\$290.39(f)(3) time line for construction of the system and commencement of operations;

The estimated construction timeframe for the Republic Grand Ranch (RGR) development is 9 to 12 months. Additionally, there is an expected 2 or more months delay before the water supply service will commence in order to assess the actual need and water demands.

§290.39(f)(4) identification of and costs of alternative sources of supply;

Raw land, there are none

§290.39(f)(5) selection of the alternative to be used and the basis for that selection;

/A See above

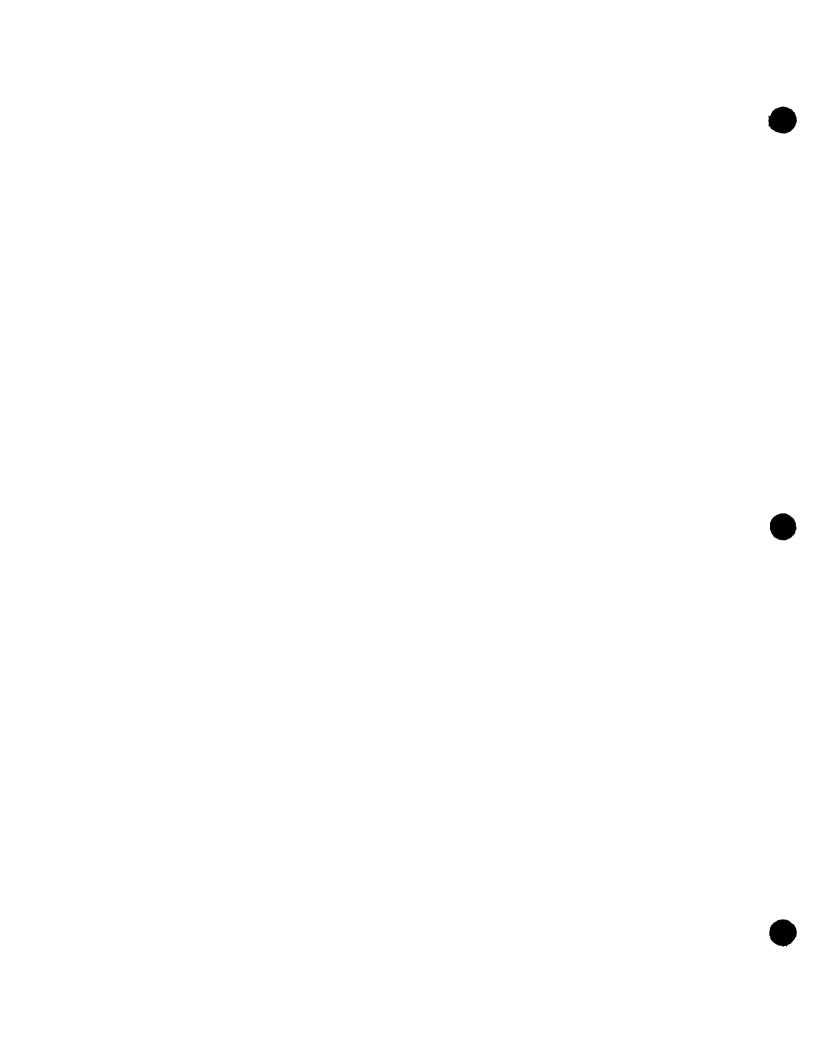
§290.39(f)(6) identification of the person or entity which owns or will own the drinking water system and any identifiable future owners of the drinking water system;

Roark Rohe, President Scott Rohe, COO Jacob Slott, CFO

§290.39(f)(7) identification of any other businesses and public drinking water system(s) owned or operated by the applicant, owner(s), parent organization, and affiliated organization(s);

Roark Rohe has managed Phelps SUD for 42 years and Watson Lake WSC for 21 years







§290.39(f)(8) an operations and maintenance plan which includes sufficient detail to support the budget estimate for operation and maintenance of the facilities;

Attached as part of the rate study

§290.39(f)(9) assurances that the commitments and resources needed for proper operation and maintenance of the system are, and will continue to be, available, including the qualifications of the organization and each individual associated with the proposed system;+

