

Control Number: 49312



Item Number: 1

Addendum StartPage: 0

NEW DOCKET

4 9 3 1 2

APPLICATION OF QUADVEST, L.P. TO §  
AMEND ITS WATER CERTIFICATE OF §  
CONVENIENCE AND NECESSITY IN §  
MONTGOMERY COUNTY

PUBLIC UTILITY COMMISSION  
OF TEXAS

2019 MAR 11 AM 10:28  
FILING CLERK

Enclosed is the application to amend water CCN NO. 11612. Financials will be sent confidentially. As of this date of submittal we have received no response for request for service. Plans for the water system were submitted to TCEQ on 3/4/19.

Yvette McNellie

Yvette McNellie  
Quadvest, L.P.  
26926 FM 2978  
Magnolia, TX 77354  
Telephone: 281-305-1124  
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PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS, SUBCHAPTER G: CERTIFICATES OF CONVENIENCE AND NECESSITY

## Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

**Docket Number:** \_\_\_\_\_

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, shall be filed with

Public Utility Commission of Texas  
Attention: Filing Clerk  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

If submitting digital map data, two copies of the portable electronic storage medium (such as CD or DVD) are required.

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## Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

### Purpose of Application

<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input checked="" type="checkbox"/> Amend	<input type="checkbox"/> Water CCN# (s) <u>11612</u>	
<input type="checkbox"/> Amend	<input type="checkbox"/> Sewer CCN#(s) _____	

### 1. Applicant Information

#### Applicant

Utility name: Quadvest, L.P

Certificate number: 742124371

Street address (City/ST/ZIP/Code): 26926 FM 2978, Magnolia, Tx 77354

Mailing address(City/ST/ZIP/Code): PO Box 409, Tomball, Tx 77377

Utility Phone Number and Fax: (281) 356-5347

#### Contact information

Please provide information about the person(s) to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.

Name: Yvette McNellie

Title: Partner

Mailing address: PO Box 409, Tomball, TX 77377

Email: yvette@quadvest.com

Phone and Fax: (281) 356-5347

List all counties in which service is proposed:

Montgomery

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

- ☒ Investor Owned Utility      ☐ Individual      ☐ Partnership
- ☐ Home or Property Owners Association      ☐ For-profit Corporation
- ☐ Non-profit, member-owned, member-controlled cooperative corporation  
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)
- ☐ Municipality      ☐ District      ☐ Other - Please explain:

B. If the applicant is a For-Profit business or corporation, please include the following information:

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: 742124371
- iii. A listing of all stockholders and their respective percentages of ownership.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

C. If the applicant is a Texas Water Code (TWC) Chapter 67 water supply or sewer service corporation please provide:

- i. A copy of the Articles of Incorporation and By-Laws.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State.
- iii. Identification of all board members including name, address, title, and telephone number.
- iv. A copy of the corporation's *Certificate of Account Status* from the Texas Comptroller of Public Accounts.

## 2. Location Information

- A. Are there people already living in the proposed area?      ☐ Yes      ☒ No
- If YES, are any currently receiving utility service?      ☐ Yes      ☐ No
- If YES, from WHOM? \_\_\_\_\_

B. Demonstrate the Need for Service by providing the following:

Attachment B

Have you received any requests for service in the requested service area?

☒ Yes ☐ No

If YES, provide the following:

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or
- ii. Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
- iii. Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
- iv. Provide copies of any written application(s) or request(s) for service in the requested area; and/or
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area.
- vi. If none of these items exist or are available, please justify the need for service in the proposed area in writing.

Note: Failure to demonstrate a need for additional service in the proposed service area may result in the delay and /or possible denial of the application.

C. Is any portion of the proposed service area inside an incorporated city or district?

☐ Yes ☒ No

If YES, within the corporate limits of: \_\_\_\_\_

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

D. Is any portion of the proposed service area inside another utility's CCN area?

☐ Yes ☒ No

If YES, has the current CCN holder agreed to decertify the proposed area?

If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest:

single

### 3. Map Requirements

Attachment C

Attach the following hard copy maps with each copy of the application:

- A. A location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
- B. A map showing only the proposed area by:
  - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
  - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
  - iii. following verifiable natural and man-made landmarks; or
  - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area.
- D. Provide separate and additional maps of the proposed area(s) to show the following:
  - i. all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
  - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

**Note: Failure to provide adequate mapping information may result in the delay or possible denial of your application.**

Digital data submitted in a format other than ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.

For information on obtaining a CCN base map or questions about sending digital map data, please visit the Water Utilities section of the PUC website for assistance.

### 4. New System Information or Utilities Requesting a CCN for the First Time

Attachment D

- A. Please provide the following information:
  - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system;
  - ii. copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listed in a. 1 above or documentation that it is not economically feasible to obtain service from each entity;
  - iii. copies of written responses from each system or evidence that they did not reply; and
  - iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit.
- B. Were your requests for service denied? ☒ Yes ☐ No

- ## Water system will be build in phases to match development

D. Date of plat approval, if required: Estimated 4/2019  
Approved by: \_\_\_\_\_

E. Date Plans & Specifications submitted to the TCEQ for approval: March 10, 2019 Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ.

F. Date construction is scheduled to commence: 7/2019

G. Date service is scheduled to commence: upon approval

A. Please provide the following information for each water and/or sewer system, attach additional sheets if necessary.

**i. Water system(s): TCEQ Public Water System identification number(s):**

Attachment  
E

[illegible]

ii. Sewer system(s): TCEQ Discharge Permit number(s)

W Q 1 5 3 3 6 - 0 0 1 ;

W Q -

W Q -

W Q -

W Q -

W Q -

- iii. Date of last TCEQ water and/or sewer system inspection(s): \_\_\_\_\_
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s).
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

B. Provide the following information about the utility's certified water and/or sewer operators

Name	Classes	License Number
Quadvest, L.P.		
Attachment E		

- Attach additional sheet(s) if necessary -

- C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

☐ Yes

☒ No

Attach a copy of the 85% rule compliance document filed with the TCEQ if the system is operating at 85% or greater of the TCEQ's minimum standard capacity requirements.

- D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial **documentation** and reflect the number of service requests identified in Question 2.b in the application.

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter		71	Residential		
1" meter or larger			Commercial		
Non-Metered			Industrial		

TCEQ Water System			TCEQ Sewer System		
Other:			Other:		
Total Water		71	Total Sewer		

E. If this application is for a water CCN only, please explain how sewer service is or will be provided:

individual septic

F. If this application is for a sewer CCN only, please explain how water service is or will be provided:

G. **Attachment F**  
Effect of Granting a Certificate Amendment.

Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

- i. the applicant,
- ii. any retail public utility of the same kind already serving the proximate area; and
- iii. any landowner(s) in the requested area.

H. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

i. ☒ No, (skip the rest of this question and go to #6)

ii. Yes, Water

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
	0.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. ☐ Yes, Sewer treatment capacity

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Sewer Source	% of Total Treatment
	0.00%
	0.00%
	0.00%

iv. Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract.

I. Ability to Provide Adequate Service. *Attachment G*

Describe the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration:

- i. the current and projected density; and
- ii. the land use of the requested area.

J. Effect on the land. Explain the effect on the land to be included in the certificated area.

no known effect

## 6. Financial Information

- Attachment H - Confidential*
- A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system:
- i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing retail water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
  - ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates

should correlate to the projected growth in connections, shown on the projected profit and loss statement.

- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.

B. For existing water and/or sewer systems:

- i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed).
- ii. Attach a proposed rate schedule or tariff.

❖ **Note: An existing water and/or sewer system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application**

C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.

D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.

❖ **Note: Failure to provide adequate financial information may result in the delay or possible denial of your application.**

## 7. Notice Requirements

- A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.
- B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.
- F. **Notice For Publication:**  
The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. **Notice To Neighboring Utilities:**
  - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
  - ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.

- iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area.

H. Notice to Customers:

Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.

- I. The commission may require the applicant to deliver notice to other affected persons or agencies.

**Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the commission. Wait until you receive written authorization to do so. Authorization occurs after the commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.**

## OATH

STATE OF Texas  
COUNTY OF Montgomery

I, Yvette McNellie, being duly sworn, file this application as Partner (indicate relationship to Applicant, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the maps and financial information filed with this application, and have complied with all the requirements contained in this application; and, that all such statements made and matters set forth therein are true and correct. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Public Utility Commission of Texas.

I further represent that the application form has not been changed, altered or amended from its original form.

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

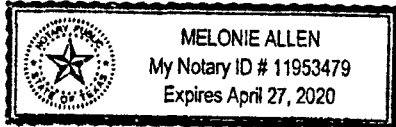
Yvette McNellie  
AFFIANT  
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,  
This day 4th of March 20 19

Melanie Allen  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

SEAL



Melanie Allen  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES April 27, 2020

## Notice for Publication

### NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

Montgomery COUNTY(IES), TEXAS

Name of Applicant Quadvest, L.P. has filed an application for a CCN to obtain or amend CCN No. (s) 11612 and to decertify a portion(s) of \_\_\_\_\_ with the  
(Name of Decertified Utility)

Public Utility commission of Texas to provide water  
(specify 1) water or 2) sewer or 3) water & sewer)

utility service in Montgomery County  
(ies).

The proposed utility service area is located approximately 2 miles northeast  
[direction] of downtown Cut and Shoot, [City or Town] Texas, and is  
generally bounded on the north by Lakewood Drive; on the east by  
FM 1485; on the south by Henry Harris Road; and on the west by Lakewood Drive

The total area being requested includes approximately 92 acres and 0  
current customers.

A copy of the proposed service area map is available at (Utility Address and Phone  
Number): 26926 FM 2978

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

**Persons who wish to intervene or comment should file with the PUC at the following address:**

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

**Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:**

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

***Si desea informacion en Espanol, puede llamar al 1-888-782-8477***

## Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO  
PROVIDE WATER/SEWER UTILITY SERVICE IN

Montgomery COUNTY(IES), TEXAS

To: \_\_\_\_\_ Date Notice Mailed \_\_\_\_\_ 20 \_\_\_\_  
(Neighboring System, Landowner or City)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
City State Zip

Name of Applicant Quadvest, L.P. has filed an application for a  
CCN to obtain or amend CCN No. (s) 11612 and to  
decertify a portion(s) of \_\_\_\_\_ with the  
(Name of Decertified Utility)

Public Utility Commission of Texas to provide water  
(specify 1) water or 2) sewer or 3) water & sewer)  
utility service in Montgomery County(ies).

The proposed utility service area is located approximately 2 miles northeast  
[direction] of downtown Cut and Shoot, [City or Town] Texas, and is  
generally bounded on the north by Lakewood Drive; on the east by  
FM 1485; on the south by Henry Harris Road; and on the west by Lakewood Drive

**See enclosed map of the proposed service area.**

The total area being requested includes approximately 92 acres and 0  
current customers.

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

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Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

**Si desea informacion en Espanol, puede llamar al 1-888-782-8477**

## Notice to Customers of IOUs in Proposed Area

### NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

Montgomery COUNTY(IES), TEXAS

Dear Customer: \_\_\_\_\_ Date Notice Mailed \_\_\_\_\_ 20 \_\_\_\_\_

Name of Applicant Quadvest,L.P. \_\_\_\_\_ has filed an application for a CCN to obtain or amend CCN No. (s) 11612 \_\_\_\_\_ and to decertify a portion(s) of \_\_\_\_\_ with the  
(Name of Decertified Utility)

Public Utility commission of Texas to provide \_\_\_\_\_ water \_\_\_\_\_  
(specify 1) water or 2) sewer or 3) water & sewer)  
utility service in Montgomery \_\_\_\_\_ County(ies).

