

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.)

UP at

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.

VP

COMMUNITY UTILITY COMPANY
P. O. BOX 58
SPRING, TEXAS 77383-0058

OFFICE: (713) 367-4462

FAX: (713) 292-4439

August 12, 1996

To: Attention - Ms. Vera Poe
T.N.R.C.C.
Water Utilities Division
P. O. Box 13087
Austin, Texas 78711-3087

RECEIVED
AUG 15 1996

Re: Corrections to water utility tariff.
C.C.N. No. 10350; Harris & Montgomery Counties
Forest Manor Subdivision, Pitcairn Subdivision,
and Sweetgum Forest Subdivision

LAND AND WATER RESOURCES
CONSERVATION COMMISSION
UTILITY DIVISION

Dear Ms. Poe:

I would like to begin by thanking you for taking time last Friday to lend your assistance and advice.

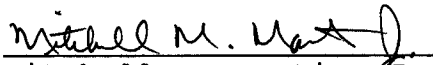
As per our conversation, I have reviewed the current tariff and compiled a list of corrections which should be made to Community's tariff.

I believe there should be no problem with any of these corrections with the possible exception of the following.

I believe an error was probably made on the current tariff (Section 1.2--Miscellaneous Fees) in that there do not seem to be any fees listed for reconnection fees, returned check charges or customer deposits. I do not know if this is due to an oversight on Community's part when the tariff was originally filed or if it is due to an error on the part of the Commission when the tariff was updated.

If it is possible to correct these items at the same time as everything else, then please correct this section to reflect the information provided on the enclosed list. However, if this section (or any other) presents a problem, or would cause a delay in making the changes concerning Section 4.0, then please let me know and we will file an additional request for these changes at a later time.

Sincerely,


Mitchell M. Martin, Jr.

RECEIVED
SEP 24 96
UTILITY DIVISION

1. The zip code should be changed from "77393" to "77383-0058".
2. The list of subdivisions should be changed to read "Forest Manor, Pitcairn, & Sweetgum Forest".

Note - Montgomery Terrace was transferred to the City of Houston, Adams Oaks Section 1 & 2 was transferred to Porter Water Supply, Pinecrest was transferred to the City of Conroe, & Holiday Forest was transferred to New Caney M.U.D.

3. The Table of Contents should be amended to include the following:

APPENDIX A SERVICE APPLICATION

APPENDIX B SERVICE AGREEMENT

Section 1.01--Rates

1. The flat rate of \$10.00 per month for Pinecrest Subdivision should be removed.

Section 1.2--Miscellaneous Fees

1. The Reconnection Fee should be changed to \$25.00
2. The late charge penalty section should be updated to reflect the new applicable fees (i.e. \$2.00 or 5%).
3. The Returned Check Charge should be changed to \$15.00
4. The Customer Deposit should be changed to \$50.00

Section 2.02--Water Installation

1. The wording in paragraph 2 of this section should be changed to reflect the current wording in 30 TAC, Chapter 290, Section 290.85(a)(4).

Section 2.04--Customer Deposits

1. The time frame listed in paragraph 3, item 3, should be changed from "12 consecutive months" to "18 consecutive months".

Section 2.05--Meter Requirements, Readings, and Testing

1. In paragraph 2, line 4, the charge for additional meter tests should be changed from "\$15.00" to "\$25.00" as allowed under 30 TAC, Chapter 290, Section 290.89(d)(3).

Section 2.06--Billing

1. Paragraph 2 should be changed to reflect a late fee of "\$2.00 or 5.0%".

Section 2.20 Specific Utility Service Rules and Regulations

(The following Rules & Regulations should be added to this section).

(1) 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 WATER SYSTEM BY AN AIR-GAP OR APPROPRIATE BACKFLOW PREVENTION DEVICE.

(2) 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.

(3) NO CONNECTION WHICH ALLOWS WATER TO BE RETURNED TO THE PUBLIC DRINKING WATER SUPPLY IS TO BE PERMITTED.

(4) NO PIPE OR PIPE FITTING WHICH CONTAINS MORE THAN 8.0% LEAD MAY BE USED FOR THE INSTALLATION OR REPAIR OF PLUMBING AT ANY CONNECTION WHICH PROVIDES WATER FOR HUMAN USE.

(5) 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.

(6) 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 P.S.I.

(7) THE CUSTOMER SHALL, AT HIS EXPENSE, PROPERLY INSTALL AND MAINTAIN AN APPROVED BACKFLOW PREVENTION DEVICE. SAID DEVICE TO BE LOCATED AT THE POINT OF CONNECTION TO THE WATER METER. {COPIES OF ALL TESTING AND MAINTENANCE RECORDS SHALL BE PROVIDED TO THE WATER SYSTEM}.

(8) THE CUSTOMER SHALL, AT HIS EXPENSE, PROPERLY INSTALL AND MAINTAIN A 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.

Sect. 2.20 Specific Utility Service Rules and Regulations (cont.)

(9) 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 PLUMBING PRACTICES MAY EXIST)
- (C) AFTER ANY MATERIAL IMPROVEMENT, CORRECTION, OR ADDITION HAS BEEN MADE TO PRIVATE PLUMBING FACILITIES.