Personal Finance Statements of all partners and Letters of Credit are attached

§290.39(f)(10) for retail public utilities as defined by Texas Water Code (TWC), §13.002:

§290.39(f)(10)(A) projected rate revenue from residential, commercial, and industrial customers; and

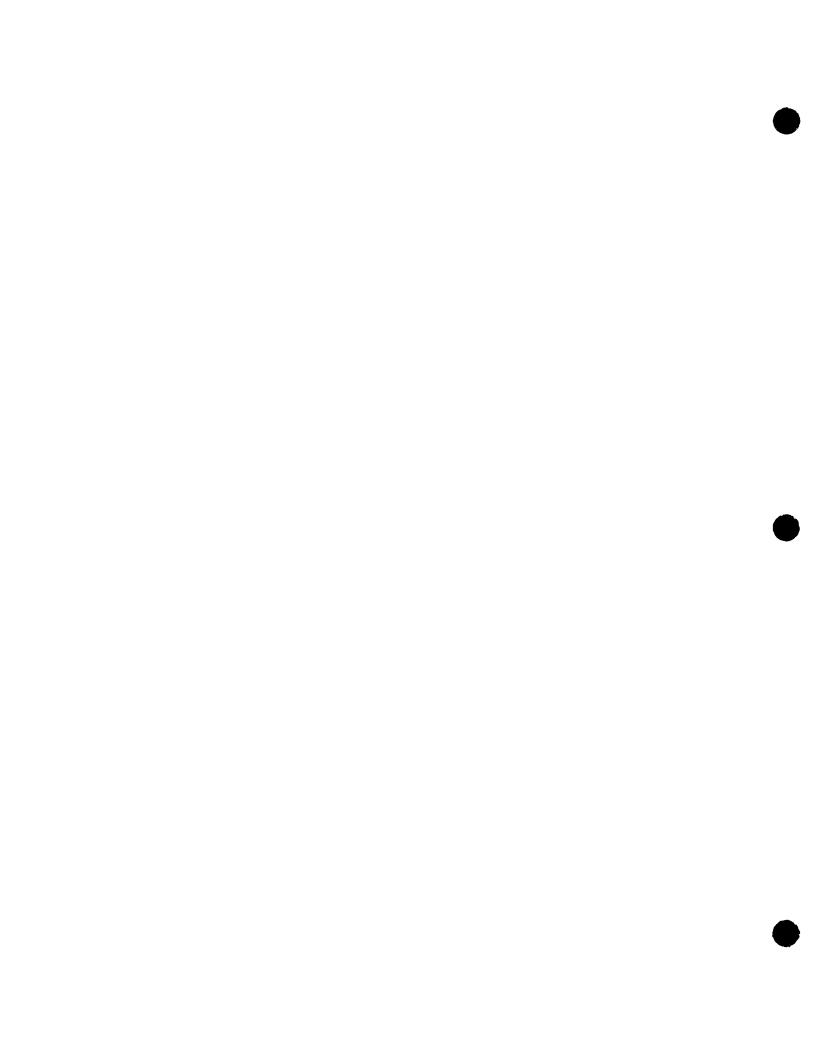
§290.39(f)(10)(B) pro forma income, expense, and cash flow statements; Five-year rate study is attached

§290.39(f)(ll) identification of any appropriate financial assurance, including those being offered to capital providers;

See Section (f)(9)

§290.39(f)(12) a notarized statement signed by the owner or responsible person that the business plan has been prepared under his direction and that he is responsible for the accuracy of the information; and