The proposed utility service area is located approximately 2 miles northeast  
[direction] of downtown Cut and Shoot \_\_\_\_\_, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone Number): 26926 FM 2978, Magnolia, Tx 77354

The current utility rates which were first effective on \_\_\_\_\_ 20 \_\_\_\_\_

Monthly Flat Rate of \$ 28.75 Per connection  
-OR-

Monthly Base Rate Including per 0 gallons  
connection for:

5/8" meter	\$ 28.75
1" meter	\$ 71.88
1 1/2" meter	\$ 143.75
2" meter	\$ 230.00

Other\$ \_\_\_\_\_

Gallage charge of \$ 1.75 Per 1,000  
Gallons above minimum (same for all meters sizes)

#### Miscellaneous Fees

#### Regulatory Assessment

Tap Fee (Average Actual Cost)

#### Reconnecting fee:

- Non Payment (\$25.00 max)
- Transfer
- Customer's request

#### Late fee

#### Returned Check charge

Customer Deposit (\$50.00 max)

#### Meter test fee

(Actual Cost not Exceed \$25.00)

#### Other Fees

1%

\$ 810.00

\$ 25.00

\$ 25.00

\$ 45.00

\$ 50.00

\$5.00 or 10%

\$ 25.00

\$ 50.00

\$ 25.00

\$

**Your utility service rates and fees cannot be changed by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.**

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

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within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

**IF A HEARING IS HELD,** it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

If you are a landowner with a tract of land at least 25 acres or more, and is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

**Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:**

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

**Si desea informacion en Espanol, puede llamar al 1-888-782-8477**

## HISTORICAL BALANCE SHEETS

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

## HISTORICAL INCOME STATEMENT

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

## HISTORICAL EXPENSES STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

## PROJECTED BALANCE SHEETS

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

## PROJECTED INCOME STATEMENT

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

## PROJECTED EXPENSES STATEMENT

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

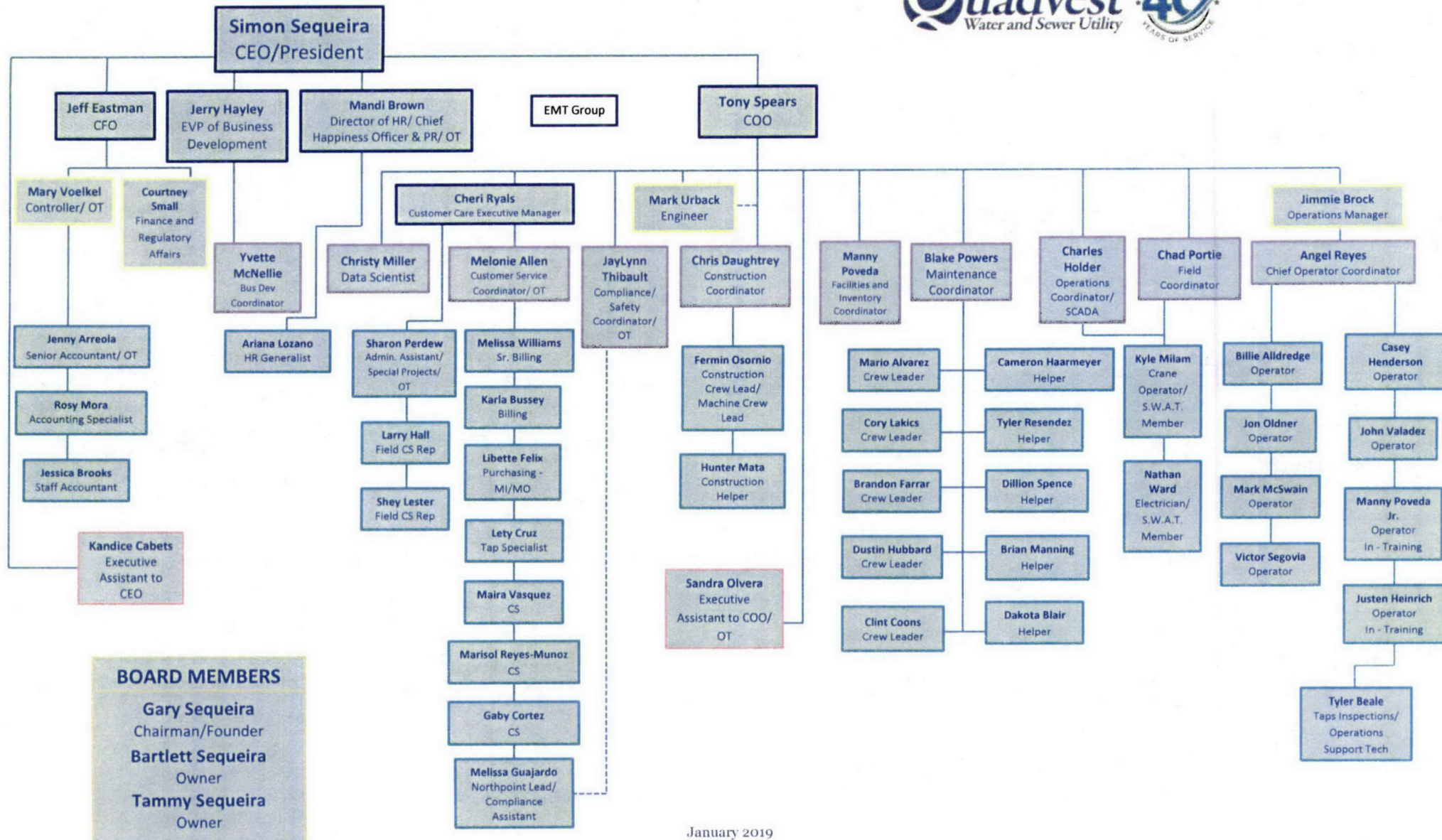
## PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income						
Depreciation (if Funded)						
Loan Proceeds						
Other						
Total Sources						
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
TOTAL USES						
<b>NET CASH FLOW</b>						
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt						
Service (CADS)						
Net Income (Loss)						
Depreciation , or Reserve Interest						
TOTAL						
<b>REQUIRED DEBT SERVICE (RDS)</b>						
Principle Plus Interest						
<b>DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by RDS						

Attachment 'A'

## QUADVEST OWNERSHIP

Yvette McNellie and Trust	19.9%
Bartlett Sequeira and Trust	19.9%
Simon Sequeira and Trust	19.9%
Tamara Sequeira and Trust	19.9%
Mandi Brown and Trust	19.9%



### BOARD MEMBERS

**Gary Sequeira**  
Chairman/Founder

**Bartlett Sequeira**  
Owner

**Tammy Sequeira**  
Owner

January 2019



## Office of the Secretary of State

### Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles of Conversion for Quadvest, L.P. (file number 800539284), a Domestic Limited Partnership (LP), was filed in this office on August 31, 2005.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on March 04, 2019.



A handwritten signature in black ink, appearing to read "David Whitley".

David Whitley  
Secretary of State

Attachment 'B'



Mr. David C. Frye  
Vice President-Chief Financial Officer

4058 N. College, Ste. 300 Box 9  
Fayetteville, AR 72703  
O: 479.455.9090 | T: 844.4RCHomes  
[www.RauschColeman.com](http://www.RauschColeman.com)

March 4, 2019

Re: Water Service

To Whom it May Concern:

Rausch Coleman is requesting water service from Quadvest, L.P. to Lakewood Trails located in Montgomery County. Please let me know if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "DC Frye", with a stylized flourish at the end.

David C. Frye

City of Cut and Shoot

Regular Meeting

January 10, 2019

The meeting was called to order by Mayor Nyla Dalhaus. Opening prayer was led by Tom Robinson.

Members of council present for the meeting was Bill Green, Tom Robinson, Belinda Faulkner and Ryan Wallace. Cliff Todhunter was absent. Also present for the meeting was Derick Dickmann, Darcy Tramm, Jimmy Dautrich, Sean Conner and a representative from Signorelli & Associates.

Mayor Dalhaus read the letter of resignation of Cliff Todhunter Alderman Position No. 2 effective January 1, 2019. Mr. Todhunter stated that it had been a privilege to serve the citizens of Cut and Shoot. Mayor Dalhaus suggested that since Position 2 will be on the ballot this year, it may be best to not appoint someone to fill out the unexpired term of office. Council will think on the matter and make a decision later.

Council reviewed the minutes of the previous meeting and a motion to approve the minutes as written was made by Tom Robinson; seconded by Ryan Wallace and passed with all voting in favor.

Council reviewed the financial reports for general and water accounts. A motion was made by Belinda Faulkner to approve the reports as given. The motion was seconded by Ryan Wallace and passed with all voting in favor.

Next business for council to consider was presented by Jimmy Dautrich of Manhard Consulting. They are asking that Cut and Shoot release their CCN on a 92.5 acre tract of property located along FM 1485 and Lake Wildwood Subdivision. Mr. Dautrich provided the metes and bounds for the property to council. A motion was made by Tom Robinson to release the CCN. The motion was seconded by Bill Green and passed with all voting in favor.

Next business on the agenda was to call the 2019 City Officers Election. The election will be conducted on May 4<sup>th</sup> in conjunction with Montgomery County Elections. The positions for the ballot are Mayor, Alderman Position 2 and Alderman Position 4. A motion was made by Tom Robinson to call the election. The motion was seconded by Ryan Wallace and passed with all voting in favor.

Next business on the agenda was regarding the emergency interconnect and interim water supply agreement with MUD No 145. Attorney Foerster was unable to attend this meeting and did not have the final agreement ready to present to council. His recommendation to council was to table action on this matter for a later meeting. Council agreed to have a special called meeting on Thursday, January 24<sup>th</sup> at 5 PM to address this matter.

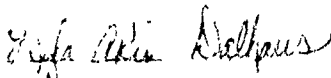
Next item on the agenda was to hear report presented by Sean Conner, project manager with J. F. Fontaine & Associates. He provided council with an estimate for budget planning to rehab both water storage facilities. The projected repairs on both the 250,000 gallon elevated storage tank and

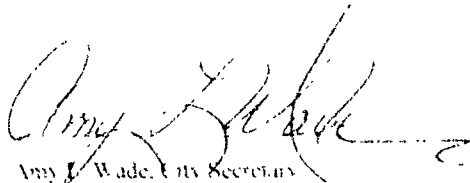
the 108,000 gallon stand-pipe are based off of recent inspection reports. He also told council he would set up specifications for a bid-pack so that all will bid on exact same information. He will have price and specifications to present at the special called council meeting on January 24<sup>th</sup>. A motion was made by Belinda Faulkner to pay \$250 and have Mr. Conner attend the meeting with the information stated. The motion was seconded by Bill Green and passed with all voting in favor.

Next business was report of monthly operations for the month of December by A-1 Utility. Mr. Dickmann reported the water loss of 9.25%. Total water pumped for the month of December is 10,640,000 gallons. The SJRA-GRP pumpage check was \$28,089.60. The 4<sup>th</sup> quarter 2018 report has been filed on Disinfectant Level. A-1 completed 79 work orders and replaced 50 residential water meters and 4 commercial meters. Storage Tank Rehab estimate from Texas Tank Services at \$230,576.00 plus cost of florin & water access ladder work. Also, Phoenix Fabricators gave an estimate of \$230,000.00.

Next business was the report of Police activities given by Chief Gomez. He told council about a contact with resident on Kelley Road. They are checking into making Kelley Road a private road and block it off. Mr. Stout thought he had mail taken from the mail box but was told that is a matter for postal inspector. Council is also looking at getting police department a new computer. Rudy was told a representative from Dell speak with Rudy about prices.

With no further business for the council, a motion to adjourn was made by Tom Robinson, seconded by Belinda Faulkner and passed with all voting in favor.

