52.65)		5/25/11
702	17	(\$52.65)		5/25/11
703	17	(\$52.65)		5/25/11
704	17	(\$52.65)		5/25/11
705	17	(\$52.65)		5/25/11
706	17	(\$52.65)		5/25/11
707	17	(\$52.65)		5/25/11
708	17	(\$52.65)		5/25/11
709	17	(\$52.65)		5/25/11
710	17	(\$52.65)		5/25/11
711	17	(\$52.65)		5/25/11
363 Total Adjustments		(\$19,111.95)	For Adjustment 17	

- 1. 10.85 Adjustment for mis-read meter
- 2. 236.96 Debt account for returned check
- 3. 25.00 Returned check fee
- 10. (229.99) Other adjustment
- 13. 125.00 Inspection fee
- 17. (19,111.95) Cr adj per court order

365 Accounts 371 Total Adjustments (\$18,944.13)

All Customers
 ***** Professional General Management

EXHIBIT G

ADJUSTMENTS

Friday, December 31, 2010

11:52:42AM

12/31/2010

Page 1 of 8

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
121		1	(\$9.09)		12/30/10
686		1	(\$12.27)		12/30/10
			(\$21.36) For Adjustment 1		
62		2	\$200.00		12/20/10
516		2	\$100.00		12/27/10
			\$300.00 For Adjustment 2		
62		3	\$25.00		12/20/10
516		3	\$25.00		12/27/10
			\$50.00 For Adjustment 3		
619		10	(\$49.93)		12/27/10
Should have been on Rate Cc					
785		10	(\$2.04)		12/22/10
			(\$51.97) For Adjustment 10		
721		12	(\$13.34)		12/2/10
			(\$13.34) For Adjustment 12		
1		16	(\$114.90)		12/28/10
2		16	(\$75.36)		12/23/10
5		16	(\$71.86)		12/23/10
8		16	\$134.50		12/23/10
8		16	(\$269.00)		12/23/10
13		16	(\$136.48)		12/23/10
14		16	(\$88.38)		12/28/10
19		16	(\$97.18)		12/28/10
24		16	(\$141.12)		12/27/10
October & November Rate Code Adjustment					
25		16	(\$56.24)		12/23/10
27		16	(\$80.92)		12/28/10
29		16	(\$148.92)		12/28/10
30		16	(\$71.60)		12/28/10
31		16	(\$100.41)		12/27/10
35		16	(\$93.12)		12/28/10
36		16	(\$148.93)		12/28/10
40		16	(\$87.23)		12/23/10
41		16	(\$87.80)		12/28/10
42		16	(\$39.16)		12/23/10
46		16	(\$124.99)		12/28/10
48		16	(\$131.59)		12/28/10
49		16	(\$92.00)		12/28/10
50		16	(\$66.95)		12/28/10
52		16	(\$29.00)		12/23/10
54		16	(\$81.07)		12/28/10
55		16	(\$63.07)		12/28/10
58		16	(\$142.35)		12/28/10
59		16	(\$109.72)		12/28/10
62		16	(\$135.65)		12/28/10
65		16	(\$96.52)		12/28/10
66		16	(\$83.30)		12/28/10
71		16	(\$91.91)		12/23/10
adjustment October & November					
73		16	(\$190.24)		12/28/10

EXHIBIT G

Friday, December 31, 2010

11:52:42AM

12/31/2010

Page 2 of 8

****DEER****

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
74		16	(\$97.82)		12/28/10
78		16	(\$140.52)		12/28/10
79		16	(\$121.63)		12/28/10
81		16	(\$70.58)		12/23/10
82		16	(\$81.06)		12/23/10
83		16	(\$97.58)		12/23/10
84		16	(\$54.87)		12/23/10
85		16	(\$100.14)		12/28/10
86		16	(\$105.05)		12/28/10
87		16	(\$59.82)		12/23/10
88		16	(\$62.02)		12/23/10
89		16	(\$160.05)		12/28/10
90		16	(\$50.37)		12/23/10
91		16	(\$159.27)		12/28/10
93		16	(\$46.46)		12/23/10
94		16	(\$146.76)		12/28/10
95		16	(\$101.81)		12/28/10
96		16	(\$153.84)		12/27/10
October & November Rate code Adjustment					
97		16	(\$89.62)		12/23/10
98		16	(\$32.95)		12/23/10
99		16	(\$53.05)		12/23/10
103		16	(\$119.65)		12/28/10
104		16	(\$98.46)		12/28/10
105		16	(\$127.66)		12/28/10
106		16	(\$45.46)		12/23/10
107		16	(\$74.89)		12/28/10
113		16	(\$218.35)		12/28/10
116		16	\$57.44		12/23/10
117		16	\$124.67		12/28/10
117		16	(\$124.67)		12/28/10
118		16	(\$89.29)		12/28/10
119		16	(\$99.01)		12/28/10
121		16	(\$77.57)		12/23/10
124		16	(\$176.77)		12/28/10
126		16	(\$113.01)		12/28/10
128		16	(\$167.01)		12/27/10
October & November					
134		16	(\$163.42)		12/28/10
135		16	(\$62.46)		12/23/10
136		16	(\$63.25)		12/23/10
137		16	(\$162.97)		12/27/10
October & November					
139		16	(\$144.79)		12/28/10
140		16	(\$113.89)		12/28/10
141		16	(\$151.19)		12/28/10
143		16	(\$156.39)		12/28/10
146		16	(\$158.68)		12/28/10
148		16	(\$128.30)		12/28/10
149		16	(\$112.15)		12/28/10
152		16	(\$152.81)		12/28/10
154		16	(\$39.16)		12/23/10
155		16	(\$121.82)		12/23/10