Attached

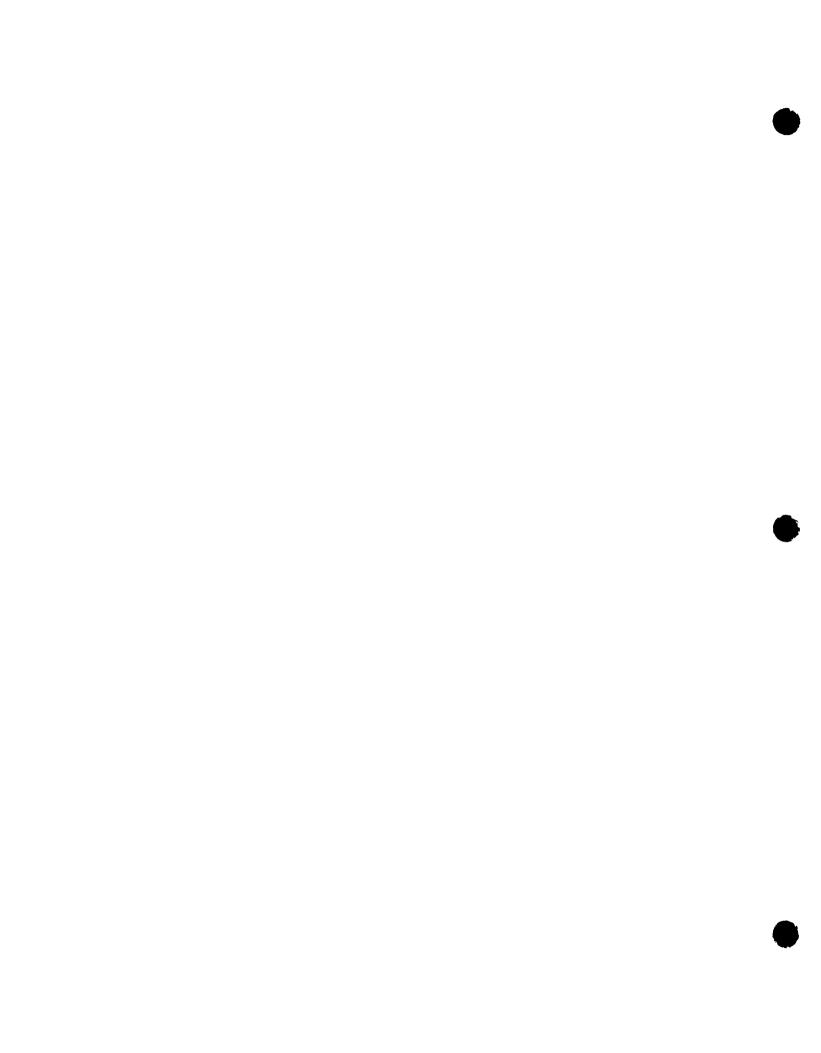


DOS AGUAS LLC

# RATE STUDY

& Five Year Forecast







WATER & WASTEWATER TREATMENT CONSULTANTS

17230 HUFFMEISTER ROAD, SUITE A ~ CYPRESS, TEXAS 77429-1643

TEL: 281-373-0500 FAX: 281-373-1113

August 14, 2020

Mr. Roark Rohe Mr. Scott Rohe Dos Aguas, LLC 455 FM 2296 Huntsville, Texas 77340

Re: Rate Design for New Certificate of Convenience & Necessity

# Gentlemen:

Please find attached the pro forma that we have developed to aid in the application process for a new Certificate of Convenience and Necessity for the Republic Grand Ranch Subdivision in Montgomery County. The pro forma is based on a development rate of 8 connections per month, a base water rate of \$55.00/month, a gallonage rate of \$3.00/1,000 gallons up to 10,000 gallons of usage, \$4.50/1,000 gallons conservation rate for usage over 10,000 gallons, and a water tap fee of \$1,250. This rate design provides for positive monthly cash flow beginning mid-year 2 and a positive annual cash flow in year 3. Other assumptions used in developing this pro forma can be found on page 1.