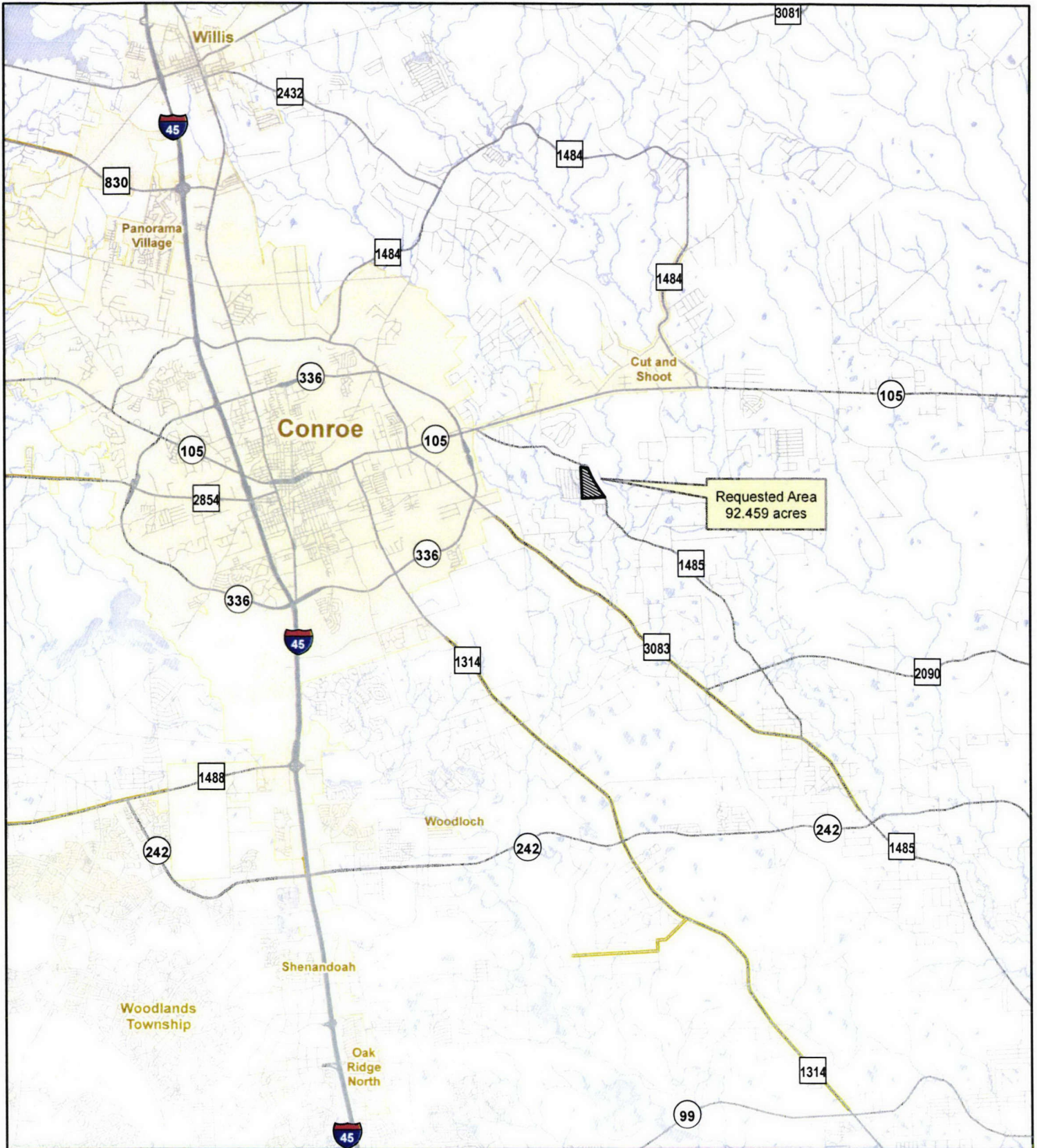
  
Nyla Akin Dalhaus, Mayor

  
Amy Wade, City Secretary

## Need for Service

1. Service Area
  - a. The service area consists of approximately 92 acres.
  - b. The developer has requested Quadvest, L. P. to provide water and sewer service to their 92 acres and consists of approximately 70 lots.

Attachment 'C'




### General Location

Quadvest, L.P.  
Application to Amend Water CCN No. 11612  
and to Decertify a Portion of Cut and Shoot, CCN No. 11615  
in Montgomery County



0 1 2  
Miles

 Requested Area - 92.459 acres

Map by: S. Burt, ASBGI  
Date: February 25, 2019  
Base: TxDOT 2015 Roadways, City  
Project: Lakewood Trails General Location



### Detail Map on Imagery

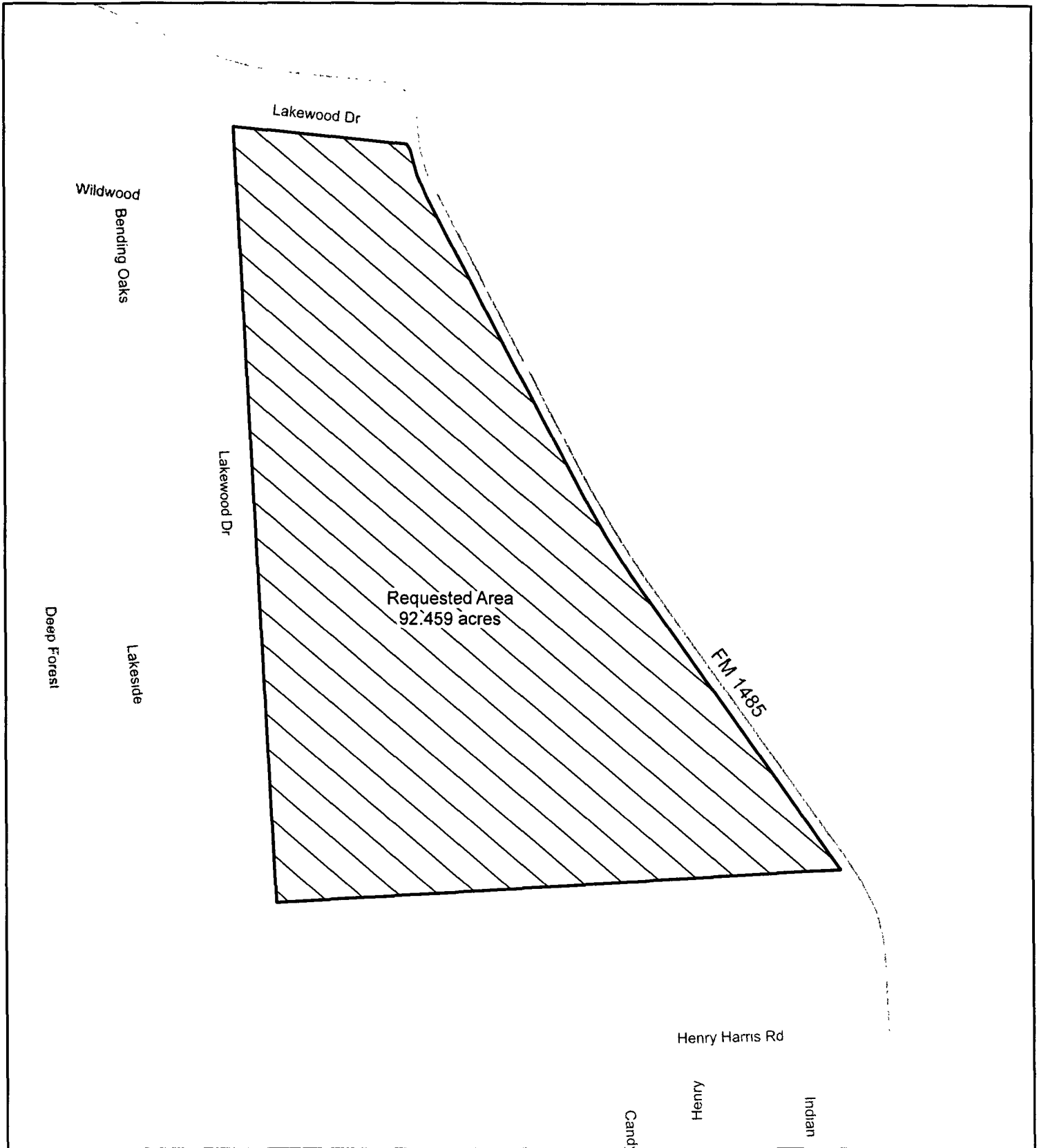
Quadvest, L.P.  
Application to Amend Water CCN No. 11612  
and to Decertify a Portion of Cut and Shoot, CCN No. 11615  
in Montgomery County



0 250 500  
Feet

 Requested Area - 92.459 acres

Map by: S. Burt, ASBGI  
Date: February 25, 2019  
Base: ESRI World Imagery  
Project: Lakewood Trails Detail Map on Imagery



**Detail Map**

Quadvest, L.P.  
Application to Amend Water CCN No. 11612  
and to Decertify a Portion of Cut and Shoot, CCN No. 11615  
in Montgomery County



0 250 500  
Feet

 Requested Area - 92.459 acres

Map by: S. Burt, ASBGI  
Date: February 25, 2019  
Base: TxDOT 2015 Roadways, City  
Project: Lakewood Trails Detail Map

Rausch Coleman Homes Houston, LLC  
92.5 acres

Leven B. Weeden Survey  
Abstract No. 611

STATE OF TEXAS                      §

COUNTY OF MONTGOMERY      §

**A METES & BOUNDS** description of a certain 92.5 acre (4,027,545 square feet) tract of land situated in the Leven B. Weeden Survey, Abstract No. 611 in Montgomery County, Texas, being all of a called 92.459 acre tract conveyed to Rausch Coleman Homes Houston, LLC by Special Warranty Deed recorded in Clerk's File No. 2018104599, Montgomery County Official Public Records of Real Property; said 92.5 acre (4,027,545 square feet) tract of land being more particularly described as follows with all bearings being based on Texas Coordinate System, Central Zone, NAD 83:

**BEGINNING** at a 5/8-inch iron rod found being the northeast corner of a called Lots 419 and 420 Block 8 conveyed to Narciso and Martina Rodriguez by Warranty Deed recorded in Clerk's File No. 2015025013, Montgomery County Official Public Records of Real Property, being in the south right-of-way of Wildwood Road (based on a width of 90 feet), and being the northwest corner of the herein described tract;

**THENCE**, South 84°34'14" East, 686.47 feet to a point for corner being in the south right-of-way of said Wildwood Road, being in the west right-of-way of F.M. 1485 (based on a width of 80-feet) recorded in Volume 297, Page 299, Montgomery County Deed Records, and being the northeast corner of the herein described tract, from which a found 3/8-inch iron rod (with cap) bears South 83°20'39" East, 10.24 feet and a found pinched-top pipe bears North 25°53'03" East, 8.88 feet;

**THENCE**, along the west right-of-way of said F.M. 1485, the following eleven (11) courses and distances:

1. South 30°37'44" East, 27.56 feet to a 3/8-inch iron rod (with cap) found;
2. South 15°47'28" East, 104.10 feet to a 3/8-inch iron rod (with cap) found;
3. South 24°11'39" East, 86.64 feet to a point for corner, from which a found 3/8-inch iron rod (with cap) bears North 17°07'15" West, 7.10 feet;
4. South 28°18'18" East, 890.25 feet to a point for corner;
5. South 28°19'32" East, 441.26 feet to a point for corner, from which a found 3/8-inch iron rod (with cap) bears North 70°53'12" East, 1.05 feet;
6. South 29°44'13" East, 160.14 feet to a point for corner;
7. South 33°35'34" East, 179.00 feet to a point for corner;
8. South 35°47'19" East, 514.80 feet to a point for corner;
9. South 35°49'03" East, 393.60 feet to a point for corner;

Rausch Coleman Homes Houston, LLC  
92.5 acres

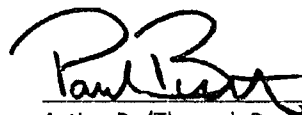
Leven B. Weeden Survey  
Abstract No. 611

10. South 35°50'25" East, 287.51 feet to a point for corner;
11. South 35°26'48" East, 208.00 feet to a point for corner being the northeast corner of a called 4.087 acre tract conveyed to Olivia Estrada Gantes by Warranty Deed recorded in Clerk's File No. 2005-037428, Montgomery County Official Public Records of Real Property, and being the southeast corner of the herein described tract, from which a found 3/8-inch iron rod bears South 76°09'17" East, 1.76 feet and a found iron pipe bears South 64°22'22" East, 1.58 feet;

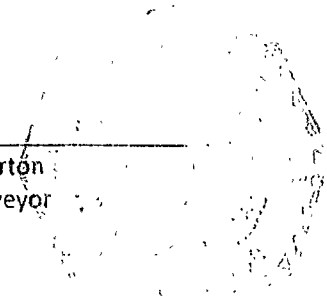
THENCE, South 86°30'53" West, 2,221.93 feet to a found 3/8-inch iron rod (with cap) being the northwest corner of a called 4.78 acre tract conveyed to Norman L. Black and Kristine R. Binford by Gift Deed (with Reservation of Life Estate) recorded in Clerk's File No. 2018063048, Montgomery County Official Public Records of Real Property, being in the east line of Lake Wildwood (an unrecorded subdivision) Reserve A, and being the southwest corner of the herein described tract;

THENCE, North 03°18'44" West, 3,007.64 feet to the **POINT OF BEGINNING, CONTAINING 92.5 acres** (4,027,545 square feet) of land in Montgomery County, Texas filed in the office of Manhard Consulting, Ltd. in The Woodlands, Texas.

