

B + C Utility

(Water Utility Name)

Water Tariff Page No. _____

SECTION 4.0--WATER RATIONING PROGRAM (CONT.)

Section 4.01--General Provisions (cont.)

EXEMPTIONS OR VARIANCES FROM RATIONING RULES: The utility may grant any customer an exemption or variance from the uniform rationing program for good cause. In such event, the utility shall notify the Texas Water Commission within 24 hours of such exemption or variance, stating the name, address, and cause of exemption for the affected customer. A customer who is refused an exemption or variance may appeal such action of the utility by written appeal to the Texas Water Commission. The utility shall treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances.

RATES: All existing rates schedules shall remain in effect during the rationing period, and no charges may be levied against a customer which are not contained in the approved tariff of the utility as filed with the Commission.

Section 4.02--Stages of Rationing

Unless there is an immediate extreme reduction in water production, the Utility must initially declare Stage I rationing. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, Stage II may be declared.

STAGE I (MILD RATIONING CONDITIONS): Under Stage I (Mild Rationing Conditions) the Utility may select any of the alternatives listed below. Usage of water for outdoor purposes such as lawns, gardens, car washing, etc. will be restricted to:

1. Alternate Day Use--Customers with even numbered addresses may use water outdoors on even numbered days and customers with odd numbered addresses can may water outdoors on odd numbered days. (When there are no addresses--North and West Sides of streets: even days; South and East sides of streets: odd days.)
2. Weekday Use Only--No outside watering allowed on Saturdays, Sundays, or official Federal Holidays.
3. Restricted Hours of Use--Outside watering is allowed only from 9-11:30 a.m. and 10-12 p.m.
4. Every Five Day Use--Customers whose addresses end in 0 and 1 may use water outdoors on the 1st day of the month; 2 and 3--the 2nd; 4 and 5--3rd; 6 and 7--4th; 8 and 9--5th; 0 and 1--6th . . . and so on. The utility must provide a calender noting the respective watering days and the order should remain consecutive as new months begin.
5. Nighttime Watering Prohibited--No outside watering allowed from 10 p.m. to 7 a.m.

B & C Utility
(Water Utility Name)

Water Tariff Page No. ____

SECTION 4.0--WATER RATIONING PROGRAM (CONT.)

Section 4.02--Stages of Rationing (cont.)

STAGE II (MODERATE RATIONING CONDITIONS): All outdoor water usage is prohibited; however, usage for livestock is exempt.

STAGE III (SEVERE RATIONING CONDITIONS): All outdoor water usage is prohibited; livestock may be exempted by the utility. All consumption shall be limited to each customer in one of the following ways;

1. A fixed percentage of each customer's average use in the prior month, the percentage to be uniformly applied on a systemwide basis, each customer being notified of this percentage amount;
OR
2. A maximum number of gallons per meter (customer) per week, with notice to each customer of this number.

All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers.

B + C Utility
(Water Utility Name)

Water Tariff Page No. ____
Revision No. ____

SECTION 4.20--SPECIFIC UTILITY WATER RATIONING PROGRAM

This section contains a specific utility water rationing program in addition to the one stated under Section 4.0. It must be reviewed and approved by the Texas Water Commission to be effective.

TO BECOME EFFECTIVE, THIS PAGE MUST BE STAMPED APPROVED BY THE
TEXAS WATER COMMISSION

Key to Codes

C--Regulation Change D--Discontinued I--Increase N--New
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TEXAS WATER COMMISSION



CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide Water Service Under V.T.C.A., Water Code
and Texas Water Commission Substantive Rules

Certificate No. 10350

I. Certificate Holder:

Name: Mitchell M. Martin, Dell Martin dba Community
Utility Company

Address: P. O. Box 455
Spring, Texas 77383-0455

II. General Description and Location of Service Area:

The service area consists of the following subdivisions:

MONTGOMERY COUNTY

Heritage Oaks is located approximately 20 miles southeast of the City of Conroe on Heritage Oaks Drive. It is generally bounded on the north by Oakmont Drive, on the south by Oak Lane, on the east by East Heritage Oaks Drive, and on the west by West Heritage Oaks Drive. Dual certification exists for the entire area of the subdivision with Porter Water Supply Corporation, CCN No. 11473.

Holiday Forest is located approximately 16 miles southeast of the City of Conroe on Farm to Market Road 1485. It is generally bounded on the north by Tree Monkey Road and on the south by Mexican Road. Dual certification exists for the entire area of the subdivision with New Caney MUD, CCN No. 11969.

Forest Trails is located approximately 13.5 miles southeast of the City of Conroe on Pickering Road. It is generally bounded on the south by Pickering Road.

Pinecrest is located approximately 1.5 miles east of the City of Conroe on Farm to Market Road 1314. It is generally bounded on the north by Cresthill Drive, on the south by Avenue M, and on the west by Farm to Market Road 1314. A small western portion is dually certificated with the City of Conroe, CCN No. 10339.

Sweetgum Forest is located approximately 8 miles southwest of the City of Conroe on Farm to Market Road 1488. It is generally bounded on the north by Farm to Market Road 1488 and on the east by Ford Road.

HARRIS COUNTY

A subdivision is located approximately 24 miles north/northeast of downtown Houston, Texas on Hamblen Road. It is generally bounded on the north by Hamblen Road, on the south by Short Leaf Drive, on the east by Acorn Street, and on the west by Long Leaf Drive.

A subdivision is located approximately 23.5 miles northeast of downtown Houston, Texas on Farm to Market Road 2100. It is generally bounded on the south by Beckman Drive and on the west by Farm to Market Road 2100.

