

Control Number: 43355



Item Number: 1

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

BEAR SPRINGS WATER CO., INC.

P.O. Box 18078

Sugar Land, Texas 77496-8078

**Gem B. Childress
President**

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2014 SEP 25 PM 3:06

Phone: (281)-693-4710

PUBLIC UTILITY COMMISSION
FILING CLERK

May 6, 2014

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P.O. Box 13087
Austin, TX 78711-3087

Ref: TCEQ Form 10516 - Sale of Bear Springs Water Co., Inc. (CCN # 12963),
(PWS #0100076) to Bear Springs Trails Water Supply Corporation, Inc.

Dear Sir/Madam:

Please find enclosed the original and three copies of the above referenced form with the requested attachments regarding the sale of the water system currently owned by Bear Springs Water Co., Inc. This system is located in the Bear Springs Trails Subdivision, Pipe Creek, Bandera County, Texas and currently serves twenty-one customers.

Contact information regarding questions or requesting additional information should be directed to:

Vicky Steere
E-mail: dandvsteere@comcast.net
Phone: 281-615-7189

We look forward to beginning this process and greatly appreciate any support and help offered by TCEQ in completing the application and sale in a timely manner.

Sincerely,



**Gem B. Childress
President**

GBC/vls

Enclosures

cc: Jan Serene, President
Bear Springs Trails Water Supply Corporation, Inc.
P.O. Box 63479
Pipe Creek, TX 78063
Ph: 830-510-4284

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EX1205U



APPLICATION FOR SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY

TABLE OF CONTENTS

Application For Sale, Transfer Or Merger Of A Retail Public Utility	2
Information That Apply To The Transferor (Current Service Provider Or Seller)	2
Information That Apply To The Transferee Or Purchaser	3
Texas Comptroller Of Public Accounts	4
Information That Apply To More Than Two Parties Involved In This Transaction	5
Historical Balance Sheets.....	9
Historical Income Statement.....	10
Historical Expenses Statement.....	11
Projected Balance Sheets	12
Projected Income Statement.....	13
Projected Income Statement Concerning General/Administrative Expenses.....	14
Projected Sources And Uses Of Cash Statements	15
Information That Apply To The Physically Distinct System Being Transferred Or Acquired	16
Information That Apply To The Franchise Agreement Or Consent Letter From The City Or District.	16
Oath For Seller Or Former Service Provider	18
Oath For Purchaser Or Acquiring Entity	19
Notice To Current Customers, Neighboring Systems And Cities	20
Notice To Current Customers, Neighboring Systems, Landowner And Cities	22

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**APPLICATION FOR SALE, TRANSFER,
OR MERGER OF A RETAIL PUBLIC UTILITY**

*RN# 101244531 *CN# 600681084 *If known (See instructions)

1. Proposed action of application (check all the boxes that apply):

☒ Sale of ☒ All ☐ Portion of the ☒ Water system(s) under CCN No.:
☐ Acquisition ☐ Sewer system(s) under CCN No.:
☐ Lease/Rental

12963

☐ Transfer of ☐ All ☐ Portion of the ☐ Certificated water service area – CCN No.:
☐ Certificated sewer service area – CCN No.:

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

--

and to:

☒ Obtain a CCN for the transferee (purchaser) – purchaser will take the seller's CCN
☐ Amend the transferee's CCN No.:
☐ Merge or consolidate public utilities
☐ Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction: Upon TCEQ approval
(Must be at least 120 days after proper notice is provided)

**QUESTIONS 3 THROUGH 5 APPLY TO THE TRANSFEROR
(CURRENT SERVICE PROVIDER OR SELLER)**

3. For the current CCN holder or service provider please indicate:

A. Name: BEAR SPRINGS WATER CO., INC.

(Individual, Corporation or Other Legal Entity)

who is a(n):of ☐ Individual ☒ Corporation ☐ WSC ☐ HOA or POA ☐ Other

B. Utility Name (if different than above):

Address: P.O. BOX 18078; SUGAR LAND, TX 77496-8078 Telephone: (AC) 281-615-7189

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: VICKY STEERE
Address: 22103 MISSION HILLS LN., KATY, TX 77450
Fax: N/A

Title: VP
Telephone: (AC) 281-615-7189
Email: dandvsteere@comcast.net

4. About the last rate increase for the system or facilities being transferred: **N/A**
- A. What was the effective date of the last rate increase? **N/A**

B. Was notice of this increase provided to the Texas Commission on Environmental Quality or its predecessors?

☐ No ☐ Yes- Application/Docket Number: _____ Date _____

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
NONE			

- ☛ Within 30 days of the actual transaction date, and prior to the transfer of the certificate by the TCEQ, the seller must provide proof to the Commission that these customer deposits were returned to the customers or transferred to the purchasing utility. Proof should include a sworn affidavit.

