



Control Number: 43883



Item Number: 1

Addendum StartPage: 0

43883

*Thompson Heights
Development Company*
P.O. Box 378
Denison, Texas 75021

Phone: (903) 465-1040

2014 DEC -3 PM 12: 04

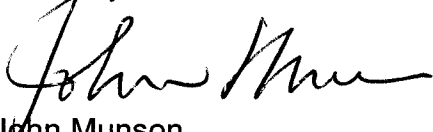
FILING CLERK

November 14 2014

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

Enclosed are three copies of form TCEQ-10417 Pass Through Rate Adjustment Application and supporting documentation for Thompson Heights Water Development Company. Please note section 3 of the City of Denison's ordinance which states that rates and charges outside city limits will be doubled. All of Thompson Heights Water Development Company is located outside the City of Denison's city limits. If you have any questions, please call me at 903-463-2300.

Sincerely,



John Munson
President



PASS THROUGH RATE ADJUSTMENT APPLICATION

Form B

Implementation of Pass Through Adjustment to Approved Tariff for Utilities Subject to Purchased Water/Sewer Fees

Please Answers All Questions Completely

Attach three copies of the Notice Mailed to Customers

Send three copies of this Application and All Supporting Documents to TCEQ

Date of Application	Previous Pass-Through Approval Date	Application No.: (FOR TCEQ USE)	
11/14/2014	11/01/2013		
Name of Utility:	Thompson Heights Development Company		
Utility Mailing Address:	PO Box 378		
Utility Telephone No:	903-465-1040	Number of Connections	104
Water or Sewer CCN No.	PWS ID or TPDES Permit No.	County (ies)	
10934	0910085	Grayson	
Water Use Fee Entity		Purchase Water/Sewer Provider	
City of Denison		City of Denison	
<input checked="" type="checkbox"/> This application is designed to allow your utility to adjust pass through increases in purchase water or sewer fees in your tariff:			
Please explain which purchase water or sewer provider has or proposes to increase or decrease fees for water (or sewer) used by your utility. Be sure to attach supporting documentation.			
The City of Denison is raising their rates effective December 1, 2014.			
FAQ:			
<input checked="" type="checkbox"/> When can your utility start passing through these costs to its customers?			
Once your purchased water or sewer service provider notifies you (in writing) of fee changes, <u>and</u> after this application is approved.			
<input checked="" type="checkbox"/> How can your utility start charging adjusted water rates:			
After :			
(1) receiving TCEQ approval;			
(2) mailing notice to your customers 30 days prior to the usual billing period in which the revised rates will take effect, and;			
(3) providing TCEQ			
a) a copy of the notice of fee changes and contract from the purchase water/sewer provider and,			
b) a copy of the notice provided to customers. Notice must comply with 30 TAC Rule §291.21 (h)(4)(B).			
Contact Person (s)	John Munson	E-mail	pam@josephmadde n.com
Phone:	903-463-2300	Fax Number	903-465-1065

[Type text]

► **Note:** Please identify the items listed below used to calculate the adjusted gallonage or base rate.

$$8,868,812 - 7,290,359 = 1,578,453 / 8,868,812 = 18\%$$

Water Loss (%): (Gal's Pumped – Gal's Billed) / Gal's Pumped X 18% 100 = %

Current Rates Charged: Base Rate (includes 1000 gals): Gallonage Charge (per 1,000 gallons):
\$ /1,000 gallons

5/8" or 3/4" \$	<u>25.87</u>	Additional gallonage charges: \$	<u>5.83</u>	/1,000 gallons
1" \$	<u>25.87</u>			
2" \$	<u>25.87</u>			
Larger \$	<u>25.87</u>			

EXAMPLE OF A PASS THROUGH PROVISION:

for utilities subject to changes in costs imposed by any non-affiliated provider of purchased water or sewer treatment, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

G = approved gallonage charge, per 1,000 gallons;

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

SHOW YOUR PROPOSED CALCULATIONS:

$$AG = G + [B/(1-L)] =$$

$$AG = \$5.83 + [\$0.3032/(1-.15)]$$

$$AG = \$5.83 + [\$0.3032/.85]$$

$$AG = \$5.83 + \$0.36 = \$6.19$$

☞ IF GALLONS ARE INCLUDED IN MINIMUM BILL YOU MUST ALSO ADJUST YOUR BASE RATE AND SHOW YOUR CALCULATIONS.