III. Certificate Maps:

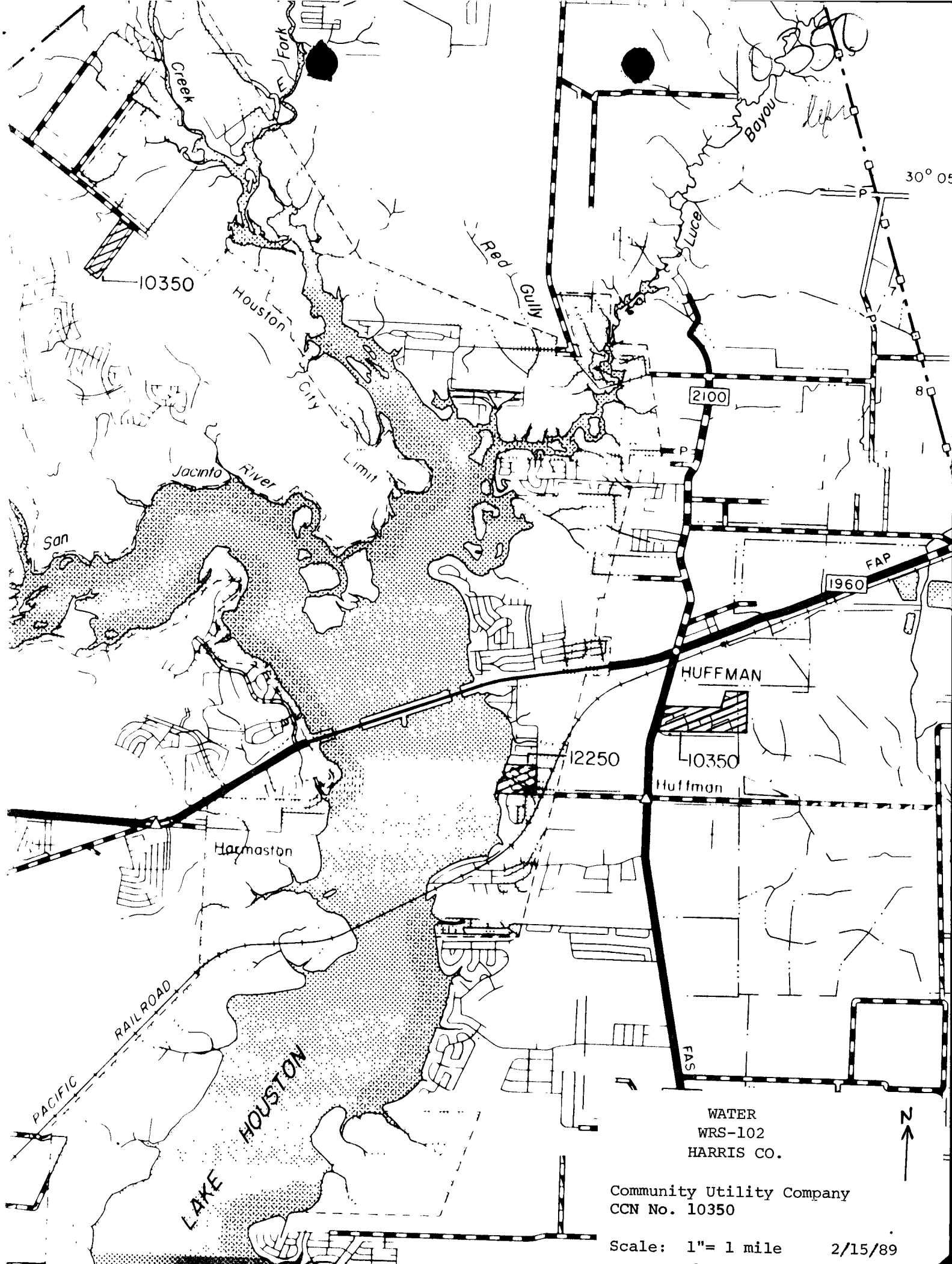
The certificate holder is authorized to provide water service in the area identified on the Commission's official service area maps, WRS-102 and WRS-170, maintained in the offices of the Texas Water Commission, 1700 North Congress, Austin, Texas with all attendant privileges and obligations.

This certificate is issued subject to the rules and orders of the Commission, the laws of the State of Texas, conditions contained herein and may be revoked for violations thereof. The certificate is valid until amended or revoked by the Commission.

ISSUED this 20th day of July, 19 89.

ATTEST:

Brenda W. Jester BWJ - [initials]
For the Commission



WATER
WRS-102
HARRIS CO.

Community Utility Company
CCN No. 10350

Scale: 1" = 1 mile 2/15/89

WATER UTILITY TARIFF

FOR

Community Utility Company
(Utility Name)

P. O. Box 58
(Business Address)

Spring, Texas 77393 (713) 367-4462

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

10350

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

Harris and Montgomery

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

None

This tariff is effective in the following subdivisions or systems:

Montgomery Terrace, Forest Manor, Pitcarin, Adams Oaks Section 1 & 2, Pinecrest, Sweetgum Forest, Holiday Forest

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):

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2.0 SERVICE RULES.....	<u>3</u>
3.0 EXTENSION POLICY.....	<u>9</u>
4.0 WATER RATIONING PLAN.....	<u>11</u>
APPENDIX A SERVICE AGREEMENTS.....	_____

TEXAS WATER COMMISSION

7924-S CCN 10350 APR 14'89

SECTION 1.0--RATE SCHEDULESection 1.01--Rates

Monthly Minimum Charge

Flat Rate \$12.50 per month

Pinecrest Subvdivision Flat Rate \$10.00 per month

Section 1.2--Miscellaneous Fees

TAP FEE.....\$250.00
 Tap fee is limited to the average of the Utility's actual costs for materials and labor for standard residential connections of 5/8" or 3/4" meter.

RECONNECTION FEE.....\$-0-
 The reconnect fee will be charged before service can be restored to a customer who has been disconnected at a) the customer's request, b) reasons listed under Section 2.0 of this tariff, or c) reasons listed in the Commission's Substantive Rules.

LATE CHARGE

A one-time penalty of \$1.00 or 5.0% whichever is larger may be made on delinquent bills. The penalty on delinquent bills may not be applied to any balance to which the penalty was applied in a previous billing.

RETURNED CHECK CHARGE.....\$-0-

CUSTOMER DEPOSIT (Maximum \$50).....\$-0-

TO BECOME EFFECTIVE, THIS PAGE MUST BE STAMPED APPROVED BY THE TEXAS WATER COMMISSION

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TEXAS WATER COMMISSION

TWC-WUT 3/87

7924-S CCN 10350 APR 14 '89

page 2 of 14

D.A. APPROVED TARIFF BY MRP

SECTION 2.0--SERVICE RULES AND REGULATIONS

Section 2.01--Application for Service

All applications for service will be made on the utility's standard application or contract form (attached in Appendix A to this tariff) and will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service at each separate location.

Section 2.02--Water Installation

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and cut-off valve and/or take all necessary actions to initiate service. The utility shall serve each qualified applicant for service within its certified area as rapidly as is practical after accepting a completed application. The utility shall provide service in a timely manner on a non-discriminatory basis.

Service requests not involving line extensions, construction or new facilities shall be filled no later than fourteen (14) working days after a completed application has been accepted. If construction is required which cannot be completed within thirty (30) days, the utility shall provide a written explanation of the construction required and an expected date of service. Service shall be provided within thirty (30) days of the expected date, but no later than 180 days after a completed application was accepted. Failure to provide service within this time frame shall constitute refusal to serve.

Section 2.03--Refusal of Service

The utility may decline to serve an applicant until such applicant has complied with both state and municipal regulations, the approved rules and regulations of the utility on file with the Commission and for the following reasons:

1. the applicant's installation or equipment is known to be inadequate or of such character that satisfactory service cannot be given;
2. the applicant is indebted to any utility for the same kind of service as that applied for, provided, however, that in the event the indebtedness of the applicant is in dispute, the applicant shall be served upon complying with the deposit requirement of the utility; or,
3. refusal to make a deposit, if applicant is required to make a deposit by the utility.

TEXAS WATER COMMISSION

7924-S CCN 10350 APR 14 '89

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

Section 2.03--Refusal of Service (cont.)