(10) IN ADDITION TO THESE SPECIFIC RULES AND REGULATIONS, COMMUNITY UTILITY COMPANY ADOPTS THE RULES AND REGULATIONS OF THE TEXAS NATURAL RESOURCE CONSERVATION COMMISSION (AS SPECIFIED IN 30 TAC, CHAPTER 290, SECTIONS 290.38 - 290.47), THE SOUTHERN STANDARD PLUMBING CODE, THE UNIFIED PLUMBING CODE, AND THE NATIONAL STANDARD PLUMBING CODE.

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 give 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
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 that 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 will 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:

Section 4.0 - Water Rationing Program (Cont.)

Section 4.02 - Stages of Rationing (cont.)

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. 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 or 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 system wide 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 will 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.

NONE

SERVICE APPLICATION

APPLICANT COMPLETES THIS SECTION - PLEASE PRINT

APPLICANT'S NAME		APPLICANT'S T.D.L. NUMBER		APPLICANT'S S.S. NUMBER	
CO-APPLICANT'S NAME		HOME PHONE NUMBER ()		WORK PHONE NUMBER ()	
BILLING ADDRESS		CITY	STATE	ZIP-CODE	
LEGAL DESCRIPTION OF PROPERTY { INCLUDE NAME OF ROAD, SUBDIVISION WITH SECTION, BLOCK AND LOT NUMBER }					
NAME OF PROPERTY OWNER		PHONE NUMBER OF OWNER ()		DATE OF APPLICATION	

FOR UTILITY USE ONLY - DO NOT WRITE IN THIS AREA

COMPANY			SYSTEM NAME		SYSTEM I. D. NUMBER	
ACCOUNT NUMBER	RATE	DEPOSIT AMOUNT	PAYMENT TYPE	DATE RECEIVED	RECEIPT NUMBER	
SERVICE AGREEMENT ON FILE?			DATE SIGNED	APPLICATION APPROVED BY:		DATE

SERVICE INSPECTION CERTIFICATION

NO DIRECT CONNECTION BETWEEN THE PUBLIC DRINKING WATER SUPPLY AND A POTENTIAL SOURCE OF CONTAMINATION EXISTS. POTENTIAL SOURCES OF CONTAMINATION ARE ISOLATED FROM THE PUBLIC WATER SYSTEM BY AN AIR GAP OR AN APPROPRIATE BACKFLOW PREVENTION ASSEMBLY IN ACCORDANCE WITH STATE PLUMBING REGULATIONS. ADDITIONALLY, ALL PRESSURE RELIEF VALVES AND THERMAL EXPANSION DEVICES ARE IN COMPLIANCE WITH STATE PLUMBING CODES.

INSPECTOR'S INITIALS

NO CROSS-CONNECTION BETWEEN THE PUBLIC DRINKING WATER SUPPLY AND A PRIVATE WATER SYSTEM EXISTS. WHERE AN ACTUAL AIR GAP IS NOT MAINTAINED BETWEEN THE PUBLIC WATER SUPPLY AND A PRIVATE WATER SUPPLY, AN APPROVED REDUCED PRESSURE-ZONE BACKFLOW PREVENTION ASSEMBLY IS PROPERLY INSTALLED AND A SERVICE AGREEMENT EXISTS FOR ANNUAL INSPECTION AND TESTING BY A CERTIFIED BACKFLOW PREVENTION DEVICE TESTER.

INSPECTOR'S INITIALS

NO CONNECTION EXISTS WHICH WOULD ALLOW THE RETURN OF WATER USED FOR CONDENSING, COOLING OR INDUSTRIAL PROCESSES BACK TO THE PUBLIC WATER SUPPLY.

INSPECTOR'S INITIALS

NO PIPE OR PIPE FITTING WHICH CONTAINS MORE THAN 8.0% LEAD EXISTS IN THE PRIVATE PLUMBING FACILITIES INSTALLED ON OR AFTER JULY 1, 1988.

INSPECTOR'S INITIALS

NO SOLDER OR FLUX WHICH CONTAINS MORE THAN 0.2% LEAD EXISTS IN THE PRIVATE PLUMBING FACILITIES INSTALLED ON OR AFTER JULY 1, 1988.

INSPECTOR'S INITIALS

I HAVE INSPECTED THE PRIVATE PLUMBING FACILITIES CONNECTED TO THE AFOREMENTIONED PUBLIC WATER SUPPLY AND DO HEREBY CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE, THEY ARE IN COMPLIANCE WITH THE REGULATIONS LISTED ABOVE.