Adjusted Base Rate (ABR) = $BR + [(B \times N)/(1 - L)]$, Where:

ABR = adjusted base rate, rounded to nearest one cent;

BR = approved base rate charge;

B = change in fee (per 1,000 gallons);

N = no. of 1000 Gals included in base rate (do not use zero);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

☞ IF AN ALTERNATE METHOD OF CALCULATION IS USED, PLEASE EXPLAIN AND DEFINE CLEAR

$$ABR = BR + [(B \times N)/(1 - L)] \quad ABR = \$25.87 + [(.36 \times 1)/(1-.15)]$$

$$ABR = \$25.87 + [(.36/.85)]$$

$$ABR = \$25.87 + \$0.42$$

$$ABR = \$26.29$$

[Type text]

PASS THROUGH PROVISION CHECKLIST

The utility must submit to TCEQ 3 copies of the following:

Completed application form. If an alternate method of calculating the adjusted rate is used, it must be accompanied by a written explanation;

Completed Affidavit;

Notice to Customers:

Written documentation that the utility is subject to an increase in purchase water or sewer treatment or a water use fee;

Tariff reflecting the applicant's current rates (must be current and on file with the (TCEQ); and

Approved Drought Contingency Plan in Tariff (must be current and on file with the (TCEQ)).

Note: The cost of the pass through charges to customers cannot exceed the increased or decreased cost to the utility.

Send all the required information to:

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

Upon Approval of the Application, TCEQ will:

- ★ Mail an approval letter to you, which includes a statement to be provided to your customers in the form of a billing insert, and;
- ★ Provide you with a copy of your approved tariff

[Type text]

AFFIDAVIT

STATE OF
COUNTY of

Texas
Grayson

I, John Munson being duly sworn, file this **APPLICATION FOR**
and NOTICE OF PROPOSED PASS THROUGH PROVISION
as President

(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 this application, and have complied with all the requirements contained in this application; and, that all such statements made and matters set forth therein are true and correct. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Texas Commission on Environmental Quality.

I represent that the Utility filing this NOTICE is subject to purchased water or sewer treatment which affects the utility's water costs.

I represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certified service area.

I further represent that a copy of the attached NOTICE was provided
by

mail

(mail or hand delivery)

to each customer or other affected party on or about November 17, 20 14

John Munson

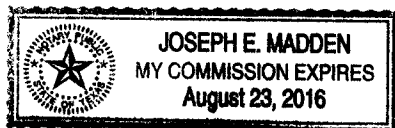
AFFIANT

(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,
this 14 day of November, 20 14

SEAL



Joseph E. Madden
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Joseph E. Madden

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

8/23/16

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NOTICE OF PROPOSED PASS THROUGH RATE ADJUSTMENT

Thompson Heights Development Company

10934

Company Name

CCN Number

has submitted a pass through rate adjustment application with the Texas Commission on Environmental Quality (Commission). **The proposed adjusted rates will be implemented only upon written notice from a purchase water or sewer treatment provider requiring a change in fees, and only after mailed notice to the customers prior to the beginning of the billing period in which the adjusted rate takes effect.**

AG-6579 Thompson Heights Rplt Lot 36; AG-6563 Thompson Heights Rplt Lots 1-6; AG-6564 Thompson Heights Rplt Lots 7-25; AG-6566 Thompson Heights Southeast; AG-6565 Thompson Heights Rplt Lot 15; AG-6753 Treetops of Lake Texoma

Subdivisions /Systems Affected by Pass Through Adjustment

75020

Zip Codes Affected by Pass Through Adjustment

PO Box 378

Denison

TX

75021

903-465-1040

Company Address

City

State

Zip

Phone #

11/12/2014

12/01/2014

Date Customer Notice Mailed

Effective Date of the Increase/Decrease

PASS THROUGH RATE ADJUSTMENT

Present calculation of customer billings:

Monthly minimum charge: 5/8" or 3/4" \$25.87 (includes 1,000 gallons) 1" \$25.87 (includes 1,000 gallons)
1 1/2" \$25.87 (includes 1,000 gallons) Gallonage charge \$5.83 per 1,000 gallons after the first 1,000 gallons

New calculation of customer billings:

Monthly minimum charge: 5/8" or 3/4" \$26.29 (includes 1,000 gallons) 1" \$26.29 (includes 1,000 gallons)
1 1/2" \$26.29 (includes 1,000 gallons) Gallonage charge \$6.19 per 1,000 gallons after the first 1,000 gallon

Change in charges to the utility for purchased water, sewer treatment, or water use fees:

Per 1 st 1000	Per 1000 additional gallons
\$52.00 New Rate	\$6.0032 New Rate
\$46.00 Old Rate	\$5.70 Old Rate
\$ 6.00 Increase	\$0.3032 Increase

To implement or modify the pass through provision, the utility must comply with all notice and other requirements of 30 TAC §291.21(h).