In the event that the utility shall refuse to serve an applicant, the utility must inform the applicant of the basis of its refusal. The utility is also required to inform the applicant that it may file a complaint with the Commission.

Section 2.04--Customer Deposits

If the residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit that does not exceed \$50.00 for water utility service.

The utility must keep a record of each deposit, issue a receipt for it, and pay annual interest at a rate set each calendar year by the Commission. The utility shall maintain all funds received as customer deposits in a separate, federally insured, interest bearing account and shall use such funds only for the purpose of payment of unpaid bills guaranteed by such deposits, payment of interest to depositors and refund of deposits to depositors.

The utility must automatically refund the deposit plus accrued interest:

1. if service is not connected;
2. after disconnection of service if the deposit or portion of the deposit exceeds any unpaid bills; or,
3. to any residential customer who has paid service bills for 12 consecutive months without being disconnected for nonpayment and without more than two occasions in which a bill was delinquent. The refund need not be made if payment on the current bill is delinquent.

Non-residential applicants, if unable to establish satisfactory credit, may be required to make a deposit not to exceed one-sixth (1/6) of the estimated annual billings.

Section 2.05--Meter Requirements, Readings, and Testing

All water sold by the utility shall be billed based on meter measurements. The utility shall provide, install, own and maintain meters to measure amounts of water consumed by its customers. No meter shall be placed in service unless its accuracy has been established.

One meter is required for each residential, commercial or industrial facility. An apartment building or a trailer or mobile home park may be considered to be a single commercial facility.

TEXAS WATER COMMISSION

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

Section 2.05--Meter Requirements, Readings, and Testing

Service meters shall be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period. If the circumstances warrant, meters may be read at other than monthly intervals.

Upon request, a customer may have his meter tested, without charge, in his presence or in that of his authorized representative, at a convenient time to the customer, but during the utility's normal working hours. A charge not to exceed \$15.00 may be assessed for an additional requested test within two years of the first test if the additional test shows the meter to be accurate.

Section 2.06--Billing

Bills from the utility shall be rendered monthly unless otherwise authorized by the Commission. Payment is considered late if not received at the utility's office or postal address within sixteen (16) days of the billing date. The postmark on the envelope of the bill or the recorded date of mailing by the utility, if there is no postmark on the envelope, shall constitute proof of the date of issuance.

A one-time penalty of \$1.00 or 5.0%, whichever is larger, may be made on delinquent bills. However, no such penalty may be collected unless a record of the date of mailing is made at the time of the mailing and maintained at the principal office of the utility.

Each bill shall show the following information (if applicable):

1. the date and reading of the meter at the beginning and at the end of the period for which the bill is rendered;
2. the number and kind of units metered;
3. the applicable rate schedule, title, or code;
4. the total amount due for water service;
5. the due date of the bill;
6. the date by which customers must pay the bill in order to avoid addition of a penalty;
7. the total amount due as penalty for nonpayment within a designated period;
8. a distinct marking to identify an estimated bill; and
9. any conversions from meter reading units to billing units from recording or other devices, or any other factors used in determining the bill.

The information required in items 1-9 above shall be arranged to allow the customer to readily compute his bill with a copy of the utility's rate schedule which shall be provided by the utility at the request of the customer.

LOCAL WATER COMMISSION

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

Section 2.06--Billing (cont.)

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

Section 2.07--Service Disconnection

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 has been given.

Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. The notice must also list the past due balance.

Utility service may be disconnected after proper notice for any of the following reasons:

1. failure to pay a delinquent account or to comply with a deferred payment agreement;
2. willful violation of a utility usage rule when that violation interferes with another customer's service; or,
3. failure to comply with valid deposit or guarantee arrangements.

Service may only be disconnected without notice;

1. when a known dangerous condition exists, for as long as the condition exists;
2. when service is established through meter bypassing, an unauthorized connection or unauthorized reconnection; and,
3. in instances of tampering with the utility company's meter or equipment.

A utility may not disconnect any customer for failure to pay for merchandise or service unrelated to utility service, even if the utility provides that merchandise or those services. A utility may not disconnect any customer for a previous occupant's failure to pay.

Utility personnel must be available to make collections and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or because of a hazardous condition.

TEXAS WATER COMMISSION

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

Section 2.08--Service Interruptions

The utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, each utility shall keep a complete record of all interruptions, both emergency and scheduled.

The Commission shall be notified in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice shall also state the cause of such interruptions.

Section 2.09--Termination of Utility Service

No utility may abandon any customer or any portion of its service area without prior written notice to affected customers and neighboring utilities and prior Commission approval.

Section 2.10--Quality of Service

Each utility must 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. Minimum residual pressure at the consumer's meter shall be at least 20 psi during periods of peak usage and 35 psi during normal operating conditions.

The water system quantity requirements of the Texas Department of Health shall be the minimum standards for determining the sufficiency of production, treatment, storage, transmission and distribution facilities of water utilities for household usage. Additional capacity shall be provided to meet the reasonable local demand characteristics of the service area.

Each utility shall furnish water which has been approved by the Texas Department of Health. The application of Commission rules shall not relieve the utility from complying with the requirements of the laws and regulations of the State, local Department of Health, local ordinances and all other regulatory agencies having jurisdiction over such matters.

TEXAS WATER COMMISSION

7924 - S CON 10350 APR 14 '89

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the standard rules previously listed under Section 2.0. It must be reviewed and approved by the Texas Water Commission to be effective.

NONE

TEXAS WATER COMMISSION

7924-S CCN 10350 APR 14 '89

DA APPROVED TARIFF BY JCF

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SECTION 3.0--EXTENSION POLICY

Section 3.01--Standard Extension Requirements

Contributions in aid of construction shall not be required of individual residential customers for production, storage, treatment or transmission facilities.

The utility will bear the cost of the first 200 feet of water main necessary to extend service to an individual residential customer. The utility shall bear the full cost of any oversizing of water mains to serve other residential customers in the area. If the specific utility extension policy stated in Section 3.20 of this tariff requires, residential customers may be required to pay for additional main beyond the first 200 feet.

The extension policy may not be applied to requests for service where the utility already has a line in place, even though the line may be overloaded.

Individual residential customers who place a unique or non-standard service demand on the system may be charged the actual costs of any additional transmission or storage facilities required over and above the standard requirements.

If specifically stated in Section 3.20 of this tariff, developers may be required to provide contributions in aid of construction in amounts to furnish the system with facilities compliant with Texas Department of Health minimum design criteria for facilities used in the production, transmission, pumping, storage or treatment of water.

TEXAS WATER COMMISSION

7924-S CCN 10350 APR 14 '89

DA APPROVED TARIFF BY YJF

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

This section contains a specific extension policy in addition to the standard policy already stated under Section 3.0. It must be reviewed by the Texas Water Commission to be effective.