Manhard Consulting, Ltd.  
2445 Technology Forest Blvd, Suite #200  
The Woodlands, Texas 77381  
(832) 823-2200  
*Texas Board of Professional Land Surveying*  
*Registration No. 10194379*



Acting By/Through Paul R. Bretherton  
Registered Professional Land Surveyor  
No. 5977  
pbretherton@manhard.com



**Notice Description:**

The total acreage of the requested area is approximately: 92.459 acres

Number of customer connections in the requested area: 0

The closest city or town: Cut and Shoot

Approximate mileage to closest city or town center: 2 miles

Direction to closest city or town: Northeast

Generally bounded on the North by: Lakewood Drive

East by: FM 1485

South by: Henry Harris Road

West by: Lakewood Drive

Attachment 'D'

**Quadvest, LP's Application to Amend Water CCN No. 11612 in Montgomery County**

Requested service area: Lakewood Trails 92.459 acres

County: Montgomery

City Limits within: None

ETJ within: City of Conroe

Water CCN overlaps: Town of Cut and Shoot (CCN 11615)

Districts overlaps: San Jacinto River Authority

Groundwater Conservation Districts within: Lone Star GCD

**½ Mile Request for Service list:**

Aqua Texas Inc. (CCN 13203)

Town of Cut and Shoot (CCN 11615)

**2 Mile Notice List:**

Aqua Texas, Inc. (CCN 13203)

1106 Clayton Ln, Suite 400W

Austin, TX 78773

City of Conroe (CCN 10339)

PO Box 3066

Conroe, TX 77305

Town of Cut and Shoot (CCN 11615)

PO Box 7364

Cut and Shoot, TX 77306

Crystal Springs Water Co., Inc. (CCN 11373)

PO Box 603

Porter, TX 77365

San Jacinto River Authority

PO Box 329

Conroe, TX 77305

Lone Star GCD

655 Conroe Park North Dr

Conroe, TX 77303

Montgomery County Judge Mark Keough

501 North Thompson

Conroe, TX 77301



Quadvest, L.P.  
26926 FM 2978  
Magnolia, TX 77354

Main: 281-356-5347  
Fax: 281-356-5382  
Quadvest.com

February 25, 2019

City of Conroe  
PO Box 3066  
Conroe, Texas 77305

Re: Service Availability Request

To Whom It May Concern:

Please be advised that Quadvest, L.P. is filing an application with the Public Utility Commission (PUC) to amend its water CCN NO. 11612 in Montgomery County, shown on enclosed map.

You have been identified as a neighboring utility of like kind and/or municipality with an extraterritorial jurisdiction (ETJ) within 2 miles of the proposed service area. Pursuant to TCEQ regulations, Quadvest, L.P. formally asks whether you are willing or able to provide water service to this proposed property sufficient to meet the TCEQ's minimum service standards plus local demands thereby providing continuous and adequate utility service to the consuming public. Please fill out the questionnaire below and return to us. It will be filed with the PUC.

You may fax or email your response to 281-356-5382 or [yvette@quadvest.com](mailto:yvette@quadvest.com). If you have any questions please call me at 281-305-1124.

Sincerely,

*Yvette McNellie*

Date of Reply: \_\_\_\_\_  
Name of Utility \_\_\_\_\_  
Ability to Provide Service?  
(Yes/No) \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Email/Telephone \_\_\_\_\_





Quadvest, L.P.  
26926 FM 2978  
Magnolia, TX 77354

Main: 281-356-5347  
Fax: 281-356-5382  
Quadvest.com

February 25, 2019

Aqua Texas  
1106 Clayton Ln, Suite 400W  
Austin, Texas 78773

Re: Service Availability Request

To Whom It May Concern:

Please be advised that Quadvest, L.P. is filing an application with the Public Utility Commission (PUC) to amend its water CCN NO. 11612 in Montgomery County, shown on enclosed map.

You have been identified as a neighboring utility of like kind and/or municipality with an extraterritorial jurisdiction (ETJ) within 2 miles of the proposed service area. Pursuant to TCEQ regulations, Quadvest, L.P formally asks whether you are willing or able to provide water service to this proposed property sufficient to meet the TCEQ's minimum service standards plus local demands thereby providing continuous and adequate utility service to the consuming public. Please fill out the questionnaire below and return to us. It will be filed with the PUC.

You may fax or email your response to 281-356-5382 or [yvette@quadvest.com](mailto:yvette@quadvest.com). If you have any questions please call me at 281-305-1124.

Sincerely,

*Yvette McNellie*

Date of Reply: \_\_\_\_\_  
Name of Utility \_\_\_\_\_  
Ability to Provide Service?  
(Yes/No) \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Email/Telephone \_\_\_\_\_





Quadvest, L.P.  
26926 FM 2978  
Magnolia, TX 77354

Main: 281-356-5347  
Fax: 281-356-5382  
Quadvest.com

February 25, 2019

Town of Cut and Shoot  
PO Box 7364  
Cut and Shoot, Texas 77306  
Re: Service Availability Request

To Whom It May Concern:

Please be advised that Quadvest, L.P. is filing an application with the Public Utility Commission (PUC) to amend its water CCN NO. 11612 in Montgomery County, shown on enclosed map.

You have been identified as a neighboring utility of like kind and/or municipality with an extraterritorial jurisdiction (ETJ) within 2 miles of the proposed service area. Pursuant to TCEQ regulations, Quadvest, L.P formally asks whether you are willing or able to provide water service to this proposed property sufficient to meet the TCEQ's minimum service standards plus local demands thereby providing continuous and adequate utility service to the consuming public. Please fill out the questionnaire below and return to us. It will be filed with the PUC.

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Sincerely,

*Yvette McNellie*

Date of Reply: \_\_\_\_\_  
Name of Utility \_\_\_\_\_  
Ability to Provide Service?  
(Yes/No) \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Email/Telephone \_\_\_\_\_





Quadvest, L.P.  
26926 FM 2978  
Magnolia, TX 77354

Main: 281-356-5347  
Fax: 281-356-5382  
Quadvest.com

February 25, 2019

Crystal Springs Water Co, Inc.  
PO Box 603  
Porter, Texas 77365

To Whom It May Concern:

Please be advised that Quadvest, L.P. is filing an application with the Public Utility Commission (PUC) to amend its water CCN NO. 11612 in Montgomery County, shown on enclosed map.

You have been identified as a neighboring utility of like kind and/or municipality with an extraterritorial jurisdiction (ETJ) within 2 miles of the proposed service area. Pursuant to TCEQ regulations, Quadvest, L.P formally asks whether you are willing or able to provide water service to this proposed property sufficient to meet the TCEQ's minimum service standards plus local demands thereby providing continuous and adequate utility service to the consuming public. Please fill out the questionnaire below and return to us. It will be filed with the PUC.

You may fax or email your response to 281-356-5382 or [yvette@quadvest.com](mailto:yvette@quadvest.com). If you have any questions please call me at 281-305-1124.

Sincerely,

*Yvette McNellie*

Date of Reply: \_\_\_\_\_  
Name of Utility \_\_\_\_\_  
Ability to Provide Service? \_\_\_\_\_  
(Yes/No) \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Email/Telephone \_\_\_\_\_





Quadvest, L.P.  
26926 FM 2978  
Magnolia, TX 77354

Main: 281-356-5347  
Fax: 281-356-5382  
Quadvest.com

February 25, 2019

SJRA  
PO Box 329  
Conroe, Texas 77305

To Whom It May Concern:

Please be advised that Quadvest, L.P. is filing an application with the Public Utility Commission (PUC) to amend its water CCN NO. 11612 in Montgomery County, shown on enclosed map.

You have been identified as a neighboring utility of like kind and/or municipality with an extraterritorial jurisdiction (ETJ) within 2 miles of the proposed service area. Pursuant to TCEQ regulations, Quadvest, L.P. formally asks whether you are willing or able to provide water service to this proposed property sufficient to meet the TCEQ's minimum service standards plus local demands thereby providing continuous and adequate utility service to the consuming public. Please fill out the questionnaire below and return to us. It will be filed with the PUC.

You may fax or email your response to 281-356-5382 or [yvette@quadvest.com](mailto:yvette@quadvest.com). If you have any questions please call me at 281-305-1124.

Sincerely,

*Yvette McNellie*

Date of Reply: \_\_\_\_\_  
Name of Utility \_\_\_\_\_  
Ability to Provide Service?  
(Yes/No) \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Email/Telephone \_\_\_\_\_





Quadvest, L.P.  
26926 FM 2978  
Magnolia, TX 77354

Main: 281-356-5347  
Fax: 281-356-5382  
Quadvest.com

February 25, 2019

Lone Star GCD  
655 Conroe Park North Dr  
Conroe, Texas 77303

To Whom It May Concern:

Please be advised that Quadvest, L.P. is filing an application with the Public Utility Commission (PUC) to amend its water CCN NO. 11612 in Montgomery County, shown on enclosed map.

You have been identified as a neighboring utility of like kind and/or municipality with an extraterritorial jurisdiction (ETJ) within 2 miles of the proposed service area. Pursuant to TCEQ regulations, Quadvest, L.P formally asks whether you are willing or able to provide water service to this proposed property sufficient to meet the TCEQ's minimum service standards plus local demands thereby providing continuous and adequate utility service to the consuming public. Please fill out the questionnaire below and return to us. It will be filed with the PUC.

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Sincerely,

*Yvette McNellie*

Date of Reply: \_\_\_\_\_  
Name of Utility \_\_\_\_\_  
Ability to Provide Service?  
(Yes/No) \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Email/Telephone \_\_\_\_\_





Quadvest, L.P.  
26926 FM 2978  
Magnolia, TX 77354

Main: 281-356-5347  
Fax: 281-356-5382  
Quadvest.com

February 25, 2019

Montgomery County Judge Mark Keough  
501 North Thompson  
Conroe, Texas 77301

To Whom It May Concern:

Please be advised that Quadvest, L.P. is filing an application with the Public Utility Commission (PUC) to amend its water CCN NO. 11612 in Montgomery County, shown on enclosed map.