**QUESTIONS 6 THROUGH 16 REFER TO
THE TRANSFEREE OR PURCHASER**

6. For the person or entity acquiring the facilities and/or CCN:

Applicant: **Bear Springs Trails Water Supply Corporation, Inc.**
(Individual, Corporation, or Other Legal Entity)

Utility Name: _____
(If different than above)

Utility Address: **P.O Box 63479, 997 Bear Springs Trail, Pipe Creek, TX 78063**

Fax: _____ Email: **jan.serene@att.net** Telephone (AC): **(830) 510-4284**

CCN Numbers held prior to the filing of this application: **None**

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:

<input type="checkbox"/>	Individual
<input type="checkbox"/>	Home or Property Owners Association
<input type="checkbox"/>	Partnership; attach copy of partnership agreement
<input type="checkbox"/>	Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas: _____
<input checked="" type="checkbox"/>	Non-profit, member-owned, member-controlled Cooperative Corporation (Article 1434(a) Water Supply or Sewer Service Corporation); provide charter number: 801831957
<input type="checkbox"/>	Municipally-owned utility
<input type="checkbox"/>	District (MUD, SUD, WCID, etc.)
<input type="checkbox"/>	County
<input type="checkbox"/>	Other (please explain): _____

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:				Email:			
Address							
Telephone (AC):			Fax (AC):				

9. If the applicant is other than an *Individual* provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	Jan W. Serene		Telephone (AC):	(830) 510-4284		
Address:	P.O. Box 63479, 997 Bear Springs Trail, Pipe Creek, TX 78063					
Position:	Director/President		Ownership % (if applicable):			

•Name:	David Ketterer		Telephone (AC):	(210) 749-8350		
Address:	P.O. Box 510, 1408 Bear Springs Trail, Pipe Creek, TX 78063					
Position:	Director/Vice-President		Ownership % (if applicable):			

•Name:	Karla Seale		Telephone (AC):	(210) 563-1302		
Address:	142 Bear Springs Trail, Pipe Creek, TX 78063					
Position:	Director/Secretary		Ownership % (if applicable):			

•Name:	Elizabeth A. Serene		Telephone (AC):	(830) 510-4284		
Address:	P.O. Box 63479, 997 Bear Springs Trail, Pipe Creek, TX 78063					
Position:	Director/Treasurer		Ownership % (if applicable):			

•Name:	Andy Watson		Telephone (AC):	(281) 831-4489		
Address:	1545 Bear Springs Trail, Pipe Creek, TX 78063					
Position:	Director		Ownership % (if applicable):			

•Name:	-----		Telephone (AC):			
Address:						
Position:			Ownership % (if applicable):			

- Attach additional sheet(s) if necessary -

- Important:**
- If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Texas Comptroller of Public Accounts

P. O. Box 13528, Capitol Station

Austin, Texas 78711

1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Jan W. Serene	Title:	Director/President
Address:	P.O. Box 63479, 997 Bear Springs Trail, Pipe Creek, TX 78063	Telephone (AC):	(830) 510-4284
Fax #	-----	Email	jan.serene@att.net
Relationship to the applicant:	Director/President		

IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY

11. Please respond to each of the following questions. Attach additional sheets if necessary.

A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

The directors have experience and/or degrees encompassing law; agricultural economics; land economics and real estate; resource management; budget analysis; underground utility installation, maintenance, and repair; organizational management; information technology; and communications. All are residents of the serviced area; therefore, have vested interests in ensuring the successful operation of the water supply corporation.

B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? ☐ Yes ☒ No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

--

C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and ensure continuous and adequate service.

Bear Springs Trails Owner's Association, Inc., whose members are the customers affected, has assumed the costs of formation of the WSC and acquisition and transfer of the assets to the WSC. It will also provide \$15,000 start up funds for the initial operation of the WSC.

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

As a customer-owned WSC, the focus will be to provide the highest quality of service. As onsite owners/customers, we expect increased responsiveness to customer needs and no degradation in the quality of service.

E. How will the transaction serve the public interest?

It is in the members' and public interest to provide quality water service at a reasonable price and to promote conservation to ensure the availability of water in the future.

12. Please describe the nature of the proposed transaction:

Bear Springs Trails Owner's Association, Inc. will fund the purchase the assets of the Bear Springs Water Co. on behalf of the Bear Springs Trails Water Supply Corporation, Inc., which will assume operations under the existing CNN upon TCEQ's approval.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the TCEQ, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A: N/A

A.