NONE

TEXAS WATER COMMISSION

7924 - S CON 10350 APR 14 '89

D.A. APPROVED TARIFF BY JLF

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SECTION 4.0--EMERGENCY WATER RATIONING PROGRAM

In cases of extreme drought, periods of abnormally high usage, or extended reduction in ability to supply water due to equipment failure, it may be necessary to institute water rationing. Water rationing can be implemented only for emergency use during periods of acute water shortage. The purpose of the Emergency Water Rationing Program is to conserve the total amount of water demanded from the utility until supply can be restored to normal levels. The rationing program shall not exceed sixty (60) days without written approval of the Texas Water Commission.

Water rationing is not a legitimate alternative when water systems are deficient in meeting the minimum "Water System Quantity Requirements" of the Texas Department of Health during normal use periods, or when the utility is not making all immediate and necessary efforts to replace or repair malfunctioning equipment.

Section 4.01--General Provisions

DECLARATION OF EMERGENCY: When system demand exceeds production or storage capability measured over a 24-hour period and refilling the storage facilities is rendered impossible, OR when the utility is notified by its wholesale supplier of a cutback in water to be delivered to such an extent that normal use patterns will no longer be possible, the utility may declare an emergency to exist and thereafter ration water in the following manner.

NOTICE REQUIREMENTS: Written notice to each customer of the proposed rationing shall be mailed 72 hours or hand delivered 24 hours before the utility actually starts the program. Notice shall also be placed in a local newspaper and the utility shall send a copy of the notice to the Texas Water Commission at the same time notice is sent to the customers. The customer notice shall contain the following information:

1. the date rationing shall begin;
2. the date rationing shall end;
3. the stage of rationing and explanation of rationing to be employed; and,
4. explanation of penalties for violations.

VIOLATION OF EMERGENCY RATIONING RULES:

1. First violation--the utility may install a flow restricter in the line to limit the amount of water which will pass through the meter in a 24 hour period. The cost to be charged to the customer's account shall be the actual installed cost to the utility, not to exceed \$50.00.
2. Subsequent violations--the utility may terminate 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 shall apply for restoration of service.

TEXAS WATER COMMISSION

SECTION 4.0--EMERGENCY WATER RATIONING PROGRAM (CONT.)

Section 4.01--General Provisions (cont.)

EXEMPTIONS OR VARIANCES FROM RATIONING RULES: The utility may grant any customer an exemption or variance from the uniform rationing program for good cause. In such event, the utility shall notify the Texas Water Commission within 24 hours of such exemption or variance, stating the name, address, and cause of exemption for the affected customer. A customer who is refused an exemption or variance may appeal such action of the utility by written appeal to the Texas Water Commission. The utility shall treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances.

RATES: All existing rates schedules shall remain in effect during the rationing period, and no charges may be levied against a customer which are not contained in the approved tariff of the utility as filed with the Commission.

Section 4.02--Stages of Rationing

Unless there is an immediate extreme reduction in water production, the Utility must initially declare Stage I rationing. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, Stage II may be declared.

STAGE I (MILD RATIONING CONDITIONS): Under Stage I (Mild Rationing Conditions) the Utility may select any of the alternatives listed below. Usage of water for outdoor purposes such as lawns, gardens, car washing, etc. will be restricted to:

1. Alternate Day Use--Customers with even numbered addresses may use water outdoors on even numbered days and customers with odd numbered addresses may water outdoors on odd numbered days. (When there are no addresses, North and West sides of streets: even days; South and East sides of streets: odd days.)
2. Weekday Use Only--No outside watering allowed on Saturdays, Sundays, or official Federal Holidays.
3. Restricted Hours of Use--Outside watering is allowed only from 9-11:30 a.m. and 10-12 p.m.
4. Every Five Day Use--Customers whose addresses end in 0 and 1 may use water outdoors on the 1st day of the month; 2 and 3--on the 2nd; 4 and 5--3rd; 6 and 7--4th; 8 and 9--5th; 0 and 1--6th.... and so on. The utility must provide a calender noting the respective watering days and the order should remain consecutive as new months begin.
5. Nighttime Watering Prohibited--No outside watering allowed from 10 p.m. to 7 a.m.

TEXAS WATER COMMISSION

7924-S CON 10350 APR 14 '89

SECTION 4.0--EMERGENCY WATER RATIONING PROGRAM (CONT.)

Section 4.02--Stages of Rationing (cont.)

STAGE II (MODERATE RATIONING CONDITIONS): All outdoor water usage is prohibited; however, usage for livestock is exempt.

STAGE III (SEVERE RATIONING CONDITIONS): All outdoor water usage is prohibited; livestock may be exempted by the utility. All consumption shall be limited to each customer in one of the following ways:

1. A fixed percentage of each customer's average use in the prior month, the percentage to be uniformly applied on a systemwide basis, each customer being notified of this percentage amount;
OR
2. A maximum number of gallons per meter (customer) per week, with notice to each customer of this number.

All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers.