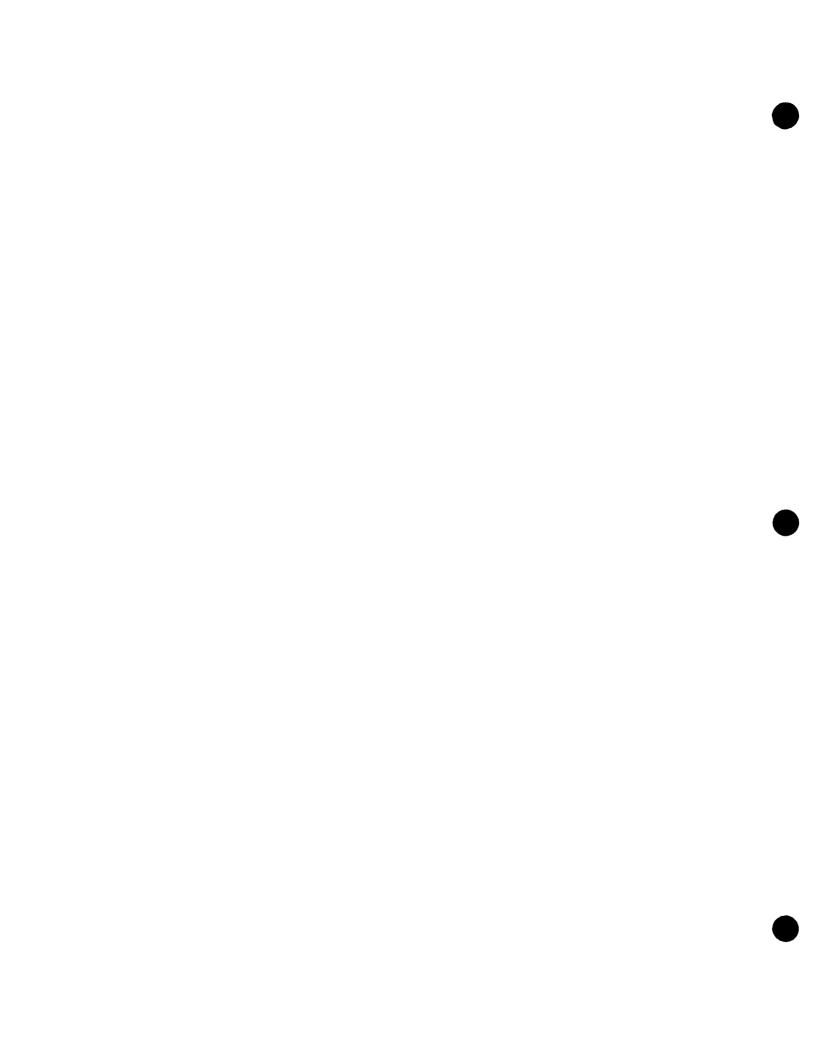
We anticipate that this rate design will afford a successful business model for Dos Aguas, LLC, while providing safe drinking water at a fair cost to the consumers. We appreciate the opportunity to work with you and look forward to working with you in the future. Should you have questions or comments, please contact me by telephone at 281-373-0500 or by email at <a href="mailto:syoung@waterengineers.com">syoung@waterengineers.com</a>.

Sincerely,

WATERENGINEERS, INC.

Shelley Young, P.E.

