




Private Water Suppliers

Privately owned water suppliers operate for a profit. The following information explains (1) how to protest a rate change or surcharge and (2) who to contact regarding other issues you may have with your private water supplier if your water comes from such a source.

 Private water suppliers, which include investor owned utilities (IOUs) and private water companies, tend to rely upon different and potentially more costly funding mechanisms and may be less influenced by public comments, compared to non-profit water suppliers.

 If a private water supplier invests in capital improvements, the funding mechanism it chooses for the project most likely will affect the water rates levied by the supplier. While daily operations of private water suppliers are funded through their established rates, capital improvements are funded through (1) cash flow over and above that required for operations, (2) loans, (3) investments from owner(s), and/or (4) customers rate hikes and surcharges. In the event the first three of these options are not viable, customers generally pay for capital improvements through rate hikes and surcharges.

A private water supplier has no legislative obligation to review with the public whether its rates or surcharges are justified, unless 10% or more of the utility's customer base requests a protest hearing. Even with protest hearings, an amendment of the rate change or surcharge may not occur.

 Please note - If you are served by a private water supplier and plan to protest a rate change or surcharge, you should (1) observe the deadline to file such a request (the deadline should be found on your utility statement), (2) familiarize yourself with the specifics of your utility statement before attending the hearing, (3) prepare a statement to be submitted, (4) actively participate in the hearing process. If you have submitted a complaint against a rate change or surcharge, but the 10% rule has not taken effect, you may notify the TCEQ or a city that contracts with your private water supplier, because they have the authority to determine that a rate change or surcharge is justifiable or non-justifiable.

Nothing obligates private water suppliers to adhere to public comment, because they are not required to comply with the Texas Public Information Act. The recommended method of submitting comments and/or complaints is to contact the TCEQ or agencies contracting with your private water supplier (for provision of water, for example).

Comments and/or complaints also may be submitted to the state legislature and city or county authorities that contract with a private water system. To find out what authorities contract with a private water supplier, call TCEQ at 512/239-4691. Visit the Texas Water Code website at <http://www.capitol.state.tx.us/statutes/watoc.html>




Did you know?

Nothing obligates private water suppliers to adhere to public comment because they are not required to comply with the Texas Public Information Act.



FYI

 For more information on the rate change hearing process, visit the TCEQ website at www.tnrc.state.tx.us/admin/topdoc/gi/266.pdf or call TCEQ Publications at 512/239-0028 and request Utility Funding and Rate Design: A Guide to Customers of Private or Investor-Owned Utilities.

Regulations of private water suppliers are found in Ch. 291 of the TAC:
[http://info.sos.state.tx.us/pub/plsql/readtac\\$ext.ViewTAC?tac_view=3&ti=31&pt=10](http://info.sos.state.tx.us/pub/plsql/readtac$ext.ViewTAC?tac_view=3&ti=31&pt=10)

The remaining local water entities, Water Control and Improvement Districts, Special Utility Districts, and Freshwater Supply Districts tend to have smaller operations and provide water to limited areas compared to the types of water suppliers already discussed in this publication.

Water Control and Improvement Districts

The Texas Legislature created Water Control and Improvement Districts (WCIDs) in the 1920s under Article XVI, Section 59 of the Texas Constitution. WCIDs are general law districts and can be created by petition of landowners or the county commissioner's court. General Law districts must comply with the Texas Water Code. A district may include all or part of one or more counties. They have an elected board of five members that oversee the district's activities. WCIDs are subject to the Texas Public Information Act. Districts that encompass at least 30,000 people and have an estimated real estate value of at least 50 million dollars may become municipal utility districts (MUDs). (Also see p. 19 for more discussion on MUDs.)

WCIDs have many broad powers and duties, including the ability to:

- ◆ Supply treated and untreated water
- ◆ Provide wastewater service
- ◆ Manage drainage and flood control
- ◆ Oversee irrigation and navigation
- ◆ Exercise eminent domain
- ◆ Generate hydroelectric power
- ◆ Utilize taxing and bond authority



WCID customers should contact district board or staff members with questions or concerns about their water supply. You can call TNRCC at 512/239-6170 to find out how to contact your water supplier and its board members. WCIDs are covered extensively in Chapter 51 of the Texas Water Code. You can view the water code online at <http://www.capitol.state.tx.us/statutes/wa/wa0005100toc.html>

Special Utility Districts


WSCs have been known to convert to Special Utility Districts (SUDs) for tax purposes. However, the conversion must prove beneficial for the area residing inside the district. Once converted, SUDs receive (1) exemption from sales and property taxes, (2) qualification for preferred loans and grants, and (3) reduction in interest rates. However, SUDs must pay for annual audits and submit to higher levels of regulation. Whether one type of water entity is more preferable is debatable. SUDs provide the same water service as WSCs.