TEXAS WATER COMMISSION

7924-S CON 10350 APR 14 '89

D.A. APPROVED TARIFF BY YEF

SECTION 4.20--SPECIFIC UTILITY WATER RATIONING PROGRAM

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NONE

TEXAS WATER COMMISSION

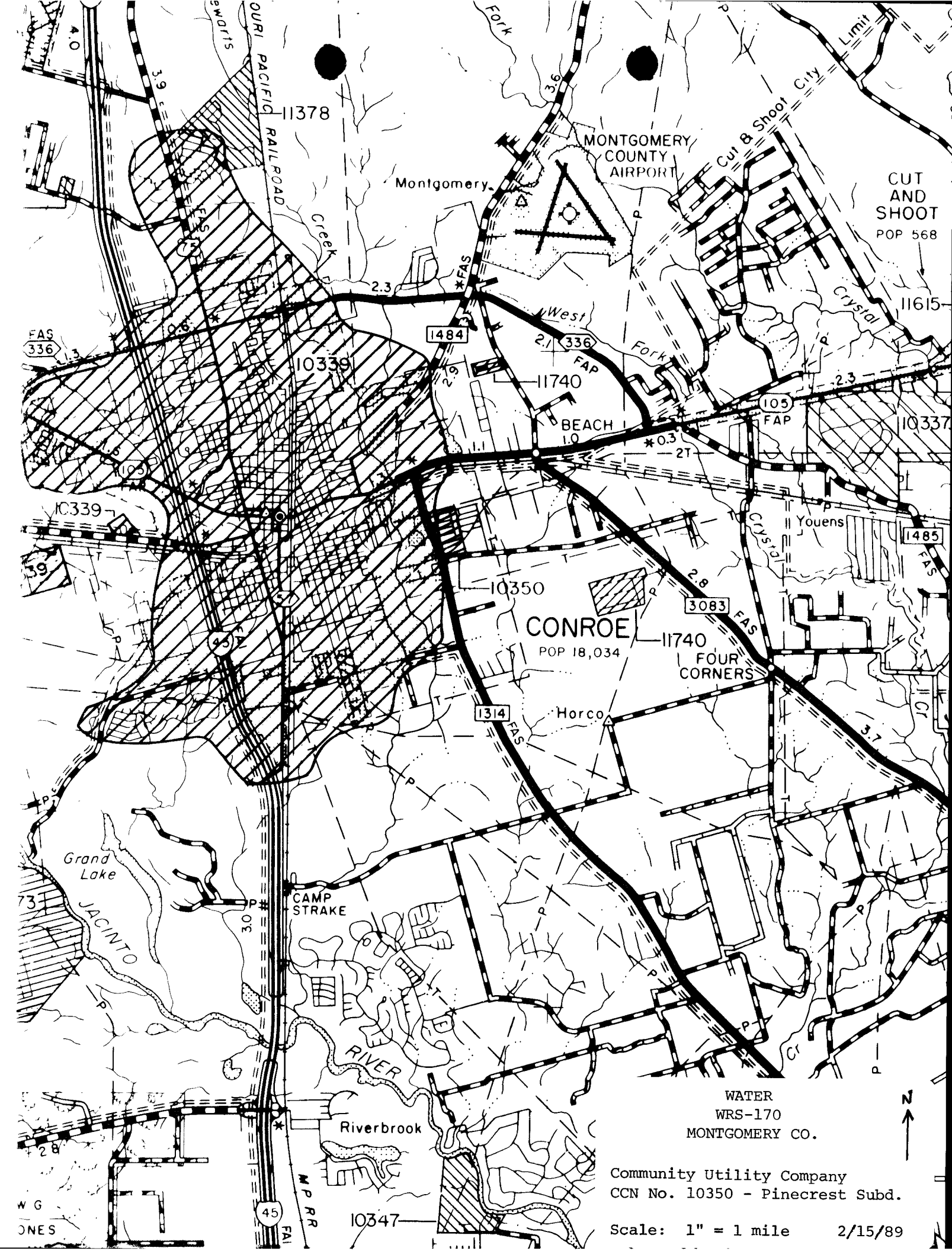
7924-S CCN 10350 APR 14 '89

D.A. APPROVED TARIFF BY grf

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CONROE

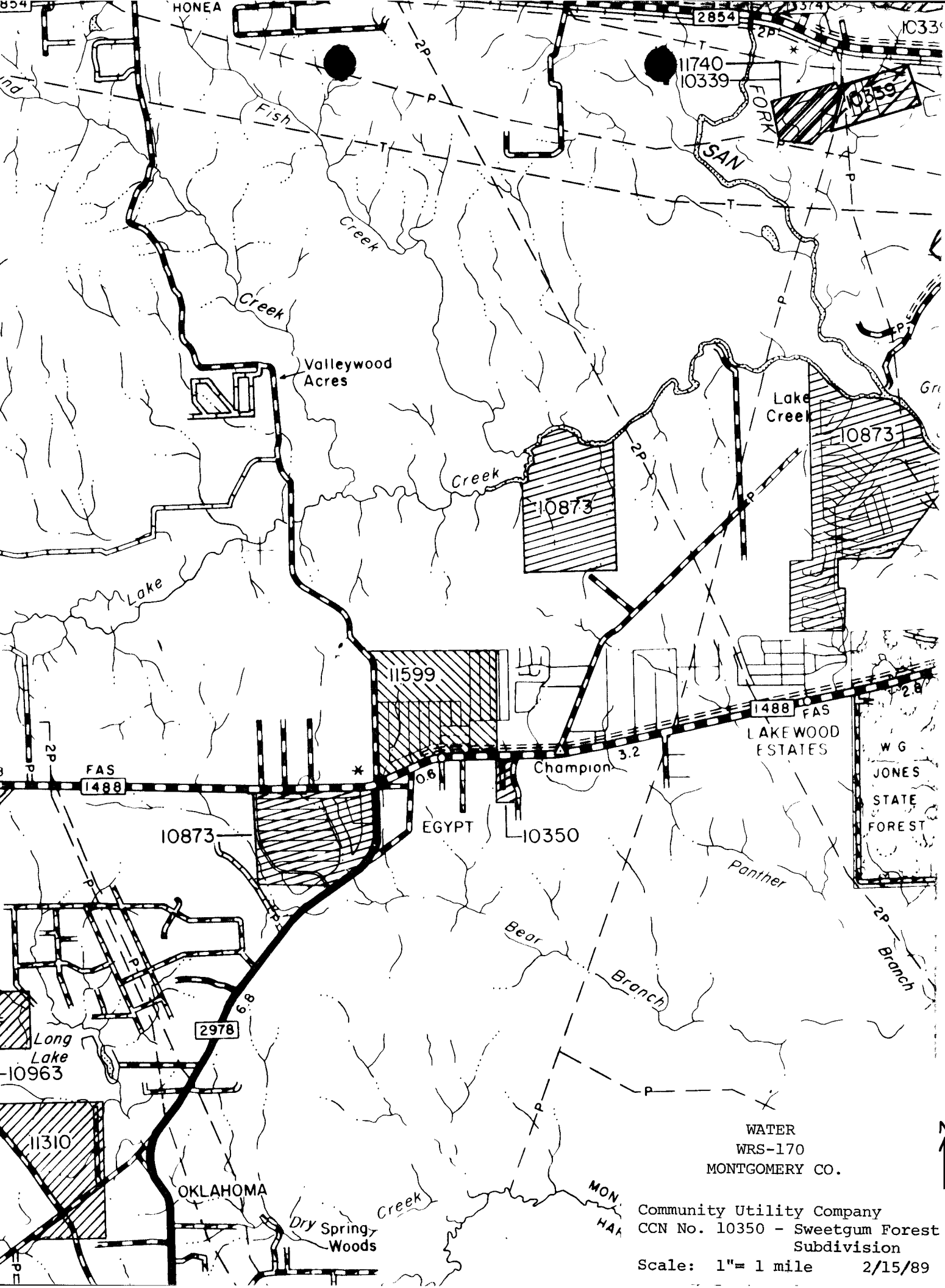
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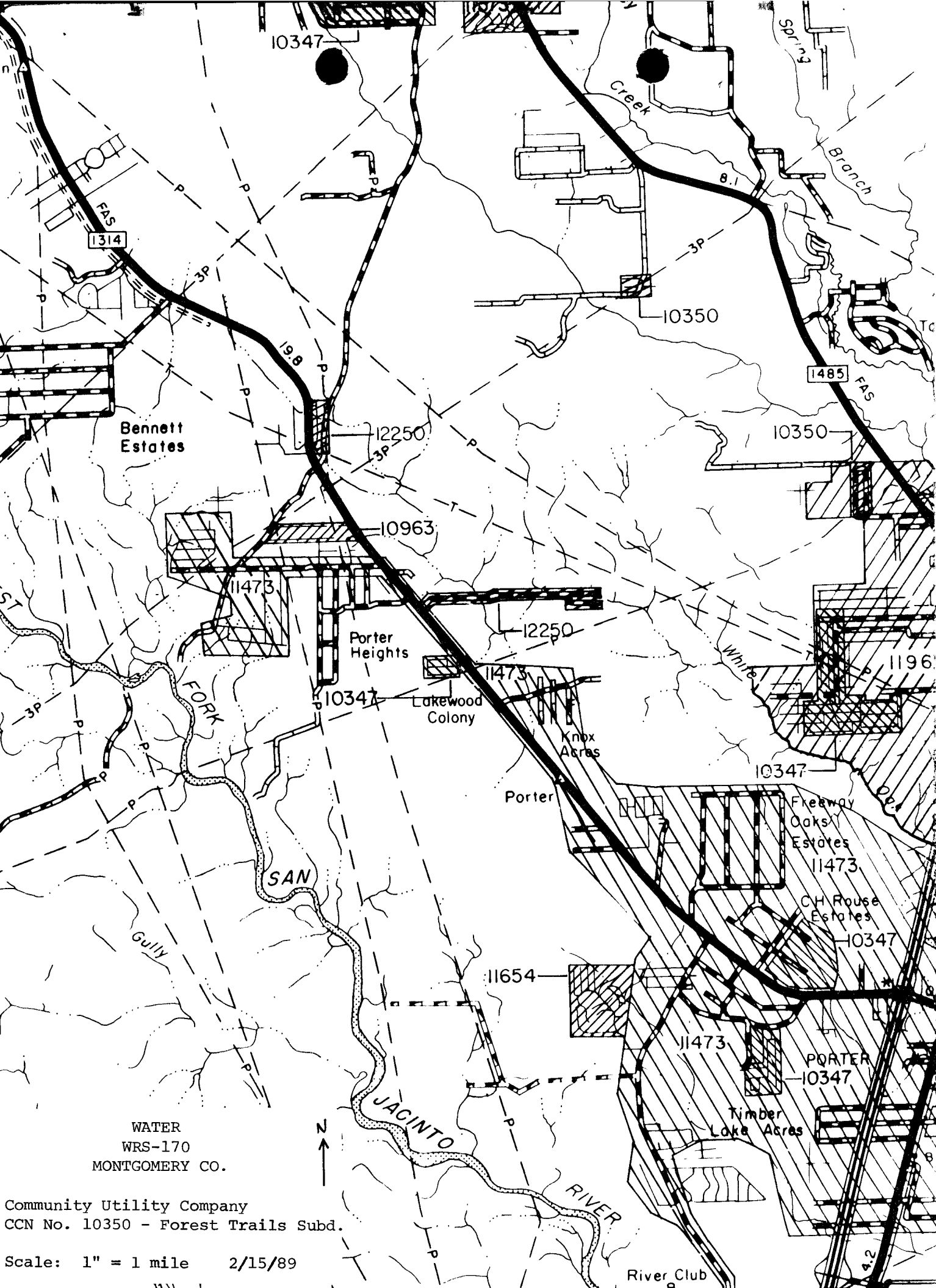
WATER
WRS-170
MONTGOMERY CO.