In the event that the application is set for hearing, the rates derived from the specific pass through provision requested by the utility may be decreased or increased by order of the Commission. You may inspect a copy of the application at your utility's office or at the Commission's office at Park 35 - Building F, Third Floor, 12100 Park 35 Circle, Austin, Texas. Additional information about the application can be obtained by contacting the Utilities & Districts Section at 512/239-4691.

Thompson Heights
Development Company
P.O. Box 378
Denison, Texas 75021

Phone: (903) 465-1040

November 14, 2014

Dear Customer:

This letter is to advise and give notice of a proposal for a rate-increase. As you know, Thompson Heights purchases water from the City of Denison. In September the City of Denison approved an increase in the water rate, effective December 1, 2014. This same ordinance also approved an increase in their water rates each year through December 2018.

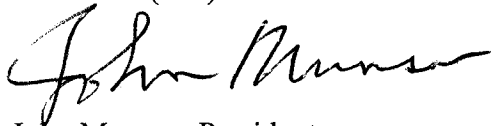
The current rate structure for our customers is \$25.87 minimum billing for the first 1,000 gallons and \$5.83 for each 1,000 gallons of water usage. Since the Company is charging almost the same amount we pay to the city, our rates must also increase. This increase is subject to approval by the Board of Directors and TCEQ before the new rate will become effective on December 1, 2014.

The new rate is to be:

\$26.29 minimum monthly charge to include the first 1,000 gallons of water
(The City of Denison's new rate is \$52.00.)

\$ 6.19 for each additional 1,000 gallons of water usage
(The City of Denison's new rate is \$6.0032.)

The policy of the company has always been to provide the best system possible for the least cost to the customer. Any suggestions and/or questions may be directed to the Board Members and/or me. I can be reached at (903) 463-2300.



John Munson, President
Thompson Heights Development Company

ORDINANCE NO. 4756

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS ESTABLISHING REVISED RATES AND CHARGES FOR WATER AND SEWER SERVICE; ESTABLISHING AN EFFECTIVE DATE; REPEALING ALL ORDINANCES OR PARTS THEREOF IN CONFLICT HERewith; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING A CONTINUATION CLAUSE; AND FINDING AND DETERMINING THE MEETING AT WHICH THIS ORDINANCE IS ADOPTED TO BE OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the Denison Municipal Code, Chapter 26, Section 26-238 provides that the City Council shall from time to time establish rates and charges for water service; and

WHEREAS, the City Council has determined that a five year rate plan is necessary in order to ensure financing for capital improvements to the water service system; and

WHEREAS, under the five year rate plan, water consumption rates and the monthly water and sewer base rates will increase each year on December 1 without further council action; and

WHEREAS, the previous rate structure did not adequately allocate capital improvement costs among Residential, Commercial and Industrial water users; and

WHEREAS, the City Council has determined that water and sewer rates for Apartments should be combined with other Residential users; and

WHEREAS, the City Council has determined that water and sewer use should be measured in gallons rather than cubic feet; and

WHEREAS, the City would benefit from certain water users, specifically Industrial users, being place on tiered water consumption rate structure;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS:

SECTION 1: That the monthly rates and charges for water service inside the city limits of the City of Denison as established by Ordinance No. 4655 be amended as follows:

Per Residential living unit, Commercial user or Industrial user, there will be a minimum monthly base rate charge for the 1st 1000 gallons of water consumption.

Base Rate	12/1/2014	12/1/2015	12/1/2016	12/1/2017	12/1/2018
Residential	\$20.00	\$21.00	\$22.00	\$23.00	\$23.50
Commercial	\$26.00	\$28.00	\$30.00	\$31.00	\$32.00
Industrial	\$52.00	\$56.00	\$60.00	\$62.00	\$64.00

Per Residential living unit or Commercial user, there will be a per 1000 gallon rate for water consumption over the 1st 1000 gallons per month.

Variable Rate	12/1/2014	12/1/2015	12/1/2016	12/1/2017	12/1/2018
Residential	\$2.4254	\$2.5460	\$2.6800	\$2.8140	\$2.9614
Commercial	\$3.0016	\$3.1490	\$3.3098	\$3.4706	\$3.6448

Industrial users shall mean a user who consistently uses 3,750,000 gallons or more of treated water each month for the purpose of manufacturing a good or service for distribution and sale, or as approved by the City Manager.

Per Industrial user, there will be a per 1000 gallon tiered rate for water consumption over the 1st 1000 gallons per month.