SUDs must be created from a non-profit water supply or sewer service corporation. The board of directors of the corporation must pass a resolution requesting conversion to a SUD. The directors of the water supply or sewer service corporation will serve as temporary directors of the newly approved SUD until a new board is elected.


For information on the formation and operation of SUDs, see Chapter 65 of the Texas Water Code at <http://www.capitol.state.tx.us/statutes/wa/wa0006500toc.html>

Freshwater Supply Districts

A Freshwater Supply District (FWSD) is created for the purpose of providing and distributing water for domestic and commercial use.

 FWSDs are created via petition, hearing, and election. After receiving a petition signed by a least 50 people in the proposed district, the county commissioner's court will hold a public hearing for creation of the FWSD. If the petition is in order and the commissioner's court determines that a FWSD would be a benefit to the land inside the district, an election is held to determine whether the proposed district shall be created.

An elected board of five supervisors, along with tax assessor(s) and collector(s), direct the affairs of the district. FWSDs have taxing and bond authority. The board (1) fixes rates paid by water users, (2) decides the terms on which water can be provided, and (3) makes rules regarding water use and distribution. The revenue earned is used for operation and maintenance expenses, or to help pay debt or interest on bonds.

 FWSDs must comply with the Open Meeting and Open Records Act. If you have any concerns about your water supply, you should attend one of these meetings and notify the supervisors of the district.

For information on the formation and operation of FWSD, see Chapter 53 of the Texas Water Code at <http://www.capitol.state.tx.us/statutes/wa/wa0005300toc.html>.
For more information on FWSDs, contact the TCEQ at 512/239-4691.

Glossary

Commonly Used Abbreviations

CCN - Certificates of Convenience and Necessity

Co-ops - Cooperative water systems

GCD - Groundwater Conservation District

FWSD - Fresh Water Supply District

IOU - Investor Owned Utility

MUD - Municipal Utility District

SUD - Special Utility District

TAC - Texas Administrative Code

TCEQ - Texas Commission on Environmental Quality

TWDB - Texas Water Development Board

WCID - Water Control Improvement District

WSC - Water Supply Corporation

Terms

Aquifer – a body of permeable rock (sand or unconsolidated gravel) that is capable of storing quantities of water, which is underlain by impermeable material and through which groundwater moves

Certificate of Convenience and Necessity (CCN) – the right and obligation of a water provider to service water needs within a pre-defined area (CCNs are issued by the Texas Commission on Environmental Quality)

Corporation – in the context of water, a limited liability entity organized to develop, process, and distribute water services

Board of Directors – individuals who oversee the operations of a water district or water corporation

District – a type of local or regional government that provides water and/or wastewater services or performs other water functions as defined by general or special laws

Eminent Domain – the ability of a governmental entity or other authorized entity to confiscate land for certain purposes, such as the provision of a water supply

Estuary – a coastal area where fresh water from rivers and streams meets with salt water from the ocean

Groundwater – water obtained from underground sources

Municipality – a city government that provides its residents with necessary services (such as water and wastewater)

Municipally owned utility – any utility owned, operated, and controlled by a municipality or a nonprofit corporation whose directors are appointed by one or more municipalities

Rate – the charge for a product or service by any retail public utility such as a charge for water and/or wastewater services by a water utility

Rate hikes – long-term increases in the amount charged for services

Retail water service – potable water service provided by a public utility to the ultimate consumer for compensation

Political subdivisions – state, county, and municipal governmental entities

Surcharges – short-term rate increases for services created under limited circumstances

Surface water – water above ground; includes rivers, lakes and reservoirs

Texas Water Code – the statutes governing the management and protection of water resources in Texas

Utility – in the context of water supply, a water provider purchasing water from wholesale suppliers and distributing it to the final consumer

Wholesale water service – potable water service that is provided to an entity that is not the ultimate consumer

Appendix A

Water Utility Customer Relations

Texas Administrative Code

TITLE 30, PART 1, CHAPTER 291, SUBCHAPTER E, RULE 291.81

(A) Information to customers.

(1) Upon receipt of a request for service or service transfer, the utility shall fully inform the service applicant or customer of the cost of initiating or transferring service. The utility shall clearly inform the service applicant which service initiation costs will be borne by the utility and which costs are to be paid by the service applicant. The utility shall inform the service applicant if any cost information is estimated. Also see §291.85 of this title (relating to Response to Requests for Service by a Retail Public Utility Within Its Certificated Area).