Community Utility Company
CCN No. 10350 - Pinecrest Subd.

Scale: 1" = 1 mile 2/15/89



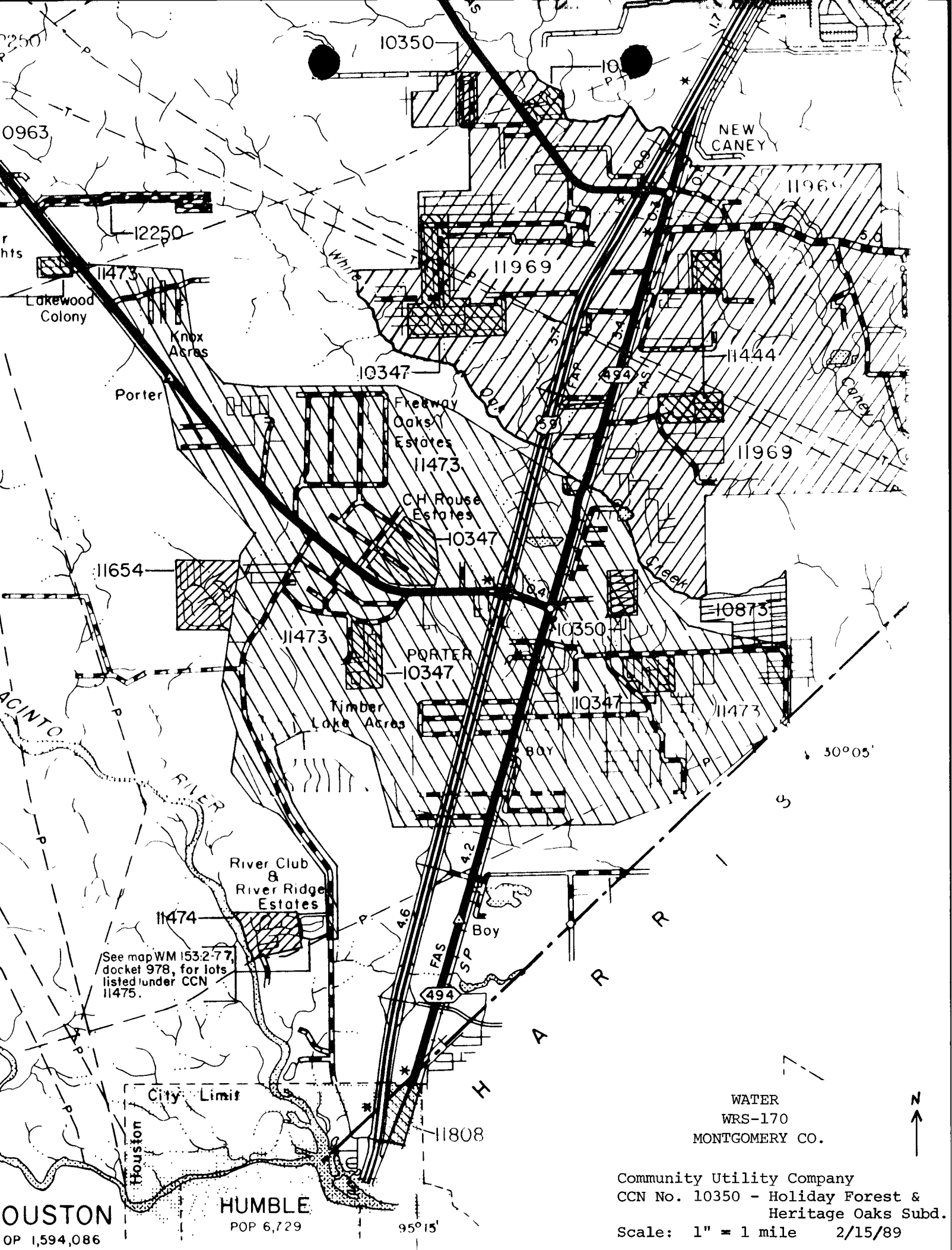
Community Utility Company
CCN No. 10350 - Sweetgum Forest
Subdivision
Scale: 1"= 1 mile 2/15/89



WATER
WRS-170
MONTGOMERY CO.

Community Utility Company
CCN No. 10350 - Forest Trails Subd.