Industrial Tiered Rate	12/1/2014	12/1/2015	12/1/2016	12/1/2017	12/1/2018
1001 - 3,750,000	\$2.9748	\$3.0418	\$3.0954	\$3.1624	\$3.2294
3,750,001 - 7,500,000	\$2.8542	\$2.9078	\$2.9748	\$3.0284	\$3.0954
7,500,001 & up	\$2.7336	\$2.7872	\$2.8408	\$2.8944	\$2.9614

SECTION 2: That the monthly rates and charges for sewer service inside the city limits of the City of Denison, as established by Ordinance No. 4655 be amended as follows:

Per Residential living unit, there will be a minimum monthly base rate charge for the 1st 1000 gallons as average monthly consumption. Per Commercial user or Industrial user, there will be a minimum monthly base rate charge for the 1st 1000 gallons per month based on actual water consumption or reads as provided by Industrial user.

Base Rate	12/1/2014	12/1/2015	12/1/2016	12/1/2017	12/1/2018
Residential	\$18.00	\$19.00	\$20.00	\$21.00	\$22.00
Commercial	\$18.00	\$19.00	\$20.00	\$21.00	\$22.00
Industrial	\$36.00	\$38.00	\$40.00	\$42.00	\$44.00

Per Residential living unit, Commercial user or Industrial user, there will be a per 1000 gallon rate for consumption over the 1st 1000 gallons per month.

Variable Rate	12/1/2014	12/1/2015	12/1/2016	12/1/2017	12/1/2018
Residential	\$2.4522	\$2.4522	\$2.4522	\$2.4522	\$2.4522
Commercial	\$3.4974	\$3.4974	\$3.4974	\$3.4974	\$3.4974
Industrial	\$3.4974	\$3.4974	\$3.4974	\$3.4974	\$3.4974

SECTION 3: That the monthly rates and charges for water and sewer service outside the city limits of the City of Denison shall be computed and charged as double the amount established for service inside the City limits as provided herein in Section 1 and 2.

SECTION 4: That the rates and charges herein adopted shall be effective and implemented on all statements for water and sewer service rendered on or after December 1, 2014.

SECTION 5: Severability. If any provision, section, subsection, sentence, clause or the application of same to any person or set of circumstances for any reason is held to be unconstitutional, void or invalid or for any reason unenforceable, the validity of the remaining

portions of this ordinance or the application thereby shall remain in effect, it being the intent of the City Council of the City of Denison, Texas, in adopting this ordinance, that no portion thereof or provision contained herein shall become inoperative or fail by any reasons of unconstitutionality of any other portion or provision.

SECTION 6: Repealer. All ordinances parts of ordinances, resolutions and parts of resolutions in conflict with this ordinance are hereby repealed to the extent of conflict with this ordinance.

SECTION 7: Continuation. That nothing in this ordinance (or any code adopted herein) shall be construed to affect any suit or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed by this ordinance and such prior law is continued in effect for purposes of such pending matter.

SECTION 8: Publishing and Effective Date. This ordinance shall be published and become effective according to law.

SECTION 9: Open Meeting. That it is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given all as required by Section 551.041, Texas Government Code.

AND IT IS SO ORDERED.

On motion by Council Member Hanley, seconded by Council Member Adams, the above and foregoing ordinance was passed and approved on this the 8th day of September, 2014, by the following vote:

Ayes: All Council Members present voted aye.

Nays:

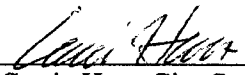
Abstentions:

At special called meeting September 8, 2014.



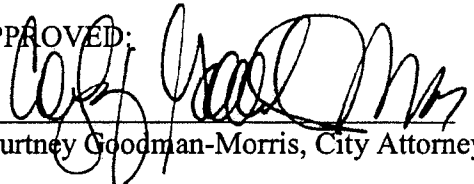
JARED JOHNSON, MAYOR

ATTEST:



Carrie Hart, City Secretary

APPROVED:



Courtney Goodman-Morris, City Attorney

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*

Rec'd 3/26/14

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 20, 2014

Mr. John Munson, President
Thompson Heights Development Company
P.O. Box 378
Denison, Texas 75021

Re: Purchase Water Pass Through Rate Change Application of Thompson Heights Development Company, Certificate of Convenience and Necessity (CCN) No. 10934 in Grayson County; Application No. 37747-R

CN: 600666903; RN: 101196301

Dear Mr. Munson:

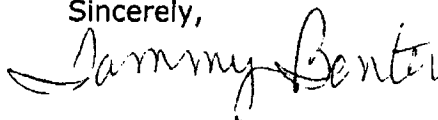
The technical review of the above referenced pass through rate change application, to recover the cost of fees related to the City of Denison is complete. The approved rates are shown on the enclosed tariff. This letter serves as authorization for the pass through adjustments and should be attached to your approved tariff.