(2) The utility shall notify each service applicant or customer who is required to have a customer service inspection performed. This notification must be in writing and include the applicant's or customer's right to get a second customer service inspection performed by a qualified inspector at their expense and their right to use the least expensive backflow prevention assembly acceptable under §290.44(h) of this title (relating to Water Distribution) if such is required. The utility will ensure that the customer or service applicant receives a copy of the completed and signed customer service inspection form and information related to thermal expansion problems which may be created if a backflow prevention assembly or device is installed.

(3) Upon request, the utility shall provide the customer or service applicant with a free copy of the applicable rate schedule from its approved tariff. A complete copy of the utility's approved tariff shall be available at its local office for review by a customer or service applicant upon request.

(4) Each utility shall maintain a current set of maps showing the physical locations of its facilities. All facilities (production, transmission, distribution or collection lines, treatment plants, etc.) shall be labeled to indicate the size, design capacity, and any pertinent information which will accurately describe the utility's facilities. These maps, and such other maps as may be required by the commission, shall be kept by the utility in a central location and will be available for commission inspection during normal working hours.

(5) Each utility shall maintain a current copy of the commission's substantive rules, Chapter 291 of this title (relating to Utility Regulations) at each office location and make them available for customer inspection during normal working hours.

(6) Each water utility shall maintain a current copy of §§290.38 - 290.47 of this title (relating to Rules and Regulations for Public Water Systems), at each office location and make them available for customer inspection during normal working hours.

(B) Customer complaints. Customer complaints are also addressed in §291.82 of this title (relating to Resolution of Disputes).

(1) Upon receipt of a complaint from a customer or service applicant, either in person, by letter or by telephone, the utility shall promptly conduct an investigation and report its finding(s) to the complainant.

(2) In the event the complainant is dissatisfied with the utility's report, the utility must advise the complainant of recourse through the Texas Commission on Environmental Quality Texas complaint process, and that such process can be initiated by contacting the Consumer Assistance Coordinator, Water Supply Division, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087. The commission encourages all complaints to be made in writing to assist the commission in maintaining records on the quality of service of each utility.

(3) Each utility shall make an initial response to the executive director within 15 days of receipt of a complaint from the commission on behalf of a customer or service applicant. The commission or the executive director may require a utility to provide a written response to the complainant, to the commission, or both. Pending resolution of a complaint, the commission or the executive director may require continuation or restoration of service.

(4) The utility shall keep a record of all complaints for a period of two years following the final settlement of each complaint. The record of complaint shall include the name and address of the complainant, the date the complaint was received by the utility, a description of the nature of the complaint, and the adjustment or disposition of the complaint.

(C) Telephone number. For each of the systems it operates, the utility must maintain and note on the customer's monthly bill either a local or toll free telephone number (or numbers) to which a customer can direct questions about their utility service.

(D) Local Office. Unless authorized by the executive director pursuant to a written request, each utility shall have an office in the county or immediate area (within 20 miles) of a portion of its utility service area in which it keeps all books, records, tariffs, and memoranda required by the commission and at which it will accept customer payments or applications for service. Unless authorized by the executive director pursuant to a written request, each utility shall make available and notify customers of a location within 20 miles of each of its utility service facilities where payments can be made to restore service after disconnection for nonpayment, nonuse, or other reasons specified in §291.88 of this title (relating to Discontinuance of Service).

Source Note: The provisions of this §291.81 adopted to be effective October 9, 1990, 15 TexReg 4019; amended to be effective January 10, 1996, 21 TexReg 114; amended to be effective September 20, 1996, 21 TexReg 8728; amended to be effective October 19, 2000, 25 TexReg 10367; amended to be effective August 29, 2002, 27 TexReg 7924

Appendix B

"Who Provides Water or Sewer Service to My Property?"

If you are considering buying a particular piece of property and need to know who provides water and/or sewer service, the following options are available.

1. If you are purchasing an existing home, this information is available in the seller's disclosure document. If you have not received this information, please contact the realtor. If no realtor is involved, then please contact the seller.
2. If you are building a new home, contact the builder or developer.
3. If you are leasing, contact the property manager.
4. Ask someone living in an area how they receive water and/or wastewater service.

For other situations including determining who provides service to undeveloped or rural property, contact your county clerk's office to determine if a utility is recorded as providing service to the area of interest.

If the above options have failed, please provide the following information either by mail or by fax.