• Total Purchase Price:

--	--

• Total Original Cost (as recorded on books of seller or merging entity):

--	--

• Accumulated Depreciation as of the proposed effective date of the transaction:

--	--

• Contributions in Aid of Construction:

- Specific surcharges approved by TCEQ:

--	--

- Revenues from explicit customer agreements:

--	--

- Developer Contributions (please explain):

--	--

--	--

- Other Contributions (please explain):

--	--

--	--

Total Contributions in Aid of Construction

--	--

• Net Book Value:

--	--



If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number:

--	--

Date:

--	--



If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

B. Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.

[attach additional sheet(s) if necessary]:

After assuming operations, the proposed rate increase should fund ongoing operations. Under the by-laws any shortfall needed for improvements or repair will be collected from the members. Being newly formed, we have no historical balance sheets. The projected balance sheets for the startup year reflect operations for the full calendar year of 2014 for simplicity of comparison and analysis, although the date of transfer will occur at a date to be determined. Although 24 connections have been made to the distribution system, only 21 are active. Estimates of revenue are based on the existing 21 connections assuming the projected rate increase and a conservative estimate of additional revenue from one new connection per year. Estimates of projected costs are based on historical financial data supplied by Bear Springs Water Co., Inc. The TCEQ regulatory assessment charged to customers is not reflected in the balance sheets.

- C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	\$70,000	
Plant Acquisition Adjustment:	0	
Extraordinary Loss on Purchase:	0	
Accumulated Depreciation of Plant:	0	
Cash:	\$15,000.00	
Notes Payable:	0	
Mortgage Payable:	0	
Others (please list):		

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: JS Date: May 1, 2014

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

☐ All the customers will be charged the same rates as they were charged before the transaction.
☒ Some ☒ All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

The only rate changing is the charge for the first 5,000 gallons of water per month, which will increase from \$20 per month to \$45 per month. Bear Springs Water Company, Inc. has been operating at a loss. The increase is necessary to ensure the financial viability of the Bear Springs Trails Water Supply Corporation, Inc.

☐ Applicant is an IOU and intends to file with the Commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

☐ Other. Please explain:

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

None.

16. Financial, Managerial and Technical information for the acquiring entity.

Please note that Bear Springs Trails Water Supply Corporation, Inc. is a newly formed entity, and therefore does not have historical balance sheets, income statements or expense statements.

HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
TOTAL						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS						

HISTORICAL INCOME STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

HISTORICAL EXPENSES STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash	15,000	15,396	16,484	18,064	20,136	22,700
Accounts Receivable	12,340	12,880	13,420	13,960	14,500	15,040
Inventories						
Income Tax Receivable						
Other						
Total	27,340	28,276	29,904	32,024	34,636	37,740
FIXED ASSETS						
Land						
Collection/Distribution System	70,000	70,000	70,000	70,000	70,000	70,000
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves	5,833	11,666	17,499	23,332	29,165	34,998
Total	64,167	58,334	52,501	46,668	40,835	35,002
TOTAL ASSETS	91,507	86,610	82,405	78,692	75,471	72,742
CURRENT LIABILITIES						
Accounts Payable	11,944	11,792	11,840	11,888	11,936	11,984
Notes Payable, Current						
Accrued Expenses						
Other						
Total	11,944	11,792	11,840	11,888	11,936	11,984
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital	15,000	15,000	15,000	15,000	15,000	15,000
Retained Equity	15,000	15,000	15,000	15,000	15,000	15,000
Other						
Current Period Profit or Loss	396	1,088	1,580	2,072	2,564	3,056
TOTAL OWNER'S EQUITY	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL LIABILITIES AND EQUITY	15,000	15,000	15,000	15,000	15,000	15,000
WORKING CAPITAL	15,396	16,484	18,064	20,136	22,700	25,756
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps	21	22	23	24	25	
New Taps Per Year	1	1	1	1	1	
Total Meters at Year End	22	23	24	25	26	
METER REVENUE						
Fees Per Meter	540	540	540	540	540	
Cost Per Meter	569	536	515	495	477	
Operating Revenue Per Meter	(29)	4	25	45	67	
GROSS WATER REVENUE						
Fees (assumes connection at end of year with no monthly charge until next year)	11,340	11,880	12,420	12,960	13,500	62,100
Other – connection fee	1,000	1,000	1,000	1,000	1,000	5,000
Gross Income	12,340	12,880	13,420	13,960	14,500	67,100
OPERATING EXPENSES						
General & Administrative	400	200	200	200	200	1,200
Interest	0	0	0	0	0	0
Other	11,544	11,592	11,640	11,688	11,736	58,200
NET INCOME	396	1,088	1,580	2,072	2,564	7,700