EXHIBIT G

Friday, December 31, 2010

11:52:42AM

12/31/2010

Page 3 of 8

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
158	KORNEGAY KATHERINE	16	(\$59.56)		12/23/10
160		16	(\$45.82)		12/23/10
161		16	(\$55.09)		12/23/10
163		16	(\$103.29)		12/28/10
164		16	(\$312.59)		12/28/10
165		16	(\$88.77)		12/28/10
166		16	(\$143.09)		12/28/10
167		16	(\$81.68)		12/23/10
168		16	(\$141.52)		12/28/10
172		16	(\$124.43)		12/28/10
173		16	(\$122.50)		12/29/10
174		16	(\$130.35)		12/29/10
176		16	(\$92.19)		12/29/10
177		16	(\$83.75)		12/29/10
178		16	(\$242.58)		12/29/10
182		16	(\$138.81)		12/27/10
October & November Rate Code Adjustment					
184		16	(\$88.46)		12/27/10
October & November Rate C					
185		16	(\$86.33)		12/29/10
187		16	(\$149.88)		12/29/10
188		16	(\$113.34)		12/29/10
189		16	(\$76.41)		12/29/10
191		16	(\$87.35)		12/29/10
192		16	(\$98.48)		12/29/10
195		16	(\$40.92)		12/23/10
197		16	(\$66.58)		12/23/10
201		16	(\$55.83)		12/23/10
204		16	(\$110.26)		12/23/10
.82					
207		16	(\$102.18)		12/29/10
208		16	(\$118.98)		12/29/10
214		16	(\$132.46)		12/29/10
215		16	(\$89.50)		12/29/10
224		16	(\$109.92)		12/29/10
226		16	(\$100.78)		12/29/10
229		16	(\$109.74)		12/29/10
230		16	(\$96.55)		12/29/10
233		16	(\$136.26)		12/29/10
236		16	(\$100.69)		12/29/10
238		16	(\$101.68)		12/29/10
239		16	(\$88.52)		12/29/10
242		16	(\$36.95)		12/23/10
244		16	(\$45.18)		12/23/10
248		16	(\$87.05)		12/23/10
255		16	(\$62.48)		12/23/10
261		16	(\$62.69)		12/23/10
263		16	(\$117.88)		12/29/10
265		16	(\$40.62)		12/23/10
266		16	(\$152.90)		12/29/10
268		16	(\$101.16)		12/29/10
269		16	(\$144.03)		12/29/10
271		16	(\$58.67)		12/29/10