You have been identified as a neighboring utility of like kind and/or municipality with an extraterritorial jurisdiction (ETJ) within 2 miles of the proposed service area. Pursuant to TCEQ regulations, Quadvest, L.P. formally asks whether you are willing or able to provide water service to this proposed property sufficient to meet the TCEQ's minimum service standards plus local demands thereby providing continuous and adequate utility service to the consuming public. Please fill out the questionnaire below and return to us. It will be filed with the PUC.

You may fax or email your response to 281-356-5382 or [yvette@quadvest.com](mailto:yvette@quadvest.com). If you have any questions please call me at 281-305-1124.

Sincerely,

*Yvette McNellie*

Date of Reply: \_\_\_\_\_  
Name of Utility \_\_\_\_\_  
Ability to Provide Service?  
(Yes/No) \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Email/Telephone \_\_\_\_\_





Quadvest, L.P.  
26926 FM 2978  
Magnolia, TX 77354

Main: 281-356-5347  
Fax: 281-356-5382  
Quadvest.com

March 7, 2019

PUC Central Records

Re: New CCN Application in Montgomery County

To Whom it May Concern:

Copies of the written response from each system for which a written request for service was made or evidence that they failed to respond. The undersigned representative of Quadvest, L.P. hereby confirms by this notarized letter that the undersigned transmitted the letter titled "Request for Service" to each of the recipients identified in the list titled "2 Mile Entities" on February 25, 2019. None of those letters were returned as undeliverable. As of this date, we have received no response to the letters from any of the recipients.

Sincerely,

A handwritten signature in black ink that reads "Yvette McNellie". The signature is written in a cursive, flowing style.

Yvette McNellie  
Representative of Quadvest, L.P.



Quadvest, L.P.

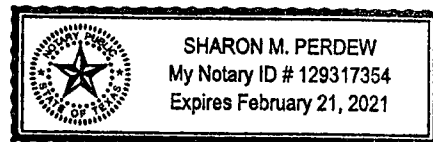
By: Yvette McNellie  
Name: Yvette McNellie  
Title: Business Development Coordinator

**State of Texas**

**County of Montgomery**

Before me the undersigned notary on March 7, 2019, personally appeared Yvette McNellie, Business Development Coordinator of Quadvest, L.P., a Texas limited partnership known to me through valid identification to be the person whose name is subscribes to the proceeding instrument and acknowledged to me that the person executed the instrument in the person's official capacity for the purposes and consideration stated in the instrument.

Sharon M. Perdeu  
Notary Public, State of Texas



## Attachment E

SUBDIVISION	PWS ID NUMBER	COUNTY
Bauer Landing	1013526	Harris
Bayer Utility (Old Town Spring)	1010212	Harris
Bella vista	1460175	Liberty
Benders Landing I, II	1700678	Montgomery
Benders Landing Estates	1700678	Montgomery
Bridlewood Estates	0790350	Fort Bend
Brazos Lakes	0790363	Fort Bend
Cane Island	2370111	Waller
Cape Shores	1200044	Jackson
Canterbury Ranch	1700624	Montgomery
Campwood	1700624	Montgomery
Clear Creek Forest	1700576	Montgomery
Chenango Ranch	0200656	Brazoria
The Colony	1011806	Harris
Creeside Village	1700742	Montgomery
Decker Oaks Subdivision	1700605	Montgomery
Estates of Clear Creek	1700576	Montgomery
Grande San Jacinto	1460179	Liberty
Indigo Lakes Estates	1700576	Montgomery
Jacobs Reserve	1700609	Montgomery
Lakes of Fairhaven	1013288	Harris
Lake Pointe Estates	0790350	Fort Bend
Lake Windcrest	1700624	Montgomery
Live Oak Landing	1610129	Matagorda
Lone Star Ranch	1700655	Montgomery
Magnolia Lakes	1700736	Montgomery
McCall Sound	1700763	Montgomery
Montgomery Trace	1700577	Montgomery
Mostyn Manor (Sections 1-10)	1700669	Montgomery
Northcrest Ranch Section I, II, III	1700623	Montgomery
Oaks of Sun creek	0200640	Brazoria
Red Oak Ranch	1700609	Montgomery
Rocky Creek	1013393	Harris
Sawmill Estates	1700576	Montgomery
Sendera Ranch	1700577	Montgomery
Shaw Acres	1013468	Harris
Sierra Woods	1700624	Montgomery

SUBDIVISION	PWS ID NUMBER	COUNTY
Sonoma Ridge	1700763	Montgomery
Stonecrest Ranch	1700611	Montgomery
Summerset Estates	1700655	Montgomery
Suncreek Estates	0200640	Brazoria
Suncreek Ranch	0200616	Brazoria
Sunrise Bay	1200037	Jackson
Sunset Bay	0040055	Aransas
Telge Terrace	1011805	Harris
Timberdale	1011810	Harris
Vaquero River Estates	1610129	Matagorda
Village of Decker Oaks	1700605	Montgomery
Waterstone Estates	1013389	Harris
Waypoint Landing	1610137	Matagorda
Westwood	2370042	Waller
Windcrest Farms	1700577	Montgomery
Yesterdays Crossing	1700758	Montgomery

The rates set or approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility.

Sub	CCN	DMR	
		Permit #	Permit #
Bayer Sewer	20952	TX0113930	13819-001
Bauer Rd	20952	TX0128457	14675-001
Bella Vista	20952	TX0133817	15061-001
Benders Estates	20952	TX0129160	14755-001
Caddo Village	21064	TX0092517	12670-001
Camino Real			
Creeside Village	20952	TX0126799	14531-001
Decker Oaks	20952	TX0115827	15003-001
Fairhaven	20878	0125806	
Freeman Ranch			
Grande San Jacinto	20952	TX0134996	15192-001
HMW		TX0094315	14266-001
Lake House			
Lake Pointe Estates	20878		
Lakes of Magnolia	20952	TX0126934	14542-001
Lone Star	20952	TX0117145	14029-001
Magnolia Reserve	20952		15317-001
Mostyn Manor	20952	TX0128368	14711-001
Telge Jarvis			

Jon Niermann, *Chairman*  
Emily Lindley, *Commissioner*  
Toby Baker, *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

February 1, 2019

Mr. Simon Sequeira  
President  
Quadvest LP  
Post Office Box 409  
Tomball, Texas 77377-0409

Re: Modified Comprehensive Compliance Investigation at:  
Northcrest Ranch Water System, 17272 Northcrest Circle, Montgomery County, Texas  
Regulated Entity No. 101450260, TCEQ ID No. 1700623, Investigation No. 1532205

Dear Mr. Sequeira:

On December 4, 2018, Mr. Maytham Faris of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Faris in the Houston Region Office at (713) 767-3509.

Sincerely,

A handwritten signature in black ink that reads "Latrichia Spikes". The signature is written in a cursive style with a large, stylized "L" and "S".

Latrichia Spikes  
Team Leader  
Public Water Supply  
Houston Region Office

LS/MF/sh

cc: Montgomery County Environmental Health Services  
501 North Thompson Street, Suite 101, Conroe, Texas 77301-2500

# Water/WW License Numbers

Expires 2019

Name of License Holder	WATER		WASTEWATER	
Operators	License # /Level	Expires	License # /Level	Expires
Angel R Reyes	WG0011763/ C	1/9/2021	WW0039308/ C	5/4/2021
Billie Alldredge	WO0040033/ D	5/10/2020	WW0058219/ D	7/13/2020
Blake Powers	WG0017451/ C	10/23/2021	WW0060625/ C	7/3/2021
Casey Henderson	WG0017690/ C	2/19/2022	WW0057920/ C	2/23/2021
Charles Holder	WG0012913/ C	8/9/2019	WW0042606/ C	7/22/2019
Chris Daughtrey	WG0012909/ C	9/17/2019	WW0050205/ B	3/11/2020
Cullen Francis	WO0038855/ A	7/25/2019	WW0053972/ A	9/2/2021
Jimmie Brock	WG0012407/ C	11/2/2021	WW0041926/ D	4/29/2019
John Valadez	WG0012223/ C	10/30/2021	WW0040056/ C	8/7/2021
Jonathan Oldner	WO00404985/ D	7/11/2020	WW0058388/ D	6/28/2020
Justen Heinrich			WW0060418/ D	8/23/2021
Manny Poveda Jr.	WO0043291/ D	12/7/2021		
Mark McSwain	WO0036110/ D	1/31/2021	WW0056381/ C	4/14/2020
Victor Segovia	WG0014141/ C	9/18/2021	WW0045922/ C	5/8/2021

OIT (Operator In Training)	Start Date	Need License By:	Start Date	Need License By:
Manny Poveda Jr.			8/1/2018	8/1/2019
Justen Heinrich	11/1/2018	11/1/2019		
Kyle Milam	5/1/2018	5/1/2019		

Repair/SWAT	License # /Level	Expires	License # /Level	Expires
Blake Powers	WG017451/ C	10/23/2021	WW0060625/ C	7/3/2021
Nathan Ward	WO0043821/ D	2/20/2022	WW0062071	2/20/2022

Subcontractor	License # /Level	Expires	License # /Level	Expires
Tom (Cecil) Chandler	WG0011467/ C	7/7/2020	WW0043147/ D	10/22/2019
Paul (Tony) Bonaventure	WO0009086/ A	2/28/2021	WW0008625/ A	12/3/2019

Attachment 'F'

## Effects of Granting CCN

1. The applicant
  - a. The applicant is an established utility with over 10,000 +/- connections. This proposed development will not affect current customers.
2. Any Landowner in the requested area.
  - b. The landowner in the requested area is the developer requesting service. The granting of the CCN will allow the developer to develop his property.

Attachment 'G'

## Ability to Provide Adequate Service

The applicant has a long history providing water service to thousands in Texas. The current project of 70 lots will be built out over a couple of years.

Attachment 'H'



## **WATER UTILITY TARIFF**

### **Tariff Control Number: 48533**

Quadvest, L.P.  
(Utility Name)

26926 FM 2978  
(Business Address)

Magnolia, Texas 77354  
(City, State, Zip Code)

281/356-5347  
(Area Code/Telephone)

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

11612

This tariff is effective in the following counties:

Aransas, Brazoria, Fort Bend, Harris, Jackson, Liberty, Matagorda, Montgomery, Walker, and Waller

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

Richmond (portion of Bridlewood Estates only - same rates)

This tariff is effective in the following subdivisions or systems:

See attached chart.