The rates were effective on November 1, 2013. The first bill issued with the pass through adjustment fee should include a short statement such as the following:

This rate change is being implemented in accordance with the utility's approved pass through provision water adjustment clause for fees related to the City of Denison. The cost of these charges to customers should not exceed the increased cost of the fees assessed to the system(s) affected for the City of Denison.

If you have any questions, please contact Ms. Mary Damron at 512/239-4667, or by email at mary.damron@tceq.texas.gov. If you contact the TCEQ by correspondence, please include MC 153 in the letterhead address.

Sincerely,



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

TB/MD/sd

cc: TCEQ Region No. 4

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

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

printed on recycled paper with vegetable-based ink

**WATER UTILITY TARIFF
FOR**

Thompson Heights Development Company
(Utility Name)

222 West Main
(Business Address)

Denison, Texas 75020
(City, State, Zip Code)

(903) 465-8788
(Area Code/Telephone)

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

10934

This tariff is effective in the following county(ies):

Grayson

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

None

This tariff is effective in the following subdivisions and public water systems:

Thompson Heights Water System (PWS #0910085)

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
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SECTION 3.0 -- EXTENSION POLICY	12
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN	17
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37747-R, CCN 10934, NOVEMBER 1, 2013
APPROVED TARIFF BY SP/MD

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$25.00 (Includes 1,000 gallons)	*\$5.83 per 1000 gallons for purchased water
1"	\$25.00	
1 2 "	\$25.00	

*City of Denison purchase water fees.

FORM OF PAYMENT: The utility will accept the following form(s) 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 ASSESSMENT1.0%
 TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL
 MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE\$325.00
 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.

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY
 37747-R, CCN 10934, NOVEMBER 11, 2013
 APPROVED TARIFF BY SP/MD

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.

TRANSFER FEE \$0.00

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

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non payment of bill (Maximum \$25.00) \$25.00
b) Customer's request that service be disconnected \$50.00

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

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

RETURNED CHECK CHARGE \$20.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$0.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE N/A

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.

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY

37747-R, CCN 10934, NOVEMBER 1, 2013

APPROVED TARIFF BY SPM

SECTION 1.0 -- RATE SCHEDULE (Continued)

Pass Through Provision:

For Utilities subject to changes in costs imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula"

Adjusted Gallonage Rate:

$AG = G / (1 - L)$, Where:

AG=adjusted gallonage charge, rounded to nearest one cent

G= approved gallonage charge, per 1,000 gallons

B=change in fee (per 1,000 gallons)

L=water or sewer line loss for preceding 12 month, not to exceed 0.15(15%)

Adjusted Base Rate:

$ABR = BR + [(B \times N) / (1 - L)]$, Where:

ABR=adjusted base rate, rounded to nearest one cent;

BR= approved base rate charge

B=change in fee (per 1,000 gallons);

N=no. of 1000 Gals included in base rate (do not use zero)

L=water or sewer line loss for the preceding 12 months, not to exceed 0.15 (15 %)

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37747-R, CCN 10934, NOVEMBER 1, 2013
APPROVED TARIFF BY SP/mjs

DROUGHT CONTINGENCY PLAN FOR CITY OF DENISON, TEXAS

1. Introduction and Objectives

Water supply has always been a key issue in the development of Texas. In recent years, the increasing population and economic development in Region C have led to growing demands for water. At the same time, local and less expensive sources of water supply are largely developed. Additional supplies to meet higher demands will be expensive and difficult to develop. Therefore, it is important that we make efficient use of existing supplies and make them last as long as possible. This will delay the need for new supplies, minimize the environmental impacts associated with developing new supplies, and delay the high cost of additional water supply development.

Recognizing the need for efficient use of existing water supplies, the Texas Commission on Environmental Quality (TCEQ) has developed guidelines and requirements governing the development of drought contingency plans for public water suppliers.

The TCEQ rules governing development of drought contingency plans for public water suppliers are contained in Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.20 of the Texas Administrative Code, which is included as Appendix B. For the purpose of these rules, a drought contingency plan is defined as:

"A strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies. A drought contingency plan may be a separate document identified as such or may be contained within another water management document(s)."

The City of Denison has adopted this drought contingency plan pursuant to TCEQ guidelines and requirements.