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense	200	200	200	200	200	1,200
Computer Expense	200					
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total	400	200	200	200	200	1,200
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense	1,054	1,102	1,150	1,198	1,246	5,750
Depreciation Expense						
Repair & Maintenance	10,130	10,130	10,130	10,130	10,130	50,650
Supplies						
Other	360	360	360	360	360	1,800
Total	11,544	11,592	11,640	11,688	11,736	58,200
% Increase Per Year		1	1	1	1	4
ASSUMPTIONS						
Interest Rate/Terms – no loans						
Utility Cost/gal. – No anticipated utility increase as Bandera Electric Cooperative just imposed one. Increased cost reflects one additional connection serviced per year.						
Depreciation Schedule - \$70,000 over 12 years accounted for in declining fixed assets but not funded as an operating expense.						
Other –Projected meter revenue is based on minimum charge per meter.						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income	396	1,088	1,580	2,072	2,564	7,700
Depreciation (If Funded)						
Loan Proceeds						
Other						
Total Sources	396	1,088	1,580	2,072	2,564	7,700
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
Total Uses						
NET CASH FLOW	396	1,088	1,580	2,072	2,564	7,700
DEBT SERVICE COVERAGE						
Cash Available for Debt						
SERVICE (CADS)						
Net Income (Loss)						
Depreciation, or Reserve Interest						
Total						
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest						
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS						

**PLEASE ANSWER QUESTIONS 17 THROUGH 22 ON A DIFFERENT SHEET
FOR EACH PHYSICALLY DISTINCT SYSTEM BEING
TRANSFERRED OR ACQUIRED**

17. A. For Water Systems. TCEQ Public Water System Identification Number:

0	1	0	0	0	7	6
---	---	---	---	---	---	---

Date of last inspection: Nov. 29, 2012

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q -

-Name of Permittee:

-Date of application to transfer Discharge Permit submitted:

-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ standards? ☒ Yes ☐ No. If yes, please explain:

1. Test distribution system for free chlorine residual at least once every seven days.
 2. Record the gallons of water produced from the well & treated each week.
 3. Record the gallons of chemicals added to the water system each week.
- See attached TCEQ letter dated 2/4/13; 20 pages of e-mails between water company & Don White (TCEQ rep) on correcting above three issues; and TCEQ letter dated 9/25/13 confirming compliance with regulations on above three issue.

B. Is there a moratorium on new connections? ☐ Yes ☒ No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:

 Water Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? ☐ Yes ☒ No
 Water Sewer Purchased on a Regular Seasonal Emergency Basis

• Source: % of total supply:

21. List the number of existing connections to be effected by this transaction.

Water				Sewer			
	-Non Metered		-2"meter		-Residential Connection		
21	-5/8" or 3/4" meter		-3" meter		-Commercial Connection		
	-1" meter		-4" meter		-Industrial Connection		
	-1 1/2" meter		-Other		-Other		
Total Water Connections:			21	Total Sewer Connections			0

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? ☐ Yes ☒ No
If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
Greg S. Howard	C Ground Water Treatment	WG0002721

24. Attach the following maps with each copy of the application:

- a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 2. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - iii. following verifiable natural and man-made landmarks, or
 - iv. a copy of recorded plat map with metes and bounds.
 3. A written description of the proposed service area.

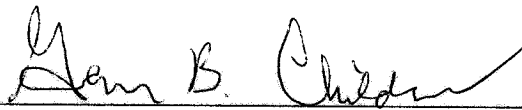
OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF TEXAS

COUNTY OF FORT BEND

I, GEM B. CHILDRESS, being duly sworn, file this application for sale, lease, rental or merger or consolidation as PRESIDENT, BEAR SPRINGS WATER CO., INC. (*indicate relationship to applicant*) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Water Code.



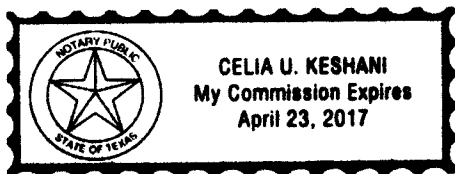
AFFIANT

(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
day 30th of April, 20 14.

SEAL





NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Celia U. Keshani

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

4/23/2017

One copy of this page must be submitted for each utility involved in this transaction.

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF TEXAS

COUNTY OF BANDERA

I, JAN W. SERENE, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as President, Bear Springs Trails Water Supply Corporation, Inc.

(indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

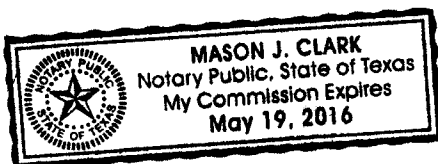
Jan W. Serene May 1, 2014
AFFIANT
(Utility's Authorized Representative)

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

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
day 1st of MAY, 20 14.