EXHIBIT G

Friday, December 31, 2010 11:52:42AM
12/31/2010

Page 4 of 8

ACCT.#	NAME	CODE	AMOUNT	APPROVAL	DATE
272		16	(\$193.77)		12/29/10
273		16	(\$112.35)		12/29/10
274		16	(\$66.38)		12/29/10
275		16	(\$118.98)		12/29/10
278		16	(\$180.88)		12/29/10
279		16	(\$29.00)		12/23/10
281		16	(\$75.29)		12/23/10
289		16	(\$61.09)		12/23/10
291		16	(\$122.62)		12/23/10
303		16	(\$145.51)		12/29/10
311		16	(\$81.17)		12/29/10
317		16	(\$116.83)		12/29/10
326		16	(\$101.71)		12/29/10
328		16	(\$103.83)		12/27/10
October & November Rate Code Adjustment					
330		16	(\$141.88)		12/29/10
342		16	(\$121.18)		12/29/10
345		16	(\$168.73)		12/23/10
346		16	(\$12.00)		12/23/10
353		16	(\$125.63)		12/29/10
354		16	(\$42.50)		12/23/10
355		16	(\$93.67)		12/29/10
358		16	(\$108.44)		12/29/10
359		16	(\$73.61)		12/29/10
362		16	(\$101.31)		12/29/10
367		16	(\$104.76)		12/29/10
369		16	(\$159.15)		12/29/10
373		16	(\$118.53)		12/23/10
October & November rate code adjustment					
378		16	(\$100.78)		12/29/10
382		16	(\$102.07)		12/29/10
388		16	(\$67.50)		12/23/10
391		16	(\$115.85)		12/29/10
392		16	(\$124.51)		12/29/10
394		16	(\$76.23)		12/29/10
408		16	(\$50.29)		12/23/10
409		16	(\$166.20)		12/29/10
410		16	(\$81.60)		12/23/10
415		16	(\$103.08)		12/29/10
416		16	(\$182.85)		12/29/10
426		16	(\$88.56)		12/30/10
428		16	(\$75.71)		12/23/10
430		16	(\$88.22)		12/29/10
440		16	(\$113.72)		12/29/10
441		16	(\$37.71)		12/23/10
442		16	(\$42.41)		12/23/10
443		16	(\$80.51)		12/29/10
445		16	(\$233.44)		12/27/10
October & November Rate C					
446		16	(\$142.27)		12/29/10
447		16	(\$169.31)		12/23/10
October & November rate code					
448		16	(\$83.14)		12/29/10

EXHIBIT G

Friday, December 31, 2010

11:52:42AM

12/31/2010

Page 5 of 8

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
450		16	(\$139.21)		12/29/10
452		16	(\$121.38)		12/29/10
457		16	(\$88.65)		12/27/10
October & November Rate Co					
464		16	(\$120.81)		12/29/10
465		16	(\$107.52)		12/29/10
466		16	(\$83.99)		12/28/10
467		16	(\$140.52)		12/29/10
468		16	(\$121.41)		12/23/10
475		16	(\$74.19)		12/29/10
476		16	(\$114.25)		12/29/10
480		16	(\$43.23)		12/23/10
483		16	(\$100.79)		12/27/10
October & November Rate Co					
488		16	(\$76.89)		12/29/10
489		16	(\$143.29)		12/29/10
490		16	(\$48.31)		12/23/10
495		16	(\$117.61)		12/23/10
October & November rate cod					
497		16	(\$115.83)		12/29/10
501		16	(\$82.39)		12/29/10
513		16	(\$63.65)		12/27/10
514		16	(\$108.35)		12/29/10
515		16	(\$106.33)		12/29/10
516		16	(\$97.45)		12/27/10
October & November Rate C					
519		16	(\$119.90)		12/29/10
522		16	(\$55.15)		12/27/10
523		16	(\$82.97)		12/29/10
530		16	(\$96.53)		12/29/10
532		16	(\$123.33)		12/29/10
533		16	(\$95.21)		12/27/10
535		16	(\$110.21)		12/29/10
536		16	(\$108.91)		12/29/10
538		16	(\$116.95)		12/29/10
540		16	(\$104.28)		12/29/10
541		16	(\$132.52)		12/29/10
543		16	(\$110.12)		12/27/10
October & November Rate C					
545		16	(\$56.97)		12/27/10
549		16	(\$61.37)		12/27/10
550		16	(\$190.20)		12/29/10
551		16	(\$43.06)		12/27/10
rate code adjustment for Octo					
552		16	(\$58.66)		12/29/10
555		16	(\$51.39)		12/27/10
560		16	(\$41.44)		12/27/10
561		16	(\$159.41)		12/27/10
Rate Code Adjustment for O					
562		16	(\$108.51)		12/29/10
569		16	(\$95.89)		12/29/10
570		16	(\$78.29)		12/29/10