Encl. as noted



### FOUNCIAL ASSUMPTIONS AND DATA FOR TOEQ WATER CON APPLICATION FOR REPUBLIC GRAND RANCH SUBDIVISION BY DOS AGUAS LLC

# INCOME AND EXPENSE

Development Rate. New Connections/Months.	0.0					
Maximum Rumber of Connections =	1,203					
AVERAGE ANNUAL WATER USE/EQUIV CONN >	225	GALIDAY				
AVERAGE ANNUAL WATER USE/EQUIV COMN	6,750	GALIMONTA	(			
BASE WATER RATE =	\$55.00	Gp. Included	-	PL:	\$3.09	71000 GAL
WATER CONSERVATION RATE -	\$4.50	Ge In Exces	a cri	10,000	G#Mmm	
SEWER RATE "		Gat Included				
EXCESS SEWER USE RATE .		(Gal n Exces	5 0'		Gal-Month	
AVERAGE MONTHLY WATER/SEWER EILLICONN =	\$75.25					
Water Tap Foo ~	\$1,253.00					
Sawar Top Foa =						
- STORE CAR	1 00%	OF BALES				
CAPITAL INVESTMENT SCHEDULE (CUMMULATIVE)	FY1	FY2	FY3	FYA	FY5	
WATER PLANT CONSTRUCTION COST :	\$1,437,280	\$1,437,200	\$1 437 21/0	\$1 437 280	\$1 437 280	
www.pconstruction.cost -						
WATER DISTRIBUTION SYSTEM CONSTRUCTION COST :	5C	10	50	\$0	10	(Distribution Chas Paid In: by Home Bushers)
SEWAGE COLLECTION SYSTEM CONSTRUCTION COST .						
TOTAL SYSTEM CONSTRUCTION COST -	\$1 437 280		51,437,280	31 437,280	81,437 280	
Contributions in Aid of Construction =	\$0	20	30	\$0	\$0	
NET SYSTEM CAPITAL COST TO UTILITY -	51,437,260		\$1 437 260	\$1 437,280	\$1 437 280	
SALVAGE VALUE •	\$0	\$0	\$0	\$0	50	
AWILIFE YEARS .	48	48	48	48	46	
DEPRECIATION/MONTH =	\$2 495	12,495	52 493	\$2 495	\$7 495	

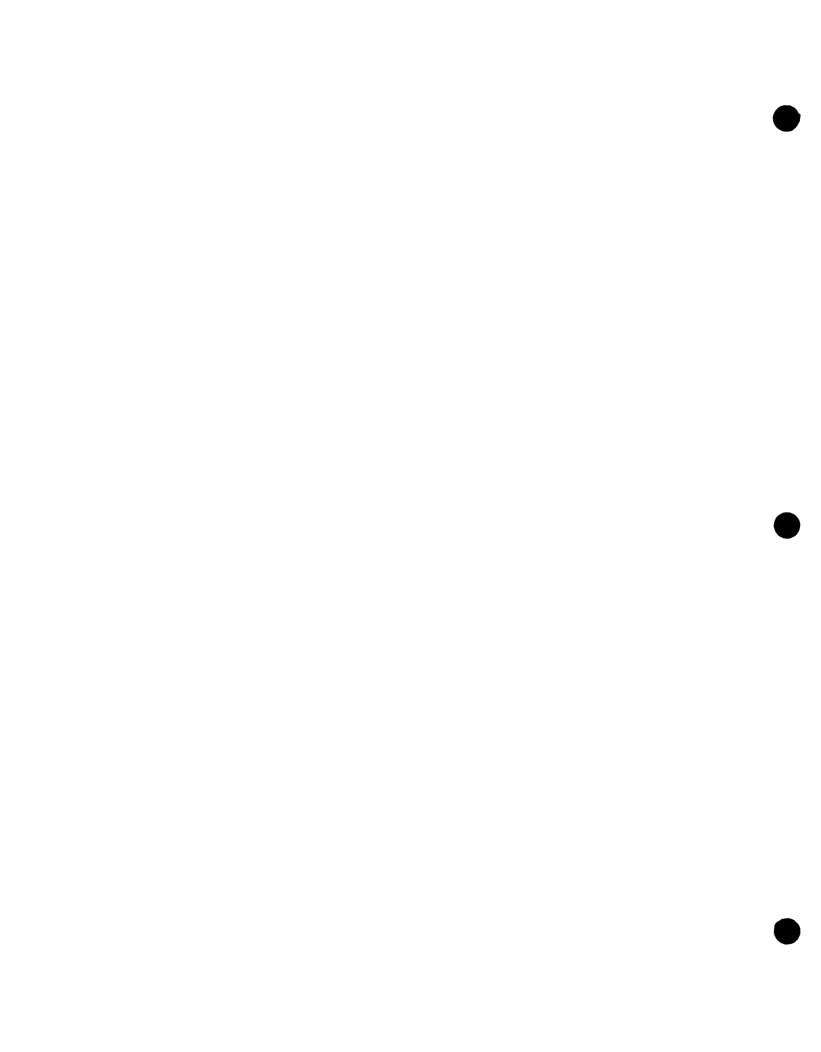
		VARIABILE OPERATA	VG CO.	STS
employee salaries =	\$2 500	No Pha	\$2.00	CONNECTION
OFFICE EXPENSE COST =	\$500	Ma. Pus	\$100	CONNECTION
CUSTOMER BILLING/COLLECTION COST #	\$23G	/Vo Pas	\$3.00	CONNECTION
operator cost -	\$1,000	40 Pus	\$2 DO	CONNECTION
VEHICLE & EQUIPMENT COST 1	\$250·	ANG PUR	\$3.00	ACONNECTION
ELEC COST *	\$800	Alo Pus	\$3 00	CONNECTION
CHEMICAL COST -	5200	Mic Paus	\$100	CONNECTION
SLUDGE DISPOSAL COST :		Me Pas		<b>ACONNECTION</b>
1CEQ 1E68 **	\$100	No Put	\$1 00	CONNECTION
REPAIR COSTIMO . N. CAP -	C 10%	Ol stvested Ceptel		
RESERVE ACCIT DEPOSITAMO % CAP =	G 10%	Ol sweeped Captai		