#### **TABLE OF CONTENTS**

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES .....	9
SECTION 3.0 -- EXTENSION POLICY .....	17

APPENDIX A - DROUGHT CONTINGENCY PLAN  
APPENDIX B - SAMPLE SERVICE AGREEMENT  
APPENDIX C - APPLICATION FOR SERVICE

<b><i>QUADVEST LP</i></b>			
<b>SUBDIVISION</b>	<b>PWS ID NUMBER</b>	<b>COUNTY</b>	<b>SUBSIDENCE DISTRICT</b>
Bammel Forest	1010096	Harris	NHCRWA
Bammel Timbers	1010096	Harris	NHCRWA
Bauer Landing	1013526	Harris	NHCRWA
Bayer Utility (Old Town Spring)	1010212	Harris	NHCRWA
Bella Vista	1460175	Liberty	No Subsidence
Benders Landing	1700678	Montgomery	SJRA
Benders Landing Estates	1700678	Montgomery	SJRA
Brazos Lakes	0790363	Fort Bend	NFBWA
Bridlewood Estates	0790350	Fort Bend	City of Rosenberg
Caddo Village	1700473	Montgomery	SJRA
Camino Real	1460175	Liberty	No Subsidence
Campwood	1700624	Montgomery	SJRA
Canterbury Ranch	1700624	Montgomery	SJRA
Cape Shores	1200044	Jackson	No Subsidence
Chenango Ranch	0200656	Brazoria	Brazoria GWD
Clear Creek Forest	1700576	Montgomery	SJRA
Creeside Village	1700742	Montgomery	SJRA
Decker Oaks Estates	1700605	Montgomery	SJRA
Estates of Clear Creek	1700576	Montgomery	SJRA
Freeman Ranch	2370123	Waller	Bluebonnet GWD
Grande San Jacinto	1460179	Liberty	No Subsidence
Indigo Lake Estates	1700576	Montgomery	SJRA
Jacobs Reserve	1700609	Montgomery	SJRA
Lake House* (Formerly Cane Island)	2370111	Waller	No Subsidence
Lake Pointe Estates*	0790350	Fort Bend	NFBWA
Lake Windcrest	1700624	Montgomery	SJRA
Lakes of Fairhaven*	1013288	Harris	NHCRWA
Lakes of Magnolia	1700736	Montgomery	SJRA
Live Oak Landing	1610129	Matagorda	No Subsidence
Lone Star Ranch	1700655	Montgomery	SJRA
Magnolia Reserve	1700864	Montgomery	No Subsidence
McCall Sound	1700763	Montgomery	SJRA
Montgomery Trace	1700577	Montgomery	SJRA
Mostyn Manor	1700669	Montgomery	SJRA
Northcrest Ranch	1700623	Montgomery	SJRA
Oaks of Sun creek	0200640	Brazoria	Brazoria GWD
Pecan Forest	1010096	Harris	NHCRWA
Rancho San Vicente	1460178	Liberty	No Subsidence
Red Oak Ranch	1700609	Montgomery	SJRA
Rocky Creek	1013393	Harris	WHCRWA
Sawmill Estates	1700576	Montgomery	SJRA

Sendera Ranch	1700577	Montgomery	SJRA
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Shaw Acres	1013468	Harris	NHCRWA
Sierra Woods	1700624	Montgomery	SJRA
Sonoma Ridge	1700763	Montgomery	SJRA
Stonecrest Ranch	1700611	Montgomery	SJRA
Summerset Estates	1700655	Montgomery	SJRA
Suncreek Estates	0200640	Brazoria	Brazoria GWD
Suncreek Ranch	0200616	Brazoria	Brazoria GWD
Sunrise Bay	1200037	Jackson	No Subsidence
Sunset Bay	0040055	Aransas	No Subsidence
Telge Terrace	1011805	Harris	Harris Galv. Sub.
Texas Grand Ranch	2360088	Walker	Bluebonnet GWD
The Colony/Intercontinental	1011806	Harris	Harris Galv. Sub.
Timberdale	1011810	Harris	Harris Galv. Sub.
Vaquero River Estates	1610129	Matagorda	No Subsidence
Villa Nueva	1460175	Liberty	No Subsidence
Village of Decker Oaks	1700605	Montgomery	SJRA
Waterstone Estates	1013389	Harris	NHCRWA
Waypoint Landing	1610137	Matagorda	No Subsidence
Westwood	2370042	Waller	Bluebonnet GWD
Windcrest Farms	1700577	Montgomery	SJRA
Yesterdays Crossing	1700758	Montgomery	No Subsidence

\*Lake House, Lake Point Estates and Lakes of Fairhaven (Formerly Westside Water, LLC) have a separate tariff page.

\*\* Bammel Forest, Bammel Timbers and Pecan Forest (Formerly Bammel Forest Utility Company) have a sperate tariff page.

The rates set or approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility.

Quadvest, L.P.

Water Tariff Page No. 2

## SECTION 1.0 -- RATE SCHEDULE

### Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$28.75</u> (Includes 0 gallons)	<u>\$1.75</u> per 1000 gallons for the first 10,000 gallons
1"	<u>\$71.88</u>	<u>\$2.00</u> per 1,000 gallons from 10,001 to 20,000 gallons
1½"	<u>\$143.75</u>	<u>\$2.25</u> per 1,000 gallons from 20,001 to 30,000 gallons
2"	<u>\$230.00</u>	<u>\$2.93</u> per 1,000 gallons thereafter
3"	<u>\$431.25</u>	
4"	<u>\$718.75</u>	
6"	<u>\$1,437.50</u>	
8"	<u>\$2,300.00</u>	
10"	<u>\$3,306.25</u>	
12"	<u>\$6,181.25</u>	

An additional pass through gallonage charge per 1,000 gallons of water will be added for fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the utility. Bluebonnet GRP (BGCD), Brazoria GRP (BCGCD), City of Rosenberg GRP (CR), North Fort Bend GRP (NFBWA), West Harris County Regional Water Authority (WHCRWA), Harris-Galveston Subsidence District (HGSD), North Harris County Regional Water Authority (NHCRWA) San Jacinto River Authority GRP (SJRA) and Shaw Acres. Each pass through gallonage charge is represented in the table below. **SEE PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE.**

	BGCD	BCGCD	CR	HCSO	WHCRWA	NFBWA	NHCRWA	SJRA	Shaw Acres
Rate per thousand gallons	\$0.07	\$0.04	\$2.27	\$0.02	\$3.01	\$3.86	\$4.30	\$2.88	\$3.45

\*Chart excludes Caddo Village, Lake House, Lake Pointe Estates and Lakes of Fairhaven, which have separate tariff pages  
(*Tariff Control No. 48041*)

**FEDERAL TAX CHANGE CREDIT RIDER**  
(*Tariff Control No. 48323*)

Monthly Fixed Rate Adjustment	<u>May 1, 2018-December 31, 2018</u>	<u>January 1, 2019</u>
5/8" or 3/4"	\$(0.53)	\$(0.42)
1"	\$(1.33)	\$(1.05)
1½"	\$(2.66)	\$(2.10)
2"	\$(4.26)	\$(3.35)
3"	\$(7.99)	\$(6.29)
4"	\$(13.32)	\$(10.48)
6"	\$(26.63)	\$(20.97)
8"	\$(42.61)	\$(33.55)
10"	\$(61.26)	\$(48.22)
12"	\$(114.52)	\$(90.16)

## SECTION 1.0 -- RATE SCHEDULE (Continued)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft  
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS  
MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH  
PAYMENTS.

REGULATORY ASSESSMENT ..... 1.0%  
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL  
AND TO REMIT THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$810.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD  
RESIDENTIAL 5/8" x 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED  
ON THIS TARIFF.

TAP FEE ..... \$910.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD 3/4" and 1"  
METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large meter) ..... Actual Cost  
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

TAP FEE (Unique Costs) ..... Actual Cost  
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE A SUBDIVISION IS A UNIQUE COST. UNIQUE COST  
WILL BE DETERMINED ON A CASE BY CASE BASIS.

## RECONNECTION FEE

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

- a) Nonpayment of bill (Maximum \$25.00) ..... \$25.00
- b) Customer's request that service be disconnected ..... \$50.00  
OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

## SEASONAL RECONNECTION FEE:

BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE  
AND RETURN WITHIN A TWELVE MONTH PERIOD.

TRANSFER FEE ..... \$45.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE  
LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) ..... 10%  
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY  
NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE ..... \$25.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... \$50.00

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

## SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE .....\$25.00

THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

METER RELOCATION FEE .....Actual Cost to Relocate the Existing Meter

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER.

METER CONVERSION FEE. ....Actual Cost to Convert the Existing Meter

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMERS SERVICE DEMAND.

ILLEGAL RECONNECTION, LOCK REMOVAL OR DAMAGE FEE.....\$100.00

THIS FEE MAY BE CHARGED TO A DISCONNECTED CUSTOMER FOR DAMAGE CAUSED BY CUSTOMER'S ATTEMPT TO RESTORE WATER SERVICE BY CUTTING OR BREAKING LOCK, REMOVAL OR BYPASS OF METER.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or government body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = \frac{cgc + (pr)(cgc)(r)}{(1.0 - r)}$$

Where:

TGC	=	temporary gallonage charge
cgc	=	current gallonage charge
r	=	water use reduction expressed as a decimal fraction (the pumping restriction)
pr	=	percentage of revenues to be recovered expressed as a decimal fraction, for this tariff prr shall equal 0.5

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 16 TAC § 24.25(j).

SECTION 1.0 -- RATE SCHEDULE (Continued)

**PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:**

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$WPC = (E + (AP - AC)) / (JC \times AU)$ , Where:

- WPC = Water pass-through gallonage charge per 1,000 gallons, rounded to the nearest cent
- E = Estimated sum of upcoming 12 months of purchase water, groundwater conservation district costs, and fees
- AP = Actual payments by utility for prior to 12 months for purchase water, district costs and fees
- AC = Actual collections by utility in prior 12 months from water pass-through gallonage charge
- JC = Year end customer connections
- AU = Average annual usage per connection, in 1,000 gallons from most recent year

The WPC must be true-up and adjusted every twelve months.

To implement, all notice requirements must be met. The utility may begin to charge the new filed WPC on the proposed effective date in the notice. Implementation of this WPC adjustment provision shall be governed by 16 TAC § 24.25(F).

With each annual WPC adjustment, the utility must file a true-up report that shows the calculation for the next 12 month WPC reflected in the notice. The report shall contain up to five years of data, as available, showing the annual and accumulated difference between WPC amounts collected from customers and amounts actually paid to the entities whose charges are included in the WPC.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge*</u>	<u>Gallonage Charge</u>
5/8"	<u>\$17.85</u> (Includes 0 gallons)	<u>\$1.50</u> per 1000 gallons, Residential
3/4"	<u>\$26.80</u>	<u>\$2.00</u> per 1,000 gallons, Non-Residential
1"	<u>\$44.65</u>	
1 1/2"	<u>\$89.25</u>	
2"	<u>\$142.80</u>	
3"	<u>\$267.75</u>	
4"	<u>\$535.50</u>	

PLUS:

**Pass Through Fees:**

North Harris County Regional Water Authority (NHCRWA) for  
 Lakes of Fairhaven..... \$3.56 per 1,000 gallons  
*(Tariff Control No. 48051)*

North Fort Bend Water Authority (NFBWA) for  
 Lake Point Estates..... \$3.35 per 1,000 gallons  
*(Tariff Control No. 48052)*

FEDERAL TAX CHANGE CREDIT RIDER  
*(Tariff Control No.48323)*

<u>Monthly Fixed Rate</u>	<u>May 1, 2018-December 31, 2018</u>	<u>January 1, 2019</u>
<u>Adjustment</u>		
5/8"	\$(1.08)	\$(0.78)
3/4"	\$(1.62)	\$(1.18)
1"	\$(2.70)	\$(1.96)
1 1/2"	\$(5.39)	\$(3.92)
2"	\$(8.63)	\$(6.26)
3"	\$(16.18)	\$(11.75)
4"	\$(32.37)	\$(23.49)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft  
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS  
 MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH  
 PAYMENTS.

REGULATORY ASSESSMENT ..... 1.0%  
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL  
 AND TO REMIT THE FEE TO THE TCEQ.

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 - Miscellaneous Fees

TAP FEE .....\$500.00  
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" x 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique Costs).....Actual Cost  
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE A SUBDIVISION IS A UNIQUE COST. UNIQUE COST WILL BE DETERMINED ON A CASE BY CASE BASIS.

TAP FEE (Large meter).....Actual Cost  
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

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

METER TEST FEE .....\$25.00  
 REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

METER CONVERSION FEE. .... Actual Cost to Convert the Existing Meter  
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMERS SERVICE DEMAND.

ILLEGAL RECONNECTION, LOCK REMOVAL OR DAMAGE FEE.....\$100.00  
 THIS FEE MAY BE CHARGED TO A DISCONNECTED CUSTOMER FOR DAMAGE CAUSED BY CUSTOMER'S ATTEMPT TO RESTORE WATER SERVICE BY CUTTING OR BREAKING LOCK, REMOVAL OR BYPASS OF METER.