SEAL



Mason J. Clark
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

MASON J. CLARK
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 5-19-2016

One copy of this page must be submitted for each utility involved in this transaction.

Notice to Current Customers, Neighboring Systems and Cities

BEAR SPRINGS WATER CO., INC. 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND
NECESSITY (CCN) NO 12963 TO Bear Springs Trails Water Supply
Corporation, Inc.

(Purchaser's or Transferee's Name)

IN BANDERA COUNTY, TEXAS

To: SEE ATTACHED CUSTOMER LIST Date Notice Mailed _____, 20 14
(Name of Customer, Neighboring System or City)

(Address)

City State Zip

<u>Bear Springs Water Co., Inc</u>	<u>P.O. Box 18078</u>	<u>Sugar Land, TX 77496</u>
Sellers or Transferors' Name	Address	City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer
water or sewer (please select) CCN No. 12963 in Bandera [County Name]

County to:

<u>Bear Springs Trails Water Supply Corporation, Inc.</u>	<u>P.O. Box 63479</u>	<u>Pipe Creek, TX 78063</u>
Purchasers or Transferee's Name	Address	City/State/Zip Code

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The
transaction and the transfer of the CCN include the following subdivision(s) and zip codes:

Bear
Spring
Trails
78063

The area subject to this transaction is located approximately .8 miles north [direction] of
downtown Pipe Creek, [City or Town] Texas, and is **generally** bounded on the north by
Hidden Valley Drive; on the east by Bear Springs Road
;on the south by farm/ranch land; and on the west by farm/ranch land

The total area being requested includes approximately 292.1 acres and serves 21 current customers.
This transaction will have the following effect on the current customer's rates and services:
Increase in the rate for the first 5,000 gallons from \$20/month to \$45/month subject to approval by TCEQ of
included proposed Water Utility Tariff from purchaser, Bear Springs Trails Water Supply Corporation, Inc.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087, Austin, TX 78711-3087

Se desea informacion on Espanol, puede llamar al 512-239-0200.

Vicky Steere

Utility Representative

Bear Springs Water Co., Inc.

Utility Name

Notice to Current Customers, Neighboring Systems, Landowner and Cities

(Seller's or Transferor's Name) 'S NOTICE OF INTENT TO SELL FACILITIES TO

(Purchaser's or Transferee's Name) AND FOR _____
Purchaser's or Transferee's Name)

TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN

COUNTY, TEXAS

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

(Address)

City

State

Zip

FORM A USED

Sellers or Transferors' Name

Address

City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell water or sewer (please select) Facilities in _____ [County Name] County to:

Purchasers or Transferee's Name

Address

City/State/Zip Code

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the proposed service area include the following subdivision(s) and zip codes:

The area subject to this transaction is located approximately _____ miles _____ [direction] of downtown _____, [City or Town] Texas, and is **generally** bounded on the north by _____; on the east by _____; on the south by _____; and on the west by _____

The total area being requested includes approximately _____ acres and serves _____ current customers. This transaction will have the following effect on the current customer's rates and services:

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087, Austin, TX 78711-3087

Se desea informacion on Espanol, puede llamar al 512-239-0200.

Utility Representative

Utility Name

WATER UTILITY TARIFF FOR

Bear Springs Water Co., Inc.
P.O. Box 18078
Sugar Land, TX 77496-8078

Attachment 6
Instruction 3

Proposed New Water Tariff from Purchasing Entity

Bear Springs Trails Water Supply
Corporation, Inc.

P.O. Box 63479, 997 Bear Springs
Trail

Pipe Creek, TX 78063.

(830) 510-4284

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

12963

This tariff is effective in the following county:

Bandera

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

Pipe Creek

This tariff is effective in the following subdivision or systems:

Bear Springs Trails

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

TABLE OF CONTENTS

SECTION 1.0-RATE SCHEDULE	2
SECTION 2.0- SERVICE RULES AND POLICIES	4
SECTION 3.0- EXTENSION POLICY	13
SECTION 4.0- DROUGHT CONTINGENCY PLAN	18
APPENDIX A- SAMPLE SERVICE AGREEMENT	27
APPENDIX B- APPLICATION FOR SERVICE	29

**Bear Springs Trails Water Supply
Corporation, Inc.**

Water Tariff

Meter Size	Monthly Minimum Charge	Gallonage Charge
5/8" or 3/4"	\$ 45.00 (Includes 5,000 gallons)	\$ N/A per 1000 gallons, 1 st gallons
1"	\$ N/A	\$ N/A per 1000 gallons, next gallons
1½"	\$ N/A	\$ 2.00 per 1000 gallons thereafter
2"	\$ N/A	
3"	\$ N/A	
4"	\$ N/A	

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

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.