1. Name _____

Phone _____

Fax _____

E-mail _____

Type of service (water or sewer or both) _____

Physical address of property _____

County or counties _____

Nearest main intersection _____

2. Please indicate on a county map a major intersection and identify the location of the property in relation to the intersection.

Please send to:

Suzanne Jaster, Cartographer

Utilities and Districts Section

Fax: 512-239-6972

Phone: 512-239-4691

Mailing address: Texas Commission on Environmental Quality (TCEQ)

Utilities & Districts Section, MC-153

P.O. Box 13087

Austin, TX 78711-3087

A response may take up to 10 days from the date the request is received.

TCEQ – 10427 (11/02)

Appendix C

Open Meetings

A notice of an open meeting filed with the Secretary of State by a state governmental body or the governing body of a water district or other district or political subdivision that extends into four or more counties is posted at the main office of the Secretary of State in the lobby of the James Earl Rudder Building, 1019 Brazos, Austin, Texas.

Notices are published in the electronic Texas Register and available on-line at <http://www.sos.state.tx.us/texreg>

To request a copy of a meeting notice by mail, please call 512/463-5561 if calling in Austin. For out-of-town callers our toll-free number is 1-800-226-7199. Or fax your request to 512/463-5569.

Information about the Texas open meetings law is available from the Office of the Attorney General. The website is <http://www.oag.state.tx.us>. Or phone the Attorney General's Open Government hotline, 512/478-6736.

For on-line links to information about the Texas Legislature, county governments, city governments, and other government information not available here, please refer to the on-line site, <http://www.state.tx.us/government>



TCEQ REGULATORY GUIDANCE

Water Supply

RG-245

(Rev. Nov. 2002)

512/239-4691

FAX 512/239-6972

SUBJECT: TCEQ Jurisdiction Over Utility Rates and Service Policies

This guidance document discusses the TCEQ's jurisdiction over the rates, service areas, and customer service policies of different types of utility service providers: cities, counties, districts, private or investor-owned utilities, and water supply or sewer service corporations.

When Do Utilities Come Under TCEQ Rate Jurisdiction?

Utility Service Provider	TCEQ Rate Jurisdiction			
	Retail			Wholesale
	Original	Appellate	Notice to Customers Required?	Appellate
City - Inside city limits	No	No	No	Yes
City - Outside city limits	No	Yes 10% customer protest	Yes*	Yes
County (other than an "affected county")	No	No	No	Yes
Affected County (within 50 miles of US-Mexico border)	No	Yes 10% customer protest	Yes*	Yes
District - Inside district	No	Yes 10% customer protest	No	Yes
District - Outside district	No	Yes 10% customer protest	Yes*	Yes
WSC	No	Yes 10% customer protest	No	Yes
IOU - Inside city	No Unless city surrenders jurisdiction to TCEQ	Yes 10% customer protest or on appeal from party to rate case before city	Yes	Yes
IOU - Outside city	No	Yes 10% customer protest	Yes	Yes
Exempt IOU	Yes	N/A	Yes	Yes
Exempt WSC	No	Yes	No	Yes

* Notice must tell new rates, effective date and where to get additional information. The TCEQ recommends that the customer be told of the right to appeal.

Appendix E

River Authority Contact Information Sheet

Angelina & Neches River Authority

Kenith Reneau	Telephone	936.632.7795
General Manager	Fax	936.632.2564
210 East Lufkin Ave.	E-mail:	info@anra.org
Lufkin, TX 75901	http://www.anra.org	

Brazos River Authority

Phillip Ford	Telephone	254.761.3100
General Manager	Fax	254.761.3207
4600 Cobbs Drive	E-mail:	info@brazos.org
Waco, TX 76714	http://www.brazos.org	

Canadian River Municipal Water Authority

Kent Satterwhite	Telephone	806.865.3325
General Manager	Fax	806.865.3314
P.O. Box 9	E-mail:	ksatterwhite@crmwa.com
Sanford, TX 79078	http://www.crmwa.com	

Colorado River Municipal Water District

John W. Grant	Telephone	915.267.6341
General Manager	Fax	915.267.3121
P.O. Box 869	E-mail:	info@crmwd.org
Big Spring, TX 79721-0869	http://www.crmwd.org	

Central Colorado River Authority

Laneal Maedgen	Telephone	915.625.4398
General Manager		
P.O. Box 964		
Coleman, TX 76834		

Guadalupe-Blanco River Authority

Bill West	Telephone	830.379.5822
General Manager	Fax	830.379.9718
933 East Court Street	E-mail:	bwest@gbra.org
Seguin, TX 78155	http://www.gbra.org	