RECONNECTION FEE  
 THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF).  
 a) Non-payment of bill (Maximum \$25.00) .....\$25.00  
 b) Customer's request that service be disconnected .....\$40.00

TRANSFER FEE .....\$40.00  
 THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) ..... 10%  
 TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE .....\$35.00  
 RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) .....\$50.00

SECTION 1.0 -- RATE SCHEDULE (Continued)

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

**PASS THROUGH PROVISION:**

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

$$AG = \frac{G}{(1 - L)},$$

Where:

- |    |   |   |
|----|---|---|
| AG | = | adjusted gallonage charge, rounded to the nearest one cent                  |
| G  | = | supplier or district approved gallonage charge per 1,000 gallons            |
| L  | = | water or sewer line loss from preceding 12 months, not to exceed 0.15 (15%) |

## SECTION 1.0 - RATE SCHEDULE

### Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Rate</u> (Includes 0 Gallons)	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$35.00</u>	<u>\$2.50</u> per 1,000 gallons
3/4"	<u>\$52.50</u>	
1"	<u>\$87.50</u>	
1½"	<u>\$175.00</u>	
2"	<u>\$280.00</u>	
3"	<u>\$525.00</u>	

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft  
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS  
 MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH  
 PAYMENTS.

REGULATORY ASSESSMENT ..... 1.0%  
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY  
 BILL AND TO REMIT THE FEE TO THE TCEQ.

### Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$500.00  
 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 PLUS UNIQUE COSTS AS PERMITTED  
 BY PUC RULE AT COST.

TAP FEE (Unique costs) ..... Actual Cost  
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large Meter) ..... Actual Cost  
 TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS  
 LARGER THAN STANDARD 5/8" or 3/4" METERS.

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.

METER RELOCATION FEE ..... Actual cost to relocate that meter  
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER

METER CONVERSION FEE ..... Actual cost to convert that meter  
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR  
 CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMER'S SERVICE DEMAND.

SECTION 1.0 -- RATE SCHEDULE

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) Nonpayment of bill (Maximum \$25.00) .....\$25.00  
b) Customer's request..... \$25.00

OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

SEASONAL RECONNECTION FEE

BASE RATE FOR METER SIZE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN CUSTOMERS LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

TRANSFER FEE .....\$25.00

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

LATE CHARGE .....\$5.00

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 ..... \$25.00

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$50.00

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT ..... 1/6TH EST. ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

## SECTION 1.0 -- RATE SCHEDULE

### TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = cgc + \frac{(pr)(cgc)(r)}{(1.0-r)}$$

Where:

TGC = temporary gallonage charge

cgc = current gallonage charge

r = water use reduction expressed as a decimal fraction (the pumping restriction)

pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff pr shall equal 0.5.

To implement the Temporary Water Rate, the utility must comply with all notice and other requirements of 16 TAC § 24.25(j).

### PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

AG =  $G + B/(1-L)$ , where

AG = adjusted gallonage charge, rounded to the nearest one cent:

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

B = change in purchased water/district gallonage charge (per 1,000 gallons);

L = system average line loss for preceding 12 months not to exceed 0.15

## SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Commission Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.01 - Application for Water Service

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

### Section 2.02 - Refusal of Service

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

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

#### (A) Customer Deposits

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

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

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

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 2.0 -- SERVICE RULES AND POLICIES (Continued)

### (B) Tap or Reconnect Fees

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

If the services of a registered professional engineer are required as a result of an application for service received by the Utility for service to that applicant's service extension only, such engineer will be selected by the Utility and the applicant, and the applicant shall bear all expenses incurred therein.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection. Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by PUC rule) for the actual costs of, any additional facilities required to maintain compliance with the Texas Commission on Environmental Quality minimum design criteria for water production, treatment, pumping storage and transmission.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 16 TAC § 24.163(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

### (C) Easement Requirement

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

### Section 2.04 - Utility Response to Applications for Service

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

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

## SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

### Section 2.05 - Customer Responsibility

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

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

### Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, 30 TAC § 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

### Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

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

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker. All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

## SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

The Utility adopts the Uniform Plumbing Code pursuant to 30 TAC § 290.46(i). The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the PUC and/or TCEQ, the Uniform Plumbing Code and with the service rules and regulations of the Utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the Utility subject to such requirements as may exist by PUC and/or TCEQ rules. No water service smaller than 5/8" will be connected. No pipe or pipe fitting 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. No solder or flux which contains more than 0.25% lead can be used at any connection which provides water for human use.

Section 2.08 - Access to Customer's Premises

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

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

**Threats to or assaults upon utility personnel shall result in criminal prosecution.**

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

## SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

### Section 2.09 - Meter Requirements, Readings, and Testing

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

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

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer.

Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

### Section 2.10 - Billing

#### (A) Regular 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 workday after the due date.

#### (B) Late Fees

A late penalty of either \$5.00 or 10.0% 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.

#### (C) Information on Bill

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

## SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 the complaint may be filed with the Commission.

### (D) Prorated Bills

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

### Section 2.11 - Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled.

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

### Section 2.12 - Service Disconnection

#### (A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered. If the customer elects to receive electronic communications, the disconnect notice may be emailed in lieu of mailing or hand delivery.

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 PUC Rules.

#### (B) Without Notice

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

### Section 2.13 - Reconnection of Service

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

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

## SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

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

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the PUC 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.

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

Section 2.17 - Customer and Utility Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer, his invitees, his agents, his employees, or other directly under his control.

**Limitation on Product/Service Liability** – Public water utilities are required to deliver water to the customer's side of the meter or service connection that meets the potability and pressure standards of the TCEQ. The utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's side of the meter when the water delivered meets these state standards. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in water service whatever the cause.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

The utility will not accept liability for injuries or damages to persons or property due to disruption of water service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the utility if the utility has undertaken such preventative measures as are required by TCEQ and PUC rules, (3) electrical power failures in water systems not required by TCEQ rules to have auxiliary power supplies, or (4) termination of water service pursuant to the utility's tariff and the PUC's rules.

The utility is not required by law and does not provide fire prevention or firefighting services. The utility therefore does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. Utility may (but is not required to) contract with individual customers/applicants to provide water service capacities to their properties in excess of the TCEQ's domestic water system regulations so that such water volumes and pressures may be used by the customer/applicant or local fire department (at their sole election and responsibility) for firefighting purposes. Such additional water services capacities shall be provided only in response to and according to design criteria and/or plans prepared by the customer/applicant's registered professional engineer. Notwithstanding any understanding or intent of such customer/applicant for the use of such excess water service capacity, Utility does not profess, state, warrant, guarantee, or imply that such additional water service capacity is, or shall ever be, adequate or sufficient for firefighting. Utility neither possesses nor claims to possess knowledge or expertise in firefighting or the requirements of firefighting. No statement or action of Utility shall ever be implied or meant to suggest that any facilities of Utility comply with any state or local fire 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 Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

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

### Section 3.02 - Costs Utilities and Service Applicants Shall Bear

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

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

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

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

Exceptions may be granted by the PUC if:

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

### SECTION 3.0 -- EXTENSION POLICY (Continued)

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

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

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

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

#### Section 3.03 - Contributions in Aid of Construction

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

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

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.163(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.161(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

### SECTION 3.0 -- EXTENSION POLICY (Continued)

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

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

#### Section 3.04 - Appealing Connection Costs

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

#### Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications can be sent by mail, email, or fax upon request. Completed applications can be returned by mail, email, or fax.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand.

### SECTION 3.0 -- EXTENSION POLICY (Continued)

Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

#### Section 3.06 - Qualified Service Applicant

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

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

#### Section 3.07 - Developer Requirements

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

## APPENDIX A -- DROUGHT CONTINGENCY PLAN

“This page incorporates by reference the utility’s Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.”

## APPENDIX B -- SAMPLE SERVICE AGREEMENT

APPENDIX C -- APPLICATION FOR SERVICE  
(Utility Must Attach Blank Copy)



## SEWER UTILITY TARIFF

### Tariff Control Number: 47910

Quadvest, L.P.  
(Utility Name)

P. O. Box 409  
(Business Address)

Tomball, Texas 77377  
(City, State, Zip Code)

281/356-5347  
(Area Code/Telephone)

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

20952

This tariff is effective in the following county:

Harris, Fort Bend, Montgomery, Liberty, and Waller

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

None

This tariff is effective in the following subdivisions and water quality permit numbers:

See attached list.

#### TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES .....	6
SECTION 3.0 -- EXTENSION POLICY .....	11

## LIST OF SUBDIVISION AND SYSTEMS

Bauer Landing	WQ0014675-001
Old Town Spring	WQ0013819-001
Bella Vista	WQ0015061-001
Benders Landing Estates	WQ0014755-001
Caddo Village*	WQ0012670-001
Camino Real	WQ0015452-001
Victoria Station* (Formerly HMW SUD)	WQ0015003-001
Creeside Village	WQ0014531-001
Decker Oaks Estates	WQ0015003-001
Freeman Ranch	
Grande San Jacinto	WQ0015192-001
Lake House* (Formerly Cane Island)	WQ0015101-001
Lakes of Fairhaven*	WQ0014434-001
Lake Pointe Estates*	Purchased Sewer
Lone Star Ranch	WQ0014029-001
Lakes of Magnolia	WQ0014542-001
Magnolia Reserve	WQ0015317-001
Mostyn Manor	WQ0014711-001
Mostyn Springs	WQ0014711-001
Rancho San Vicente	WQ0015061-001
Summerset Estates	WQ0014029-001
Telge JarvisTelge and Jarvis Wastewater Treatment Facility	WQ0015336-001
Villa Nueva	WQ0015061-001
Village of Decker Oaks	WQ0015003-001

\*Caddo Village, Victoria Station, Lake House, Lakes of Fairhaven, and Lake Pointe Estates have separate tariff pages.

## SECTION 1.0 - RATE SCHEDULE

Rates Effective April 8, 2013

<u>Meter Size</u>	<u>Monthly Flat Rate</u> (Includes 0 gallons)
5/8" x 3/4"	<u>\$67.50</u>
3/4"	<u>\$67.50</u>
1"	<u>\$67.50</u>
1½"	<u>\$337.50</u>
2"	<u>\$540.00</u>
3"	<u>\$1,012.50</u>
4"	<u>\$1,687.50</u>
6"	<u>\$3,375.00</u>
8"	<u>\$5,400.00</u>
10"	<u>\$7,762.50</u>

Residential sewer service will be billed the monthly flat rate only.

Non-residential service connections will be billed the monthly flat rate plus \$3.33 per 1,000 gallons of actual water meter usage as supplied by the water utility.

Rates Effective January 8, 2014

<u>Meter Size</u>	<u>Monthly Flat Rate</u> (Includes 0 gallons)
5/8" x 3/4"	<u>\$76.00</u>
3/4"	<u>\$76.00</u>
1"	<u>\$76.00</u>
1½"	<u>\$380.00</u>
2"	<u>\$608.00</u>
3"	<u>\$1,140.00</u>
4"	<u>\$1,900.00</u>
6"	<u>\$3,800.00</u>
8"	<u>\$6,080.00</u>
10"	<u>\$8,740.00</u>

Residential sewer service will be billed the monthly flat rate only.

Non-residential service connections will be billed the monthly flat rate plus \$3.33 per 1,000 gallons of actual water meter usage as supplied by the water utility.