The purpose of this drought contingency plan is as follows:

- To conserve the available water supply in times of drought and emergency
- To maintain supplies for domestic water use, sanitation, and fire protection
- To protect and preserve public health, welfare, and safety
- To minimize the adverse impacts of water supply shortages
- To minimize the adverse impacts of emergency water supply conditions

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1.1 State Requirements for Drought Contingency Plans

This drought contingency plan is consistent with Texas Commission on Environmental Quality (TCEQ) guidelines and requirements for development of drought contingency plans by public drinking water suppliers, contained in Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.20 of the Texas Administrative Code. This rule is included in Appendix B.

TCEQ's minimum requirements for drought contingency plans are addressed in the following subsections of this report:

- 288.20(a)(1)(A) – Provisions to Inform the Public and Provide Opportunity for Public Input – Section 1.2.
- 288.20(a)(1)(B) – Provisions for Continuing Public Education and Information – Section 1.3
- 288.20(a)(1)(C) – Coordination with Regional Water Planning Group – Section 1.8
- 288.20(a)(1)(D) – Criteria for Initiation and Termination of Drought Stages – Section 1.4
- 288.20(a)(1)(E) – Drought and Emergency Response Stages – Section 1.5
- 288.20(a)(1)(F) – Specific, Quantified Targets for Water Use Reductions – Section 1.5
- 288.20(a)(1)(G) – Water Supply and Demand Management Measures for Each Stage – Section 1.5
- 288.20(a)(1)(H) – Procedures for Initiation and Termination of Drought Stages – Section 1.5
- 288.20(a)(1)(I) – Procedures for Granting Variances – Section 1.6
- 288.20(a)(1)(J) – Procedures for Enforcement of Mandatory Restrictions – Section 1.7
- 288.20(a)(3) – Consultation with Wholesale Supplier – Not applicable.
- 288.20(b) – Notification of Implementation of Mandatory Measures – Section 1.5
- 288.20(c) – Review and Update of Plan – Section 1.9

1.2 Provisions to Inform the Public and Opportunity for Public Input

The City of Denison provided opportunity for public input in the development of this drought contingency plan by the following means:

- Making the draft plan available on City of Denison's web site, www.ci.denison.tx.us
- Providing the draft plan to anyone requesting a copy
- Holding a public meeting at the Denison City Hall at 6 p.m. on Tuesday, April 26, 2005.

1.3 Provisions for Continuing Public Education and Information

The City of Denison will inform and educate the public about its drought contingency plan by the following means:

- Making the plan available to the public through the City of Denison's web site at www.ci.denison.tx.us
- Notifying local organizations, schools, and civic groups that City of Denison staff members are available to make presentations on the drought contingency plan

At any time that the drought contingency plan is activated or the drought stage changes, the City of Denison will notify local media of the issues, the drought response stage, and the specific actions required of the public. The information will also be publicized on the City of Denison's web site, www.ci.denison.tx.us. Billing inserts or mail outs will also be used as appropriate.

1.4 Initiation and Termination of Drought Response Stages

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1.4.1 Initiation of Drought Response Stages

CCN 10954-0226 '05

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The Mayor or his/her official designee may order the implementation of a drought response stage or water emergency when one or more of the trigger conditions for that stage is met. The following actions will be taken when a drought stage is initiated:

- The public will be notified through local media.
- Wholesale customers (none at present) will be notified by telephone with a follow-up letter or fax.
- If any mandatory provisions of the drought contingency plan are activated, the City of Denison will notify the Executive Director of the TCEQ within five business days.

For other trigger conditions, the Mayor or his/her designee may decide not to order the implementation of a drought response stage or water emergency even though one or more of the trigger criteria for the stage are met. Factors that could influence such a decision include, but are not limited to, the time of the year, weather conditions, the anticipation of replenished water supplies, or the anticipation that additional facilities will become available to meet needs.

1.4.2 Termination of Drought Response Stages

The Mayor or official designee may order the termination of a drought response stage or water emergency when the conditions for termination are met or at his/her discretion. The following actions will be taken when a drought stage is terminated:

- The public will be notified through local media.
- Wholesale customers (if any) will be notified by telephone with a follow-up letter or fax.
- When any mandatory provisions of the drought contingency plan that have been activated are terminated, the City of Denison will notify the Executive Director of the TCEQ within five business days.

The Mayor or his/her designee may decide not to order the termination of a drought response stage or water emergency even though the conditions for termination of the stage are met. Factors that could influence such a decision include, but are not limited to, the time of the year, weather conditions, or the anticipation of potential changed conditions that warrant the continuation of the drought stage.