Section 1.02 - Miscellaneous Fee

TAP FEE

\$ 1,000.00

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.

TAP FEE (Large Meter)

Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED

SECTION 1.0 – RATE SCHEDULE (Continued)

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.

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) Nonpayment of bill (Maximum \$25.00) | \$25.00 |
| b) Customer's request that service be disconnected | \$25.00 |

TRANSFER FEE **\$10.00**

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

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

TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE **\$10.00**

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) **NONE**

COMMERCIAL & NON-RESIDENTIAL DEPOSIT **N/A**

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

\$Actual cost

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

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WATER SUPPLY

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SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Texas Commission on Environmental Quality Rules, Chapter 291, Water Utility Regulation, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the TCEQ Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with TCEQ Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the TCEQ or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 30 T. A. C. 291.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

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SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality Rules and Regulations for Public Water Systems, Section 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

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WATER SUPPLY

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SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.07_- Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in Section 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Each bill will provide all information required by the TCEQ Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

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2. *For the purpose of this section, the following definitions shall apply:*
 (a) "Person" shall mean any individual, partnership, firm, corporation, association, trust, or other legal entity.
 (b) "Personnel" shall mean any individual employed by or for the person.
 (c) "Personnel" shall mean any individual employed by or for the person.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(D) Prorated Bills

If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.11- Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Section 2.12 - Service Disconnection

(A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the TCEQ Rules.

B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the TCEQ Rules.

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SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 36 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

Section 2.14 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the Texas Commission on Environmental Quality Rules and Regulations for Public Water Systems.

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the Texas Commission on Environmental Quality complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

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SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Section 2.17 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

SECTION 3.0--EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: NO CONTRIBUTION IN AID OF CONSTRUCTION MAY BE REQUIRED OF ANY CUSTOMER EXCEPT AS PROVIDED FOR IN THIS APPROVED EXTENSION POLICY.

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with TCEQ rules and policies, and upon extension of the Utility's certified service area boundaries by the TCEQ.

The applicant for service will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The Utility is not required to extend service to any applicant outside of its certificated service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with TCEQ rules and policies, and upon extension of the Utility's certificated service area boundaries by the TCEQ.

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the TCEQ's Executive Director, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the TCEQ Executive Director if

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

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SECTION 3.0 -- EXTENSION POLICY (Continued)

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Commission on Environmental Quality minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Commission on Environmental Quality minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the Texas Commission on Environmental Quality minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 291.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the Texas Commission on Environmental Quality minimum design criteria. As provided by 30 T.A.C. 291.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.0 -- EXTENSION POLICY (Continued)

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, TCEQ rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the TCEQ or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

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SECTION 3.0 -- EXTENSION POLICY (Continued)

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the TCEQ for resolution.

Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, TCEQ rules and/or TCEQ order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The Utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by TCEQ rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The TCEQ service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by TCEQ rules.

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by TCEQ rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

DROUGHT CONTINGENCY PLAN FOR

Bear Springs Trails Water Supply Corporation, Inc.

(Name of Utility)

P.O. Box 63479, 997 Bear Springs Trail, Pipe Creek, TX 78063

(Address, City, Zip Code)

12963

(CCN#s)

0100076

(PWS #s)

(Date)

Section 1 Declaration of Policy, Purpose, and Intent

In cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit non-essential water usage. The purpose of the Drought Contingency Plan is to encourage customer conservation in order to maintain supply, storage, or pressure or to comply with the requirements of a court, government agency or other authority.

Please note: Water restriction is not a legitimate alternative if a water system does not meet the Texas Commission on Environmental Quality's (TCEQ) capacity requirements under normal conditions **or** if the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

I, Jan W. Serene, President/Director, being the responsible official for Bear Springs Trails Water Supply Corporation, Inc., request a minor tariff amendment to include the enclosed Drought Contingency Plan.

(Signature)

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Section 2 Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by:

(check at least one of the following)

☒ scheduling and providing public notice of a public meeting to accept input on the Plan.

The meeting took place at:

Date: October 19, 2013 Time: 10:00 AM Location: Bandera Electric Cooperative public meeting room, Bandera, TX.

☐ mailed survey with summary of results (**attach survey and results**)
☐ bill insert inviting comment (**attach bill insert**)
☐ other method _____

Section 3 Public Education

The Bear Springs Trails Water Supply Corporation, Inc. will periodically

provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage.