 SIGNATURE OF INSPECTOR

 DATE

 REGISTRATION TYPE & NUMBER

SERVICE AGREEMENT

I. PURPOSE.

COMMUNITY UTILITY COMPANY IS RESPONSIBLE FOR PROTECTING THE DRINKING WATER SUPPLY FROM CONTAMINATION OR POLLUTION WHICH COULD RESULT FROM IMPROPER PLUMBING PRACTICES. THE PURPOSE OF THIS SERVICE AGREEMENT IS TO NOTIFY EACH CUSTOMER OF THE PLUMBING RESTRICTIONS WHICH ARE IN PLACE TO PROVIDE THIS PROTECTION. THE UTILITY ENFORCES THESE RESTRICTIONS TO ENSURE THE PUBLIC HEALTH AND WELFARE. EACH CUSTOMER MUST SIGN THIS AGREEMENT BEFORE COMMUNITY UTILITY COMPANY WILL BEGIN SERVICE. IN ADDITION, WHEN SERVICE TO AN EXISTING CONNECTION HAS BEEN SUSPENDED OR TERMINATED, THE WATER SYSTEM WILL NOT RE-ESTABLISH SERVICE UNLESS IT HAS A SIGNED COPY OF THIS AGREEMENT.

II. PLUMBING RESTRICTIONS.

THE FOLLOWING UNDESIRABLE PLUMBING PRACTICES ARE PROHIBITED BY STATE REGULATION:

- (A) 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 WATER SYSTEM BY AN AIR-GAP OR APPROPRIATE BACKFLOW PREVENTION DEVICE.
- (B) 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.
- (C) NO CONNECTION WHICH ALLOWS WATER TO BE RETURNED TO THE PUBLIC DRINKING WATER SUPPLY IS TO BE PERMITTED.
- (D) NO PIPE OR PIPE FITTING WHICH CONTAINS MORE THAN 8.0% LEAD MAY BE USED FOR THE INSTALLATION OR REPAIR OF PLUMBING AT ANY CONNECTION WHICH PROVIDES WATER FOR HUMAN USE.
- (E) 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.

III. SERVICE AGREEMENT.

THE FOLLOWING ARE THE TERMS OF THE SERVICE AGREEMENT BETWEEN COMMUNITY UTILITY COMPANY AND:

{ CUSTOMER NAME - PLEASE PRINT }

- (A) 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 P.S.I.
- (B) THE CUSTOMER SHALL, AT HIS EXPENSE, PROPERLY INSTALL AND MAINTAIN AN APPROVED BACKFLOW PREVENTION DEVICE. SAID DEVICE TO BE LOCATED AT THE POINT OF CONNECTION TO THE WATER METER. {COPIES OF ALL TESTING AND MAINTENANCE RECORDS SHALL BE PROVIDED TO THE WATER SYSTEM}.
- (C) THE CUSTOMER SHALL, AT HIS EXPENSE, PROPERLY INSTALL AND MAINTAIN A 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.
- (D) THE WATER SYSTEM WILL MAINTAIN A COPY OF THIS AGREEMENT AS LONG AS THE CUSTOMER AND/OR THE PREMISES IS CONNECTED TO THE WATER SYSTEM.
- (E) THE CUSTOMER SHALL ALLOW HIS PROPERTY TO BE INSPECTED FOR POSSIBLE CROSS-CONNECTIONS AND OTHER UNDESIRABLE PLUMBING PRACTICES. THESE INSPECTIONS SHALL BE CONDUCTED BY THE WATER SYSTEM OR IT'S DESIGNATED AGENT PRIOR TO INITIATING SERVICE, AND PERIODICALLY THEREAFTER. THE INSPECTIONS SHALL BE CONDUCTED DURING THE WATER SYSTEM'S NORMAL BUSINESS HOURS.
- (F) THE WATER SYSTEM SHALL NOTIFY THE CUSTOMER IN WRITING OF ANY CROSS-CONNECTION OR OTHER UNDESIRABLE PLUMBING PRACTICE WHICH HAS BEEN IDENTIFIED DURING THE INITIAL INSPECTION OR THE PERIODIC REINSPECTION.
- (G) THE CUSTOMER SHALL IMMEDIATELY CORRECT ANY UNDESIRABLE PLUMBING PRACTICE ON HIS PREMISES.

IV. ENFORCEMENT.

IF THE CUSTOMER FAILS TO COMPLY WITH THE TERMS OF THE SERVICE AGREEMENT, THE WATER SYSTEM SHALL, AT IT'S OPTION, EITHER TERMINATE SERVICE OR PROPERLY INSTALL, TEST AND MAINTAIN AN APPROPRIATE BACKFLOW PREVENTION DEVICE AT THE SERVICE CONNECTION. ANY EXPENSES ASSOCIATED WITH THE ENFORCEMENT OF THIS AGREEMENT SHALL BE BILLED TO THE CUSTOMER.

{ CUSTOMER'S SIGNATURE }

{ DATE }

{ SERVICE ADDRESS }

{ ACCOUNT NUMBER }

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

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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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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

Key to Codes

C--Regulation Change D--Discontinued I--Increase
 R--Reduction E--Error Correction N--New
 T--Change in text, but no change in regulation

TEXAS WATER COMMISSION

TWC-WUT 3/87

7924-S CCN 10350 APR 14 '89

page 2 of 14

D.A. APPROVED TARIFF BY APF

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.

TEXAS 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 CCN 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 CON 10350 APR 14 '89

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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

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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

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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.

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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 CCN 10350 APR 14 '89

D.A. APPROVED TARIFF BY Jeff

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.

NONE

TEXAS WATER COMMISSION

7924-S CON 10350 APR 14 '89

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