1.5 Drought and Emergency Response Stages

1.5.1 Stage 1, Mild

1.5.1.1 Triggering and Termination Conditions for Stage 1, Mild

- Demand exceeds 90% of the amount that can be delivered to customers for seven consecutive days
- Water demand for all or part of the delivery system approaches delivery capacity because delivery capacity is inadequate
- Supply source becomes contaminated
- Water supply system is unable to deliver water due to the failure or damage of major water system components
- Water demand is approaching the limit of the permitted supply

Stage 1 can be terminated when the circumstances that caused the initiation of Stage 1 no longer prevail.

1.5.1.2 Goal for Use Reductions and Actions Available Under Stage 1, Mild

The goal for water use reduction under Stage 1, Mild is a 0 percent reduction of the use that would have occurred in the absence of drought contingency measures. The purpose of actions under Stage 1, Mild is to raise public awareness of potential drought problems. The Mayor or his/her designee can order the implementation of any of the actions listed below, as deemed necessary:

- Request voluntary reductions in water use by the public and by wholesale customers
- Increase public education efforts on ways to reduce water use
- Review the problems that caused the initiation of Stage 1
- Notify major water users and work with them to achieve voluntary water use reductions
- Intensify efforts on leak detection and repair
- Reduce non-essential city government water use, including street cleaning, vehicle washing, and operation of ornamental fountains
- Reduce city government water use for landscape irrigation
- Ask the public to follow voluntary landscape watering schedules
- Notify wholesale customers (if any) of actions being taken in the City of Denison and request implementation of similar procedures

1.5.2 Stage 2, Moderate

1.5.2.1 Triggering and Termination Conditions for Stage 2, Moderate

- Demand exceeds 95% of the amount that can be delivered to customers for three consecutive days
- Water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate
- Supply source becomes contaminated
- Water supply system is unable to deliver water due to the failure or damage of major water system components
- Water demand is approaching the limit of the permitted supply

Stage 2 can terminate when the circumstances that caused the initiation of Stage 2 no longer prevail. Stage 1 becomes operative on termination of Stage 2.

1.5.2.2 Goal for Use Reduction and Actions Available Under Stage 2, Moderate

The goal for water use reduction under Stage 2, Moderate is a 2 percent reduction of the use that would have occurred in the absence of drought contingency measures. The Mayor or his/her designee can order the implementation of any of the actions listed below, as deemed necessary:

- Continue or initiate any actions available under Stage 1
- Initiate engineering studies to evaluate alternatives should conditions worsen
- Further accelerate public education efforts on ways to reduce water use
- Halt non-essential city government water use, including street cleaning, vehicle washing, and operations of ornamental fountains
- Encourage the public to wait until the current drought or emergency situation has passed before establishing new landscaping

- Notify wholesale customers (if any) of actions being taken in the City of Denison and request them to implement similar procedures

1.5.3 Stage 3, Severe

1.5.3.1 Triggering and Termination Conditions for Stage 3, Severe

- Demand exceeds 98% of the amount that can be delivered to customers for three consecutive days
- Water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate
- Supply source becomes contaminated
- Water supply system is unable to deliver water due to the failure or damage of major water system components
- Water demand is approaching the limit of the permitted supply

Stage 3 can terminate when the circumstances that caused the initiation of Stage 3 no longer prevail. Stage 2 becomes operative on termination of Stage 3.

1.5.3.2 Goal for Use Reduction and Actions Available Under Stage 3, Severe

The goal for water use reduction under Stage 3, Severe, is a reduction of 5 percent of the use that would have occurred in the absence of drought contingency measures. If the circumstances warrant, the Mayor or his/her designee can set a goal for greater water use reduction.

The Mayor or his/her designee can order the implementation of any of the actions listed below, as deemed necessary. Measures described as "requires notification to TCEQ" impose mandatory requirements on retail and wholesale customers. The City of Denison staff must notify TCEQ within five business days if these measures are implemented.

- Continue or initiate any actions available under Stage 1 and 2
- Implement viable alternative water supply strategies
- **Requires Notification to TCEQ** – Initiate mandatory water use restrictions as follows:
 - Prohibit hosing of paved areas, buildings, or windows
 - Prohibit operation of ornamental fountains
 - Prohibit washing or rinsing of vehicles by hose
 - Prohibit using water in such a manner as to allow runoff or other waste
- **Requires Notification to TCEQ** – Limit landscape watering at each service address to once every five days based on the last digit of the address. (Exceptions: Foundations, new plantings (first year) of trees and shrubs may be watered for up to two hours on any day by a hand-held hose or a soaker hose. Golf courses may water greens and tee boxes without restrictions. Restrictions do not apply to locations using treated wastewater effluent for irrigation.)
- **Requires Notification to TCEQ** – Prohibit draining and filling of existing pools and filling of new pools. (Pools may add water to replace losses during normal use.)
- **Requires Notification to TCEQ** – Prohibit establishment of new landscaping
- Initiate a _____ percent rate surcharge for all water use over 4,000 gallons per connection per month.
- Discontinue city government water use for landscape irrigation, except as needed to prevent foundation damage, keep golf course greens and tee boxes alive, and preserve new plantings
- Notify wholesale customers (if any) of actions being taken in the City of Denison and request them to implement similar procedures