EXHIBIT G

Friday, December 31, 2010 11:52:42AM
12/31/2010

Page 6 of 8

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
573		16	(\$86.25)		12/29/10
574		16	(\$49.43)		12/27/10
575		16	(\$80.91)		12/29/10
577		16	(\$106.79)		12/29/10
578		16	(\$128.11)		12/27/10
Rate Code Adjustment for October & November					
580		16	(\$132.38)		12/29/10
584		16	(\$55.53)		12/29/10
587		16	(\$125.38)		12/29/10
590		16	(\$96.16)		12/29/10
591		16	(\$64.14)		12/27/10
592		16	(\$142.73)		12/29/10
593		16	(\$80.23)		12/29/10
594		16	(\$31.31)		12/27/10
595		16	(\$129.04)		12/29/10
601		16	(\$89.37)		12/29/10
604		16	(\$92.10)		12/27/10
October & November Rate					
606		16	(\$100.40)		12/27/10
October & November Rate					
609		16	(\$83.63)		12/29/10
611		16	(\$60.39)		12/29/10
614		16	(\$56.99)		12/27/10
616		16	(\$107.23)		12/29/10
617		16	(\$100.51)		12/29/10
619		16	\$49.93		12/27/10
619		16	(\$49.93)		12/27/10
620		16	(\$95.41)		12/29/10
621		16	(\$83.13)		12/29/10
622		16	(\$113.44)		12/29/10
625		16	(\$89.53)		12/27/10
October & November Rate					
626		16	(\$160.16)		12/29/10
627		16	(\$140.11)		12/29/10
629		16	(\$140.51)		12/29/10
630		16	(\$86.83)		12/29/10
631		16	(\$67.21)		12/27/10
October & November Rate					
632		16	(\$64.76)		12/27/10
633		16	(\$100.59)		12/29/10
634		16	(\$119.80)		12/29/10
638		16	(\$128.88)		12/29/10
639		16	(\$87.07)		12/29/10
642		16	(\$95.32)		12/29/10
645		16	(\$121.09)		12/29/10
649		16	(\$108.40)		12/27/10
October & November Rate					
653		16	(\$102.64)		12/29/10
655		16	(\$90.01)		12/29/10
657		16	(\$90.47)		12/29/10
658		16	(\$107.65)		12/29/10
659		16	(\$119.56)		12/29/10
660		16	(\$178.32)		12/29/10

EXHIBIT G

Friday, December 31, 2010

11:52:42AM

12/31/2010

Page 7 of 8

DEER ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
661		16	(\$91.73)		12/29/10
662		16	(\$59.39)		12/27/10
663		16	(\$72.38)		12/29/10
664		16	(\$51.95)		12/27/10
665		16	(\$98.38)		12/30/10
666		16	(\$73.02)		12/27/10
670		16	(\$114.55)		12/30/10
671		16	(\$46.78)		12/27/10
672		16	(\$60.30)		12/27/10
673		16	(\$95.25)		12/30/10
676		16	(\$128.87)		12/30/10
678		16	(\$100.31)		12/30/10
680		16	(\$67.42)		12/27/10
681		16	(\$145.39)		12/30/10
682		16	(\$113.63)		12/30/10
683		16	(\$81.57)		12/30/10
684		16	(\$59.36)		12/27/10
685		16	(\$80.42)		12/30/10
686		16	(\$118.72)		12/30/10
687		16	(\$135.06)		12/30/10
688		16	(\$86.47)		12/30/10
691		16	(\$125.82)		12/27/10
October & November Rate Co					
692		16	(\$91.35)		12/30/10
694		16	(\$88.30)		12/30/10
695		16	(\$157.61)		12/30/10
697		16	(\$87.54)		12/30/10
700		16	(\$92.71)		12/30/10
702		16	(\$56.02)		12/27/10
705		16	(\$58.86)		12/27/10
708		16	(\$94.98)		12/27/10
720		16	(\$58.86)		12/27/10
725		16	(\$100.50)		12/29/10
734		16	(\$29.40)		12/27/10
740		16	(\$166.87)		12/27/10
742		16	(\$43.23)		12/27/10
752		16	(\$140.34)		12/27/10
October & November Rate Co					
755		16	(\$99.66)		12/30/10
756		16	(\$157.03)		12/30/10
758		16	(\$97.72)		12/30/10
759		16	(\$104.69)		12/30/10
760		16	(\$97.56)		12/30/10
762		16	(\$96.42)		12/30/10
763		16	(\$90.39)		12/30/10
764		16	(\$154.48)		12/27/10
768		16	(\$126.37)		12/30/10
770		16	(\$184.59)		12/30/10
771		16	(\$183.19)		12/30/10
773		16	(\$147.76)		12/30/10
774		16	(\$98.85)		12/30/10
775		16	(\$155.23)		12/30/10
776		16	(\$99.34)		12/30/10