	94	XED OPERAT	MG C	OSTS		
LABORATORY COST	2	\$50	Mo	Pas	\$0.50	CONNECTION
PROFESSIONAL FEES	п	\$250	.Mo	Part	50 50	CONNECTION
LITTE LOCAL TAX RATE	4	\$0.75	4100			
LIAB/PROP INSURANCE	-	\$0.75	(\$100			

His	cal Yes:	Sensonal Lisa	Projected Use	M-	Projected Wiltily Cost	Projected Monthly
Marth		Muzgier	GaVDay	OF Y	Arien, gewai	<b>⊕</b> £1 (*)
3	JAN	065	148		63.80	\$68 Z9
2	FEB	003	146		67 29	167 96
3	VAR	5.75	189		70 49	\$71,40
4	APR	1 00	225	•	75 25	\$76.00
5	MAY	120	270	1	69.11	\$60.91
e	JUA	1 3.5	104	5	<b>\$2</b> 34	563,16
7	JUL	1 35	304	1	83.25	\$84,08
8	ALG	1 33	304	1	£3.25	\$B4.08
	SEP	1.20	270	\$	79.30	180 09
10	COT	1 10	240	1	78 02	\$78.60
11	NOV	0.75	169	1	70 10	\$70,69
12	DEC	0.65	146		<b>63.60</b>	\$89,29
	SUMMATION	12.00	225 00		1951 66	1915 95
	(*) Instaction 1% 1	CFO Republ	DIV ASSESSME	ent (S	isles Tuni	