1.5.4 Stage 4 - Emergency

1.5.4.1 Triggering and Termination Conditions for Stage 4 - Emergency

- Demand exceeds the amount that can be delivered to customers
- Water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate
- Supply source becomes contaminated
- Water supply system unable to deliver water due to the failure or damage of major water system components
- Water demand is approaching the limit of the permitted supply

Stage 4 can terminate when the circumstances that caused the initiation of Stage 4 no longer prevail. Stage 3 becomes operative on termination of Stage 4.

1.5.4.2 Goal for Use Reduction and Actions Available Under Stage 4, Emergency

The goal for water use reduction under Stage 4, Emergency, is a reduction of 10 percent of the use that would have occurred in the absence of drought contingency measures. If circumstances warrant, the Mayor/Manager or his/her designee can set a goal for greater water use reduction.

The Mayor or his/her designee can order the implementation of any of the actions listed below, as deemed necessary. Measures described as "requires notification to TCEQ" impose mandatory requirements on retail and wholesale customers. The City of Denison staff must notify TCEQ within five business days if these measures are implemented.

- Continue or initiate any actions available under Stages 1, 2 and 3
- Implement viable alternative water supply strategies
- **Requires notification to TCEQ** - Prohibit washing of vehicles except as necessary for health, sanitation or safety reasons, including car washes
- **Requires notification to TCEQ** - Prohibit commercial and residential landscape watering, except that foundations may be watered for 2 hours each day with a hand-held hose or soaker hose
- **Requires notification to TCEQ** - Prohibit golf course watering except for greens and tee boxes
- **Requires notification of TCEQ** - Prohibit any filling of private pools. Commercial and public pools may refill to replace losses during normal use
- **Requires notification of TCEQ** - Require all commercial water users to reduce water use by a percentage established by the Mayor and his/her designee
- Initiate a _____ percent rate surcharge over normal rates for all water use over 4,000 gallons per month
- Notify wholesale customers (if any) of actions being taken by the City of Denison and request them to implement similar procedures

1.6 Procedure for Granting Variances to the Plan

The Mayor/Manager and his/her designee may grant temporary variances for existing water uses otherwise prohibited under this drought contingency plan if one or more of the following conditions is met:

- Failure to grant such a variance would cause an emergency condition adversely affecting health, sanitation, or fire safety for the public or the person requesting the variance
- Compliance with this plan cannot be accomplished due to technical or other limitations
- Alternative methods that achieve the same level of reduction in water use can be implemented

Variances shall be granted or denied at the discretion of the Mayor or his/her designee. All petitions for variances should be in writing and should include the following information:

- Name and address of the petitioner(s)
- Purpose of water use
- Specific provisions from which relief is requested
- Detailed statement of the adverse effect of the provision from which relief is requested
- Description of relief requested
- Period of time for which the variance is sought
- Alternative measures that will be taken to reduce water use
- Other pertinent information

1.7 Procedure for Enforcement of Mandatory Restrictions

Mandatory water use restrictions may be imposed in Stage 3 and Stage 4 drought stages. These mandatory water use restrictions will be enforced by warnings and penalties as follows:

- On the first violation, customers will be given a written warning that they have violated the mandatory water use restriction.
- On the second and subsequent violations, citations may be issued to customers, with fines not less than \$___ and not to exceed \$-___ per incident.
- After two violations have occurred, the City of Denison may install a flow restrictor in the line to limit the amount of water that may pass through the meter in a 24-hour period.
- After three violations have occurred, the City of Denison may cut off water service to the customer.

1.8 Coordination with the Regional Water Planning Group

The City of Denison is located within the Region C water planning area. Appendix D includes a copy of a letter sent to the Chair of the Region C Water Planning Group (RCWPG) with this drought contingency plan.

1.9 Review and Update of Drought Contingency Plan

As required by TCEQ rules, the City of Denison will review this drought contingency plan not later than May 1, 2009 and every five years after that date to coincide with RCWPG. The plan will be updated as appropriate based on new or updated information. As the plan is reviewed and subsequently updated, a copy of the revised drought contingency plan will be kept on file at the Denison Public Library and submitted to the RCWPG for their records.