Drought plan information will be provided by: (check at least one of the following)

☒ public meeting
☐ press releases
☒ utility bill inserts
Other: _____

Section 4 Coordination with Regional Water Planning Groups (RWPG)

The service area of the Bear Springs Trails Water Supply Corporation, Inc. is

located within RWPG Bandera County River Authority and Groundwater District

Bear Springs Trails WSC, Inc. has mailed a copy of this Plan to the RWPG.

Section 5 Notice Requirements

Written notice will be provided to each customer prior to implementation or termination of each stage of the water restriction program. Mailed notice must be given to each customer 72 hours prior to the start of water restriction. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided. The written notice to customers will contain the following information:

1. the date restrictions will begin,
2. the circumstances that triggered the restrictions,
3. the stages of response and explanation of the restrictions to be implemented, and,

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4. an explanation of the consequences for violations.

The utility must notify the TCEQ by telephone at (512) 239-4691, or electronic mail at watermon@tceq.state.tx.us prior to implementing Stage III and must notify in writing the Public Drinking Water Section at MC - 153, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days of implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions (i.e., Stages III and IV).

Section 6 Violations

1. First violation - The customer will be notified by written notice of their specific violation.
2. Subsequent violations:
 - a. After written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed \$50.00.
 - b. After written notice, the utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the utility will apply for restoration of service.

Section 7 Exemptions or Variances

The utility may grant any customer an exemption or variance from the drought contingency plan for good cause **upon written request**. A customer who is refused an exemption or variance may appeal such action of the utility in writing to the Texas Commission on Environmental Quality. The utility will treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances. No exemption or variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

Section 8 Response Stages

Unless there is an immediate and extreme reduction in water production, or other absolute necessity to declare an emergency or severe condition, the utility will initially declare Stage I restrictions. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, reduce the risk of outages, or comply with restrictions required by a court, government agency or other authority, Stage II may be implemented with Stage III to follow if necessary.

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STAGE I – CUSTOMER AWARENESS

Stage I will begin:

Every April 1st, the utility will mail a public announcement to its customers.

No notice to TCEQ required.

Stage I will end:

Every September 30th, the utility will mail a public announcement to its customers. No notice to TCEQ required.

Utility Measures:

This announcement will be designed to increase customer awareness of water conservation and encourage the most efficient use of water. A copy of the current public announcement on water conservation awareness shall be kept on file available for inspection by the TCEQ.

Voluntary Water Use Restrictions:

Water customers are requested to voluntarily limit the use of water for non-essential purposes and to practice water conservation.

STAGE II-VOLUNTARY WATER CONSERVATION

Target: Achieve a 20 percent reduction in total water use.

The water utility will implement Stage II when any one of the selected triggers is reached:

Supply-Based Triggers: (check at least one and fill in the appropriate value)

- ☐ Well level reaches _____ ft. mean sea level (m.s.l.)
- ☐ Overnight recovery rate reaches _____ ft.
- ☐ Reservoir elevation reaches _____ ft. (m.s.l.)
- ☐ Stream flow reaches _____ cfs at USGS gage # _____
- ☐ Wholesale supplier's drought Stage II _____
- ☐ Annual water use equals _____ % of well permit/Water Right/ purchased water contract amount.
- ☒ Other: When the Bandera County River Authority and Groundwater District declares the area is under Abnormally Dry conditions.

Demand- or Capacity-Based Triggers:

(check at least one and fill in the appropriate value)

- ☐ Drinking water treatment as % of capacity _____ %
- ☐ Total daily demand as % of pumping capacity _____ %
- ☐ Total daily demand as % of storage capacity _____ %
- ☐ Pump hours per day _____ hrs.
- ☒ Production or distribution limitations.
- ☐ Other: _____

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Upon initiation and termination of Stage II, the utility will mail a public announcement to its customers. No notice to TCEQ required.

Requirements for Termination:

Stage II of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage II, Stage I becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a daily basis. Monthly review of customer use records and follow-up on any that have unusually high usage.

Describe additional measures, if any, to be implemented directly by the utility to manage limited water supplies and/or reduce water demand. Examples include: reduced or discontinued flushing of water mains, activation and use of an alternative supply source(s); use of reclaimed water for non-potable purposes.

The second water source for Bear Springs Trails Water Supply is: Corporation, Inc.

(check one)

- ☐ Other well
☐ Interconnection with other system
☒ Purchased water
☐ Other

Voluntary Water Use Restrictions:

1. Restricted Hours: Outside watering is allowed daily, but only during periods specifically described in the customer notice; between 10:00 p.m. and 5:00 a.m. for example; or
2. Restricted Days/Hours: Water customers are requested to voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems. Customers are requested to limit outdoor water use to **Mondays for water customers with a street address ending with the numbers 1, 2, or 3, Wednesdays for water customers with a street address ending with the numbers 4, 5, or 6, and Fridays for water customers with a street address ending with the numbers 7, 8, 9, or 0.** Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system; or
3. Other uses that waste water such as water running down the gutter.