Note. There is no sewer in this project. All projections based on water use only

810/2320 Page 1



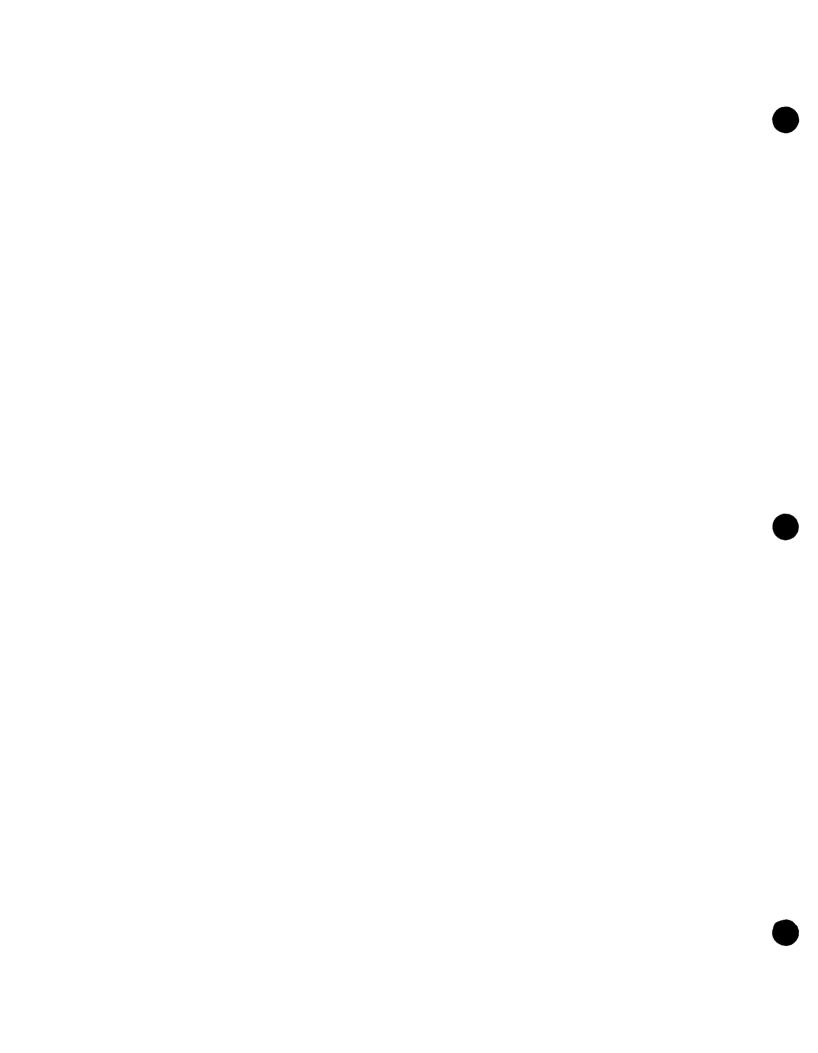
### PROJECTED INCOME & EXPENSE STATEMENT FOR TOEQ WATER CON APPLICATION FOR REPUBLIC GRAND RANCH SUBDIMISION BY DOS AGUAS LLC