Scale: 1" = 1 mile 2/15/89



Public Utility Commission of Texas

By These Presents Be It Known To All That

COMMUNITY UTILITY COMPANY

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity

numbered 10350, to provide water utility service to that service area or those service areas designated by final Order or Orders duly entered by this Commission, which Order or Orders are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these

presents do evidence the authority and the duty of this Grantee to provide such utility service in accordance with the laws of this State and the Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 1st day of November, 1979.



Philip F. Ricketts

Philip F. Ricketts
SECRETARY OF THE COMMISSION



SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 - Texas Natural Resource Conservation Commission Rules

The utility will have the most current Texas Natural Resource Conservation Commission Rules, Chapter 291, Water Rates, 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 2.02 - Application for and Provision of 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) and will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service including providing service inspection certification as required by 30 TAC 290.46(j), 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.

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

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Section 2.03 - 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 TNRCC 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 a complaint may be filed with the Commission.

Section 2.04 - 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 of this tariff. The utility will keep records of the deposit and credit interest in accordance with TNRCC Rules.

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SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.04 - Customer Deposits (cont.)

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.

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 customer who has paid 18 consecutive billings without being delinquent.

Section 2.05 - Meter Requirements, Readings, and Testing

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. One meter is required for each residential, commercial or industrial facility in accordance with the TNRCC Rules.

Service 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.

TERMINATION OF SERVICE

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SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.07 - Service Disconnection (cont.)

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

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Section 2.08 - Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09 - 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.

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 2.10 - 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 TNRCC Rules or in the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems."

Section 2.11 - 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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.11 - Customer Complaints and Disputes (cont.)

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 Natural Resource Conservation Commission complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

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.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with TNRCC Rules to be effective.

No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public drinking water system by an air-gap or appropriate backflow prevention device.

No cross-connection between the public water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow device.

No connection which allows water to be returned to the public drinking water supply is to be permitted.

No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation and repair of plumbing at any connection which provides water for human use.

No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

The customer shall, at his expense, properly install and maintain a customer service line from the point of attachment to the meter to the place of consumption. Said service line to have a minimum inside diameter of 3/4" {a larger diameter pipe may be required if warranted}, and to be constructed of materials meeting ASTM specifications with a minimum pressure rating for both the pipe and joints of 150 psi.

The customer shall, at his expense, properly install and maintain a customer cut- off valve in the customer service line. Said valve to be located within the first 12" from the point of attachment to the water meter.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS CONT.

A customer service inspection certification must be completed:

- (A) prior to providing continuous service to new construction;
- (B) prior to reconnection of existing service. (Where the utility has reason to believe that cross-connections or other unacceptable practices may exist)
- (C) after any material improvement, correction, or addition has been made to private plumbing facilities.

In addition to these specific rules and regulation, Community Utility Company adopts the rules and regulations of the Texas Natural Resource Conservation Commission (as specified in 30 TAC Sections 290.38-290.47), the Southern Standard Plumbing Code, The Unified Plumbing Code, and the National Standard Plumbing Code

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 customer 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 will bear the full cost of any oversizing 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.

COST UTILITIES SHALL BEAR. Within its certificate 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 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.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems."

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SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with TNRCC Rules to be effective.

Residential customers not covered under Section 3.01 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 full 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.

Developers will 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 Natural Resource Conservation Commission minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Natural Resource Conservation Commission 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.

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SECTION 4.0 - WATER RATIONING PROGRAM

In cases of extreme drought, periods of abnormally high usage, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit water usage. The purpose of the Water Rationing Program is to limit the total amount of water demanded from the utility and to encourage customer conservation.

Water rationing is not a legitimate alternative when water systems are deficient in meeting the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems" and the Commission Rules during normal use periods, or when the utility is not making all immediate and necessary efforts to replace or repair malfunctioning equipment.

Section 4.01 - General Provisions

DECLARATION OF WATER RATIONING: When there is an acute water supply shortage to such an extent that normal use patterns will no longer be possible, the utility may implement a water rationing program in the following manner.

NOTICE REQUIREMENTS: Written notice must be provided to each customer prior to implementing the rationing program. Mailed notice must be given 72 hours prior to the start of rationing. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided.

Notice will be provided by telephone to the Commission prior to implementing the program and will be followed within 10 days with a copy of the utility's rationing notice. The customer's written notice will contain the following information:

1. the date rationing will begin;
2. the date rationing will end;
3. the stage of rationing and explanation of the restrictions to be implemented; and,
4. explanation of penalties for violations.

The utility must file a status report of its rationing program with the Commission every 30 days that rationing continues.

SECTION 4.0 - WATER RATIONING PROGRAM (CONT.)

Section 4.01 - General Provisions (cont.)

VIOLATION OF RATIONING RULES:

1. First violation - the customer will be notified by written notice of their specific violation.
2. Second violation - after written notice the utility may install a flow restricter in the line to limit the amount of water which will pass through the meter in a 24 hour period. The cost to be charged to the customer's account will be the actual installed cost to the utility, not to exceed \$50.00.
3. Subsequent violations - the utility may terminate 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.

EXEMPTIONS OR VARIANCES FROM RATIONING RULES: The utility may grant any customer an exemption or variance from the uniform rationing program for good cause. A customer who is refused an exemption or variance may appeal such action of the utility by written appeal to the Texas Natural Resource Conservation Commission. The utility will treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances.

RATES: All existing rates schedules will remain in effect during the rationing period, and no charges may be levied against a customer which are not contained in the approved tariff of the utility as filed with the Commission.

Section 4.02 - Stages of Rationing

Unless there is an immediate extreme reduction in water production, to declare an emergency or severe condition the Utility must initially declare Stage I rationing. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, Stage II may be declared with Stage III to follow if necessary.

STAGE I (MILD RATIONING CONDITIONS): Under Stage I (Mild Rationing Conditions) the Utility may select only one of the alternatives listed below. Usage of water for outdoor purposes such as lawns, gardens, car washing, etc. will be restricted to:

1. Alternate Day Use - Customers with even numbered addresses may use water outdoors on even numbered days and customers with odd numbered addresses may water outdoors on odd numbered days. (When there are no addresses, North and West sides of streets: even days; South and East sides of streets: odd days.)

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SECTION 4.0 - WATER RATIONING PROGRAM (CONT.)

Section 4.02 - Stages of Rationing (cont.)

2. Restricted Hours of Use - Outside watering is allowed daily only during periods described in the customer notices.
3. Every Five Day Use - Customers whose addresses end in 0 and 1 may use water outdoors on the 1st day of the month; 2 and 3--on the 2nd; 4 and 5--3rd; 6 and 7--4th; 8 and 9--5th; 0 and 1--6th.... and so on. The utility must provide a calendar noting the respective watering days and the order should remain consecutive as new months begin.