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STAGE III - MANDATORY WATER USE RESTRICTIONS:

Target: Achieve a 30 percent reduction in total water use.

The water utility will implement Stage III when any one of the selected triggers is reached:

Supply-Based Triggers:

(check at least one and fill in the appropriate value)

- ☐ Well level reaches _____ ft. (m.s.l.)
- ☐ Overnight recovery rate reaches _____ ft.
- ☐ Reservoir elevation reaches _____ ft. (m.s.l.)
- ☐ Stream flow reaches _____ cfs at USGS gage # _____
- ☐ Wholesale supplier's drought Stage III
- ☐ Annual water use equals _____ % of well Permit/Water Right/
purchased water contract amount.
- ☒ Other: When the Bandera County River Authority and Groundwater District declares the area in is a Moderate Drought condition.

Demand- or Capacity-Based Triggers:

(check at least one and fill in the appropriate value)

- ☐ Drinking water treatment as % of capacity _____ %
- ☐ Total daily demand as % of pumping capacity _____ %
- ☐ Total daily demand as % of storage capacity _____ %
- ☐ Pump hours per day _____ hrs.
- ☒ Production or distribution limitations.
- ☐ Other: _____

Upon initiation and termination of Stage III, the utility will mail a public announcement to its customers. Notice to TCEQ required.

Requirements for Termination:

Stage III of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage III, Stage II becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a regular basis. Flushing is prohibited except for dead end mains.

Describe additional measures, if any, to be implemented directly by the utility to manage limited water supplies and/or reduce water demand. Examples include: activation and use of an alternative supply source(s); use of reclaimed water for non-potable purposes; offering low-flow fixtures and water restrictors.

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Mandatory Water Use Restrictions:

The following water use restrictions shall apply to all customers.

1. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Mondays for water customers with a street address ending with the numbers 1, 2, or 3, Wednesdays for water customers with a street address ending with the numbers 4, 5, or 6, and Fridays for water customers with a street address ending with the numbers 7, 8, 9, or 0. Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses.
3. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
4. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or "Jacuzzi" type pool are prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.
5. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
6. Use of water from hydrants or flush valves shall be limited to maintaining public health, safety, and welfare.
7. Use of water for the irrigation of golf courses, parks, and green belt areas are prohibited except by hand-held hose and only on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.

The following uses of water are defined as non-essential and are prohibited:

- a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
- c. use of water for dust control;
- d. flushing gutters or permitting water to run or accumulate in any gutter or street;
- e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s);
- f. and any waste of water.

STAGE IV – CRITICAL WATER USE RESTRICTIONS:

Target: Achieve a 40 percent reduction in total water use.

The water utility will implement Stage IV when any one of the selected triggers is reached:

Supply-Based Triggers: (check at least one and fill in the appropriate value)

- ☐ Well level reaches _____ ft. (m.s.l.)
- ☐ Overnight recovery rate reaches _____ ft.
- ☐ Reservoir elevation reaches _____ ft. (m.s.l.)
- ☐ Stream flow reaches _____ cfs at USGS gage # _____
- ☐ Wholesale supplier's drought Stage IV _____
- ☐ Annual water use equals _____ % of well Permit/Water Right/ purchased water contract amount.
- ☐ Supply contamination
- ☒ Other When the Bandera County River Authority and Groundwater District declares the area to be in Severe, Extreme, or Exceptional Drought conditions.

Demand- or Capacity-Based Triggers:

(check at least one and fill in the appropriate value)

- ☐ Drinking water treatment as % of capacity _____ %
- ☐ Total daily demand as % of pumping capacity _____ %
- ☐ Total daily demand as % of storage capacity _____ %
- ☐ Pump hours per day _____ hrs.
- ☒ Production or distribution limitations.
- ☐ System outage
- ☐ Other _____

Upon initiation and termination of Stage IV, the utility will mail a public announcement to its customers. Notice to TCEQ required.

Requirements for Termination:

Stage IV of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage IV, Stage III becomes operative.

Operational Measures

The utility shall visually inspect lines and repair leaks on a daily basis. Flushing is prohibited except for dead end mains and only between the hours of 9:00 p.m. and 3:00 a.m. Emergency interconnects or alternative supply arrangements shall be initiated. All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers. *Describe additional measures, if any, to be implemented directly to manage limited water supplies and/or reduce water demand.*