EXHIBIT G

Friday, December 31, 2010

11:52:42AM

12/31/2010

Page 8 of 8

ACCT.#	NAME	CODE	AMOUNT	APPROVAL	DATE
777		16	(\$75.24)		12/30/10
778		16	(\$70.57)		12/30/10
779		16	(\$58.58)		12/30/10
780		16	(\$43.58)		12/27/10
781		16	(\$58.58)		12/30/10
783		16	(\$67.87)		12/30/10
784		16	(\$80.50)		12/30/10
785		16	(\$113.24)		12/30/10
786		16	(\$75.42)		12/30/10
788		16	(\$499.27)		12/27/10
October & November Rate C					
789		16	(\$91.54)		12/30/10
790		16	(\$68.28)		12/30/10
791		16	\$88.14		12/30/10
791		16	(\$88.14)		12/30/10
791		16	(\$88.14)		12/30/10
792		16	(\$104.10)		12/30/10
793		16	(\$29.29)		12/30/10
794		16	(\$57.46)		12/30/10
795		16	(\$123.41)		12/30/10
796		16	(\$89.31)		12/30/10
798		16	(\$106.43)		12/30/10
799		16	(\$99.21)		12/30/10
800		16	(\$67.94)		12/30/10
802		16	(\$81.58)		12/30/10
803		16	(\$113.54)		12/30/10
804		16	(\$89.24)		12/30/10
805		16	(\$41.69)		12/30/10
806		16	(\$41.85)		12/27/10
808		16	(\$140.12)		12/30/10
809		16	(\$33.40)		12/30/10
810		16	(\$43.24)		12/30/10
817		16	(\$61.37)		12/30/10
357 Total Adjustments			(\$35,410.03)	For Adjustment 16	

- 1. (21.36) Adjustment for mis-read meter
- 2. 300.00 Debit account for returned check
- 3. 50.00 Returned check fee
- 10. (51.97) Other adjustment
- 12. (13.34) Late fee removal
- 16. (35,410.03) Rate code adjustment

353 Accounts 366 Total Adjustments (\$35,146.78)

All Customers
 ***** Professional General Management

EXHIBIT H

**SOAH DOCKET NO. _____
TCEQ DOCKET NO. 2011-0726-UCR**

**IN THE MATTER OF THE APPLICATION § BEFORE THE
OF DEER CREEK RANCH WATER CO., §
LLC TO CHANGE ITS RATES AND §
TARIFF UNDER CERTIFICATE OF § TEXAS COMMISSION ON
CONVENIENCE AND NECESSITY NO. §
11241 IN HAYS AND TRAVIS COUNTIES, §
TEXAS § ENVIRONMENTAL QUALITY**

**THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §**

AFFIDAVIT OF DONALD G. RAUSCHUBER, P.E.

BEFORE ME, the undersigned authority, on this day personally appeared Donald G. Rauschuber, who, after being duly sworn by me upon her oath said:

“My name is Donald G. Rauschuber. I am over 18 years of age, of sound mind, competent to make this affidavit, and have personal knowledge of the facts stated in this affidavit, which are true and correct:

I am currently employed as President and owner of Donald G. Rauschuber and Associates, Inc., which provides consulting engineer services to utility systems throughout the State of Texas. I am a Texas Licensed Professional Engineer. Over the past 38-years I have performed projects for both public and private entities involving water and wastewater rate designs, and applications to the Texas Commission on Environmental Quality (TCEQ) and its predecessor agencies for water and wastewater tariff changes and water/sewer certificates of convenience and necessity. Also I have provided engineering design and construction management services to numerous clients pertaining to the installation, operation, and maintenance of water and wastewater facilities.

On or about December 9, 2010, I participated in a meeting with Linda Brookins, Director of the TCEQ Water Supply Division, Tammy Benter, Manager of the TCEQ Utilities and Districts Section, and Doug Holcomb, Legislative and Consumer Liaison for the TCEQ Water Supply Division (collectively, the “E.D. staff”). During that meeting, the E.D. staff and I discussed the applicability of utilizing the TCEQ’s cash needs application approach, as a basis for preparing and filing a water rate/tariff change for the Deer Creek Ranch Water Co., LLC (“Deer Creek”). After our discussion, the E.D. staff agreed with me that using the cash needs application would be appropriate to ensure the rates covered the expenses associated with Deer Creek loans held by Frost Bank, Austin, Texas, for the construction of the qualifying infrastructure, which loans the ALJ did not allow under the utility method application filed in the 2010 hearing. In a later telephone conversation, an E.D. staff member agreed to provide me with the cash needs application by electronic mail, as it was not available on the TCEQ website.

EXHIBIT H

FURTHER AFFIANT SAYETH NOT



Donald G. Rauschuber, P.E.

SWORN TO AND SUBSCRIBED before me by Donald G. Rauschuber this 23 day of June 2011.



Notary Public in and for the State Texas