STAGE II (MODERATE RATIONING CONDITIONS): All outdoor water usage is prohibited except by hand held hoses with manual turn-on/off nozzles. Water usage for livestock is exempt

STAGE III (SEVERE RATIONING CONDITIONS): All outdoor water usage is prohibited; livestock may be exempted by the utility. All consumption may also be limited to each customer in one of the following ways:

1. An average of the customer's winter months' average to be uniformly applied on a systemwide basis, each customer being notified of this average amount;
OR
2. Based upon technical data of the utility's facilities, a maximum number of gallons per meter (customer) per month, with notice to each customer of this number. Approval of the Commission must be obtained prior to implementing this restriction.

All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers.

SECTION 4.20 - SPECIFIC UTILITY WATER RATIONING PROGRAM

This section contains a specific utility water rationing program in addition to the one stated under Section 4.0. It must be reviewed and approved by the Commission and in compliance with the TNRCC Rules to be effective.

Texas Natural Resource Conservation Commission

INTEROFFICE MEMORANDUM

TO : Tariff Coordinator,
Utility Rates and Services Section
THRU : Doug Holcomb,
Utility Rates and Services Section
FROM : Vera Poe, Utility Rates and Services Section
SUBJECT : Request for Tariff Approval Stamp

August 13, 1996

Utility Name: Mitchell M. Martin and Dell Martin dba Community Utility Company


CCN Number: 10350

Application/Docket Number:

Attached, please find:

- ☐ A. A tariff for a utility reflecting the results of a rate case approved by the Commission.
- ☐ B. A tariff for a utility reflecting rates effective by Operation of Law i.e. no protests received nor hearing requested.
- ☒ C. A tariff for a utility with minor tariff changes allowed under TNRCC Rule 291.21(b)(2).
- ☐ D. A utility tariff submitted in a CCN application.
- ☐ E. A tariff for a utility submitted in a report of sale and/or transfer of CCN application.
- ☐ F. Other _____
- ☐ G. Comments regarding any of the above or any related tariff on file _____

I have reviewed the above tariff and I recommend it be stamped APPROVED. Date of tariff approval:
8-13-96


(Signature)

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

CCN 10 AUG 1 '96

DATE APPROVED TARIFF BY _____

WATER UTILITY TARIFF

FOR

Mitchell M. Martin and Dell Martin dba Community Utility Company
(Utility Name)

P.O. Box 58
(Business Address)

Spring, Texas
77383-0058
(City, State, Zip Code)

(713) 367-4462
(Area Code/Telephone)

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

10350

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

Harris and Montgomery

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

This tariff is effective in the following subdivisions or systems:

Montgomery Terrace, Forest Manor, Pitcarin, Pinecrest, Sweetgum Forest, and Holiday Forest

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	PAGE
1.0 RATE SCHEDULE	<u>2</u>
2.0 SERVICE RULES	<u>3</u>
3.0 EXTENSION POLICY	<u>8</u>
4.0 WATER RATIONING PLAN	<u>10</u>
APPENDIX A SERVICE AGREEMENTS AND APPLICATION	<u> </u>

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Monthly Minimum Charge

Flat Rate \$12.50 per connection per month

REGULATORY ASSESSMENT 1.0%

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL
WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER.

Section 1.02 - Miscellaneous Fees

TAP FEE \$ 250.00

THE TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS
AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" or 3/4" METER.

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED
TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS

- a) Non payment of bill (Maximum \$25.00) \$ -0-
b) Customer's request \$ -0-
OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

LATE CHARGE \$2.00 OR 5%

A ONE TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED
TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING

RETURNED CHECK CHARGE \$ 15.00

CUSTOMER DEPOSIT (Maximum \$50) \$ 50.00

METER TEST FEE (actual cost of testing the meter up to) \$ 25.00

THIS FEE 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.

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

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

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SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 - Texas Natural Resource Conservation Commission Rules

The utility will have the most current Texas Natural Resource Conservation Commission Rules, Chapter 291, Water Rates, 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 2.02 - Application for and Provision of 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) and will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service including providing service inspection certification as required by 30 TAC 290.46(j), 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.

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

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Section 2.03 - 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 TNRCC 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 a complaint may be filed with the Commission.

Section 2.04 - 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 of this tariff. The utility will keep records of the deposit and credit interest in accordance with TNRCC Rules.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

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BY APPROVED [signature]

Section 2.04 - Customer Deposits (cont.)

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 customer who has paid 18 consecutive billings without being delinquent.

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.

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SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.06 - Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

A late penalty of either \$2.00 or 5.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the TNRCC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

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 2.07 - Service Disconnection

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 TNRCC Rules.

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SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.07 - Service Disconnection (cont.)

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

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Section 2.08 - Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09 - 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.

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.

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SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.11 - Customer Complaints and Disputes (cont.)

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 Natural Resource Conservation Commission complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

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No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

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The customer shall, at his expense, properly install and maintain a customer cut- off valve in the customer service line. Said valve to be located within the first 12" from the point of attachment to the water meter.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS CONT.

A customer service inspection certification must be completed:

- (A) prior to providing continuous service to new construction;
- (B) prior to reconnection of existing service. (Where the utility has reason to believe that cross-connections or other unacceptable practices may exist)
- (C) after any material improvement, correction, or addition has been made to private plumbing facilities.

In addition to these specific rules and regulation, Community Utility Company adopts the rules and regulations of the Texas Natural Resource Conservation Commission (as specified in 30 TAC Sections 290.38-290.47), the Southern Standard Plumbing Code, The Unified Plumbing Code, and the National Standard Plumbing Code

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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 customer 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 will bear the full cost of any oversizing 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.

COST UTILITIES SHALL BEAR. Within its certificate 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 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.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems."

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SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with TNRCC Rules to be effective.

Residential customers not covered under Section 3.01 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 full 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.

Developers will 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 Natural Resource Conservation Commission minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Natural Resource Conservation Commission 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.

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SECTION 4.0 - WATER RATIONING PROGRAM

In cases of extreme drought, periods of abnormally high usage, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit water usage. The purpose of the Water Rationing Program is to limit the total amount of water demanded from the utility and to encourage customer conservation.

Water rationing is not a legitimate alternative when water systems are deficient in meeting the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems" and the Commission Rules during normal use periods, or when the utility is not making all immediate and necessary efforts to replace or repair malfunctioning equipment.

Section 4.01 - General Provisions

DECLARATION OF WATER RATIONING: When there is an acute water supply shortage to such an extent that normal use patterns will no longer be possible, the utility may implement a water rationing program in the following manner.

NOTICE REQUIREMENTS: Written notice must be provided to each customer prior to implementing the rationing program. Mailed notice must be given 72 hours prior to the start of rationing. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided.

Notice will be provided by telephone to the Commission prior to implementing the program and will be followed within 10 days with a copy of the utility's rationing notice. The customer's written notice will contain the following information:

1. the date rationing will begin;
2. the date rationing will end;
3. the stage of rationing and explanation of the restrictions to be implemented; and,
4. explanation of penalties for violations.

The utility must file a status report of its rationing program with the Commission every 30 days that rationing continues.

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