Lavaca Navidad River Authority

Jack Nelson	Telephone	361.782.5229
General Manager	Fax	361.782.5310
P.O. Box 429	E-mail:	LNRA@ykc.com
Edna, TX 77957	http://www.lnra.org/	

Lower Colorado River Authority

Joe Beal	Telephone	512.473.3200
General Manager		800.776.5272
P.O. Box 220	Fax	512.473.4066
Austin, TX 78767-0220	E-mail:	waterco@lcra.org
	http://www.lcra.org	

Red River Authority of Texas

Ronald J. Glenn	Telephone	940.723.8697
General Manager	Fax	940.723.8531
900 Eighth Street, Suite 5	E-mail:	info@rra.dst.tx.us
Wichita Falls, TX 76301-6894	http://www.rra.dst.tx.us/	

Sabine River Authority

Jerry Clark	Telephone	409.746.2192
General Manager	Fax	409.746.3780
P.O. Box 579	E-mail:	jclark@sra.dst.tx.us
Orange, TX 77630	http://www.sra.dst.tx.us/	

San Antonio River Authority

Gregory E. Rothe	Telephone	210.227.1373
General Manager	Fax	210.302.3694
P.O. Box 839980	E-mail:	grothe@fara-tx.org
San Antonio, TX 78283-3980	http://www.sara-tx.org/	

San Jacinto River Authority

James R. Adams	Telephone	936.447.5260
General Manager	Fax	936.588.3043
P.O. Box 329	E-mail:	jim@sjra.net
Conroe, TX 77305	www.sjra.net	

Sulphur River Basin Authority

Mike Burke	Telephone	903.223.7887
Administrator	Fax	903.223.7988
P.O. Box 916	E-mail:	mburkesrba@cableone.net
Texarkana, TX 75504-0916	www.sulphurr.org	

Tarrant Regional Water District

James Oliver	Telephone	817.335.2491
General Manager	Fax	817.877.5137
PO. Box 4508	E-mail:	joliver@trwd.com
Fort Worth, TX 76164		

Trinity River Authority

Danny F. Vance	Telephone	817.467.4343
General Manager	Fax	817.465.0970
P.O. Box 60	E-mail:	vanced@trinityra.org
Arlington, TX 76004	http://www.trinityra.org/	

Upper Colorado River Authority

Melinda Bertelson	Telephone	915.655.0565
Public Relations	Fax	915.655.1371
108 N. Farr	E-mail:	ucra4@centex.net
San Angelo, TX 76903	http://www.ucra-tx.org/	

Continued on next page

River Authority Contact Information Sheet, continued

Lower Neches Valley Authority

Robert Stroder	Telephone	409.892.4011
General Manager	Fax	409.898.2468
P.O. Box 5117	E-mail:	roberts@pernet.net
Beaumont, TX 77726-5117	http://www.lnva.dst.tx.us	

North Texas Municipal Water District

Jim Parks	Telephone	972.442.5405
Executive Director	Fax	972.442.5405
P.O. Box 2408	E-mail:	jparks@ntmwd
Whilie, TX 75098		

Northeast Texas Municipal Water District

Walt Sears, Jr.	Telephone	903.639.7538
General Manager	Fax	903.639.2208
P.O. Box 955	E-mail:	netmwd@aol.com
Hughes Springs, TX 75656-0955	www.netmwd.com	

Nueces River Authority

Con Mims	Telephone	830.278.6810
Executive Director	Fax	830.278.2025
P.O. Box 349	E-mail: cmimsnra@hillcoet.com	
Uvalde, TX 78802	http://nueces-ra.tamucc.edu/	

Upper Guadalupe River Authority

Jim Brown	Telephone	830.896.5445
General Manager	Fax	830.257.2621
125 Lehmann Drive, Suite 100	E-mail:	ugraadm@ugra.org
Kerrville, TX 78028-5908	http://www.ugra.org/	

Upper Neches River Municipal Water Authority

Tommy G. Mallory	Telephone	903.876.2237
General Manager	Fax	903.876.5200
P.O. Box 1965	E-mail:	unrmwa@gower.ne
Palestine, TX 75802		

West Central Texas Municipal Water District

David E. Bell	Telephone	915.673.8254
General Manager	Fax	915.673.8272
P.O. Box 2362	E-mail:	belld@wctmwd.org
Abilene, Tx 79604	www.wctmwd.org	

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Additional copies of this book may be obtained from the
Lone Star Chapter Sierra Club by calling 512-477-1729,
or by emailing at lonestar.chapter@sierraclub.org