## SECTION 1.0 - RATE SCHEDULE (Continued)

## FEDERAL TAX CHANGE CREDIT RIDER

*(Tariff Control No. 48323)*

<u>Monthly Fixed Rate</u>	<u>May 1, 2018-December 31, 2018</u>	<u>January 1, 2019</u>
<u>Adjustment</u>		
5/8" x 3/4"	\$(6.82)	\$(4.66)
3/4"	\$(6.82)	\$(4.66)
1"	\$(6.82)	\$(4.66)
1 1/2"	\$(34.08)	\$(23.31)
2"	\$(54.54)	\$(37.29)
3"	\$(102.25)	\$(69.92)
4"	\$(170.42)	\$(116.53)
6"	\$(340.84)	\$(233.06)
8"	\$(545.35)	\$(372.89)
10"	\$(783.94)	\$(536.03)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT ..... 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE (Gravity Sewer) for 5/8 x 3/4-inch water meter ..... \$790.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE ..... \$870.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD 3/4" and 1" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Meter) ..... Actual Cost

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

TAP FEE (Unique costs) ..... Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

## SECTION 1.0 - RATE SCHEDULE CONT.

## RECONNECTION FEE

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

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

TRANSFER FEE .....\$45.00

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

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

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

RETURNED CHECK CHARGE .....\$25.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$50.00

## COMMERCIAL &amp; NON-RESIDENTIAL DEPOSIT ..1/6TH OF ESTIMATED ANNUAL BILL

SERVICE RELOCATION FEE .....Actual Cost to relocate that service connection

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING SERVICE CONNECTION

## SEASONAL RECONNECTION FEE:

BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

## GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

## LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 1.0--RATE SCHEDULE (Continued)

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
Residential (Flat Rate)	<u>\$53.50</u>	Including all gallons for all meters

Commercial (based upon water meter size):

Flat rates including all gallons for all meters

1½"	<u>\$267.50</u>
2"	<u>\$428.00</u>
3"	<u>\$802.50</u>
4"	<u>\$1,337.50</u>
6"	<u>\$2,675.00</u>
8"	<u>\$4,280.00</u>
10"	<u>\$6,152.50</u>

FEDERAL TAX CHANGE CREDIT RIDER  
(Tariff Control No. 48323)

<u>Monthly Fixed Rate</u>	<u>May 1, 2018-December 31, 2018</u>	<u>January 1, 2019</u>
<u>Adjustment</u>		
5/8" x 3/4"	\$(1.08)	\$(0.78)
¾"	\$(1.08)	\$(0.78)
1"	\$(1.80)	\$(1.31)
1½"	\$(5.39)	\$(3.92)
2"	\$(8.63)	\$(6.26)
3"	\$(16.18)	\$(11.75)
4"	\$(26.97)	\$(19.58)
6"	\$(53.95)	\$(39.15)
8"	\$(86.31)	\$(62.64)
10"	\$(124.08)	\$(90.05)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (Specify) Bank Draft  
(THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.)

REGULATORY ASSESSMENT FEE ..... 1%  
A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL SEWER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER.

SECTION 1.0--RATE SCHEDULE (Continued)

Section 1.02--Miscellaneous Fees

RESIDENTIAL TAP FEE (Sugar Tree) .....\$1,300.00  
THE TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND  
LABOR FOR STANDARD RESIDENTIAL CONNECTION PLUS ROAD BORES AND OTHER  
EXTRAORDINARY COST PERMITTED BY 30 TAC291.86(a)(1)(A)-(C).

RESIDENTIAL TAP FEE (Caddo Village) .....\$790.00  
THE TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND  
LABOR FOR STANDARD RESIDENTIAL CONNECTION PLUS ROAD BORES AND OTHER  
EXTRAORDINARY COST PERMITTED BY 30 TAC291.86(a)(1)(A)-(C).

TAP FEE (Large meter) .....Actual Cost  
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

TAP FEE (Pressure Sewer) any water meter size .....Actual Cost  
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.  
CUSTOMER SHALL OWN AND MAINTAIN ALL REQUIRED GRINDER PUMPS AND APPURTENANCES.

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) Nonpayment of bill (Maximum \$25.00).....\$25.00  
b) Customer's request .....\$50.00  
OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

TRANSFER FEE .....\$45.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE  
LOCATION WHERE THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE..... 10%  
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 .....\$25.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT (Maximum \$50).....\$50.00

NON-RESIDENTIAL DEPOSIT .....1/6TH ESTIMATED ANNUAL BILL

SEASONAL RECONNECTION FEE:  
BASE RATE FOR METER SIZE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX  
MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:  
WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY  
INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16  
TAC § 24.25(b)(2)(G)]

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

# SECTION 1.0 - RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Flat Rate</u>
5/8" x 3/4"	<u>\$33.00</u>
1"	<u>\$55.00</u>
1½"	<u>\$110.00</u>
2"	<u>\$176.00</u>
2½"	<u>\$264.00</u>
3"	<u>\$330.00</u>
4"	<u>\$550.00</u>

Residential sewer service will be billed the monthly flat rate plus \$7.00 per 1,000 gallons of actual water meter usage.

For sewer rate purposes, residential water usage is based on the average water consumption for December, January and February and is reset annually. Users without usage experience for those months shall be billed \$63.00 per month, based on a 5/8" meter. Non-residential customers are billed on each month's metered water consumption.

## FEDERAL TAX CHANGE CREDIT RIDER (Tariff Control No. 48323)

<u>Monthly Fixed Rate</u>	<u>May 1, 2018-December 31, 2018</u>	<u>January 1, 2019</u>
<u>Adjustment</u>		
5/8" x 3/4"	\$(1.08)	\$(0.78)
¾"	\$(1.08)	\$(0.78)
1"	\$(1.80)	\$(1.31)
1½"	\$(3.60)	\$(2.61)
2"	\$(5.75)	\$(4.18)
2½"	\$(8.63)	\$(6.26)
3"	\$(10.79)	\$(7.83)
4"	\$(17.98)	\$(13.05)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT ..... 1.0%  
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TCEQ.

## Section 1.02 - Miscellaneous Fees

TAP FEE (Standard) for 5/8 x 3/4-inch water meter ..... \$750.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Non-Standard) ..... Actual Cost  
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

**RECONNECTION FEE**

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

a) Non-payment of bill (Maximum \$25.00).....\$25.00

**TRANSFER FEE** .....\$25.00

THE TRANSFER FEE WILL BE CHARGED FOR AN APPLICANT FOR SERVICE WHO IS A TRANSFEREE FROM AN EXISTING UTILITY CUSTOMER.

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

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

**RETURNED CHECK CHARGE** .....\$25.00

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

**CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)** .....\$50.00

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

**EQUIPMENT DAMAGE FEE:** ..... Actual Costs

IF FACILITIES OR EQUIPMENT HAVE BEEN DAMAGED DUE TO TAMPERING, NEGLIGENCE, OR UNAUTHORIZED USE OF EQUIPMENT, RIGHT-OF-WAY, OR DUE TO OTHER ACTS FOR WHICH THE UTILITY INCURS LOSSES OR DAMAGES SHOWN TO BE CAUSED BY THE CUSTOMER, THE CUSTOMER SHALL BE LIABLE FOR THE ACTUAL COSTS FOR ALL LABOR, MATERIAL, AND EQUIPMENT USE FEES NECESSARY FOR REPAIR, REPLACEMENT, OR OTHER CORRECTIVE ACTIONS TAKEN BY THE UTILITY. THE UTILITY SHALL PROVIDE AN ITEMIZED BILL OF SUCH CHARGES TO THE CUSTOMER. EXCEPT IN CASES OF METER TAMPERING OR SERVICE DIVERSION, THE UTILITY MAY NOT DISCONNECT SERVICE, OR REFUSE RECONNECTION, OF A CUSTOMER REFUSING TO PAY DAMAGE CHARGES.

**CUSTOMER SERVICE INSPECTION FEE**.....\$75.00

SERVICE APPLICANTS MAY CHOOSE TO HAVE CUSTOMER SERVICE INSPECTIONS REQUIRED BY TCEQ RULE § 290.46(j) PERFORMED BY ANY STATE LICENSED INSPECTOR OF THEIR CHOICE. UNLESS THE SERVICE APPLICANT CHOOSES TO ARRANGE FOR AND PAY FOR THE INSPECTION INDEPENDENTLY, THE UTILITY MAY CHARGE SERVICE APPLICANTS THE CUSTOMER SERVICE INSPECTION FEE AT THE TIME THEY APPLY FOR SERVICE.

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:**

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

**LINE EXTENSION AND CONSTRUCTION CHARGES:**

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

## SECTION 1.0 -- RATE SCHEDULE

### Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8"	<u>\$70.00</u> (Includes all gallons - Residential)	<u>\$4.50</u> per 1000 gallons for
3/4"	<u>\$70.00</u>	all gallons - Non-residential
1"	<u>\$70.00</u>	
1½"	<u>\$70.00</u>	
2"	<u>\$373.36</u>	
3"	<u>\$700.05</u>	
4"	<u>\$1400.10</u>	

### FEDERAL TAX CHANGE CREDIT RIDER (Tariff Control No. 48323)

<u>Monthly Fixed Rate</u>	<u>May 1, 2018-December 31, 2018</u>	<u>January 1, 2019</u>
<u>Adjustment</u>		
5/8" x 3/4"	\$(1.08)	\$(0.78)
¾"	\$(1.08)	\$(0.78)
1"	\$(1.08)	\$(0.78)
1½"	\$(1.08)	\$(0.78)
2"	\$(5.75)	\$(4.18)
3"	\$(10.79)	\$(7.83)
4"	\$(21.58)	\$(15.66)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT ..... 1.0%  
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND REMIT FEES TO THE TCEQ.

### Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$750.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) ..... Actual Cost  
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) ..... Actual Cost  
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

SECTION 1.0 – RATE SCHEDULE (Continued)

RECONNECTION FEE

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

- a) Nonpayment of bill (Maximum \$25.00).....\$25.00  
b) Customer's request that service be disconnected .....\$40.00

TRANSFER FEE .....\$40.00

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

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

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

RETURNED CHECK CHARGE .....\$35.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) .....\$50.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)].

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

## SECTION 2.0 – SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.01 – Application for Sewer Service

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

### Section 2.02 – Refusal of Service

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

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

#### (A) Customer Deposits

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

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

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

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

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

### (B) Tap or Reconnect Fees

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

Fees in addition to the regular tap fee may be charged to cover unique costs not normally incurred as permitted by 16 TAC § 24.163(a)(1)(C) if they are listed on this approved tariff. For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

### (C) Easement Requirement

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

### Section 2.04 - Utility Response to Applications for Service

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

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

### Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the tap location to the place of consumption. Customers will not be allowed to use the utility's cutoff.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

2.06 - Access to Customer's Premises

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

Section 2.10 - Billing

(A) Regular 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 workday after the due date.

(B) Late Fees

A late penalty of either \$5.00 or 10% 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.

(C) Information on Bill

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

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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 the complaint may be filed with the Commission.

### (D) Prorated Bills

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

### Section 2.11 - Payments

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

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

### Section 2.12 - Service Disconnection

#### (A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered. The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

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

#### (B) Without Notice

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

### Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition. Service will be reconnected within 24 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain and operate production, treatment, storage, transmission, and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the PUC and TCEQ Rules.

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the PUC 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.

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

Section 2.17 - Customer Liability

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

## SECTION 3.0 -- EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges: No Contribution in Aid of Construction may be required of any customer except as provided for in this approved extension policy.

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

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

### Section 3.02 - Costs Utilities and Service Applicants Shall Bear

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

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

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

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 6" in diameter for gravity wastewater lines.

## SECTION 3.0 -- EXTENSION POLICY (Continued)

Exceptions may be granted by the PUC if:

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

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

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers.

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

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

#### Section 3.03 - Contributions in Aid of Construction

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

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

### SECTION 3.0 -- EXTENSION POLICY (Continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.163(c). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.163(c)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

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

#### Section 3.04 - Appealing Connection Costs

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

#### Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant.

Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

### SECTION 3.0 -- EXTENSION POLICY (Continued)

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

#### Section 3.06 - Qualified Service Applicant

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

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

#### Section 3.07 - Developer Requirements

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