# FISCAL YEAR 1

	JAN	FEB	MAH	APR	MAY	JC.N	JUL	AUG	SEF	OC1	NOV	000	TOTAL
TOTAL CHANG CONNECTIONS	8.0	160	240	12.9	40.0	46.0	56.0	64.0	720	80.0	44.5	950	624
Septonal Multiples, mo angle estual any	0.65	0.65	0.75	100	1 22	1 35	1.55	1 35	1 20	1 10	0.73	0.65	12.00
Monthly Water Unor Luctorises Clair	4 534	4.095	\$ 201	961.9	4 370	2 114	3 418	0.416	B 100	7 673	5 003	4 534	
Workers Water Use in Base Riste, Gar													
Working the age! Use Subject to Water Charge, Gill	4 53+	4 025	± 231	8 750	8 3/0	9 119	9 416	0.4%	B 100	1673	5 003	4 5 34	
Worth Water Income Fee Customer \$	1 51 60	\$ 67.79	5 Juns	\$ 75.25	\$ 60.11	6 42 34	1 83 25	4 03 25	\$ 73.38	S Fe CZ	# 2010	\$ 63.60	1 606.15
Vuscry Sewel Use in Base Rate Gal		-											
Voither Sewer Use Sittled to Sewer Charge, Gal		-											
Vontrey Sewer Sycarce Per Customer S	5	<b>s</b> .	1			1	\$	3	5	<b>.</b> .	۸ .	1 -	s .
Honority Wyster Blu \$	3 6860	\$ 67.25	1069	15.25	66.31	\$ 82.34	3 03 25		\$ 7935	\$ T9.02	\$ 70 19		5 PO6.48
COSH Gentity Vester Purposed (Gal	36,710	65.520	125 550	216 000	134,600	437 420	277 353	NEED LAS	513 200	613 800	445,500	435,240	4 423,230
SHOSS WATER SEWER USE INCOVE	1540	11 077	\$1,667	\$7 408	12.764	13 957	HKZ	15 323	457.3	\$6.241	\$6,177	\$6,586	\$47,590
RESERVE FOR HAD SKILLS	15	£11	617	124	117	\$40	141	153	197	\$62	3457	SCE	1478
WATERIER INCOME IADJUSTEDI	1543	\$1000	\$1680	\$7.244	80 170	13 919	\$4 615	15.275	\$5 553	56 170	\$6.115	\$6.52C	147,114
FAV 11 E INCOME	\$10,000	\$10,000	110 CCC	\$ 10 aug	\$10,000	\$10,000	\$10,000	110 000	\$10,000	\$10,000	\$10,000	\$10,000	\$120.00C
TOTAL MONTHLY INCOME	\$12,543	11,060	111 900	612.384	113,172	813 953	\$14 515	\$15 275	115,653	\$15,179	618,155	\$10,620	\$167,114
XP CNSC													
CENTRAL & ADMINISTRATIVE													
OFFICE CAPEAGE	\$508	\$512	3574	1512	1542	\$548	3556	\$564	1577	\$560	1588	1591	\$8.524
CANTOYEE SALARIES	\$75'6	\$7,532	11 548	12 564	\$2,535	12/24	\$7 612	57678	\$2 644	12.660	\$2 676	\$7 592	531,248
FROCESSIONAL FEES	1254	\$750	1262	1266	\$270	\$27.6	37/D	5262	1285	5290	5294	5232	\$3,312
INSURANCE	1625	\$1006	1898	1098	1691	\$330	\$2728	16735	1858	1031	5.038	\$ 225.7	\$10,760
ADVALOREM TAXES	1878	4888	1220	\$698	LAGE	Soan	\$450	\$694	1698	1291	5000	5024	110 740
TOBO PERMIT FOES	1106	8155	\$124	6132	1140	E148	1156	1164	1:72	\$185	\$ 1.48	3120	\$1,014
HDN3HLY GAA	15 142	15.219	15 255	\$5.791	31 327	10 353	65 339	35.435	\$5.471	\$5,607	\$5.543	15 570	184,547
OPERATIONS		,								•			
OPERATOR COST	åt ør€	\$1.032	\$1543	61.064	21 1160	11036	61 132	61 126	\$1144	\$1 165	\$1.176	\$1,192	113 240
VENDELS & COLUMN TO COST	\$274	5792	\$327	\$346	\$370	1314	\$410	5447	\$460	5410	1514	1536	\$4.672
CUSTOMER SILLING COST	\$274	6292	3 3 2 2	1340	1975	1354	1410	\$442	\$406	5490	1514	1538	\$4,072
ELECTROTY	\$624	5048	3672	1698	6720	\$744	4171.8	1771	\$816	1040	\$104	5660	69.072
CHERCAL COST	3208	1213	1224	1232	\$743	\$740	1256	1,014	\$272	5210	1702	1226	41014
SLUDGE DISPOSAL COST	10	¥i*	\$0	10	10	80	\$0	\$0	\$0	35	10	50	\$0
TAP MATE & FELD LABOR FOR!	14 500	\$6,500	\$8.500	\$8 500	16 500	18.500	\$8,500	\$6,500	\$8,500	18 500	18,500	\$0,500	\$102,000
REPAR COSTS	\$1.437	\$1.437	\$1.437	91 637	B1 437	\$1,427	\$1.422	81 627	\$1,437	\$1,427	\$1 437	\$1.427	117.20
CONTRIBUTION TO HEIGHTONE ACCT	\$1 437	\$1 437	\$1 437	81 437	\$1 A37	\$1,437	\$1.417	31437	51 437	\$1 437	\$1 437	E1 437	\$17,247
HONTHEY DIS IN C 751	\$19.771	133 857	111563	\$14 059	\$14,155	\$14 251	\$14,347	\$14 443	\$14 539	\$14 (2)5	\$14 731	\$14 827	\$171 583
OTAL MIDALMEN EXAMENSE	\$10 953	\$19,003	119,317	\$10.348	119 431	\$19,813	\$10,145	\$19.677	\$20,039	§20 141	\$20,213	E50,405	\$110,150
ili income on expense wonth	(ED 41 D)	(80,016)	(\$7 537)	(16 901)	(\$6,305)	(\$5,700)	(\$5 130)	(14,603)	(\$4.357)	(\$3,943)	(\$4,158)	(\$3,485)	(\$60,034)

Page 2

Note: There is no sewer in this project. All projections based on water use only



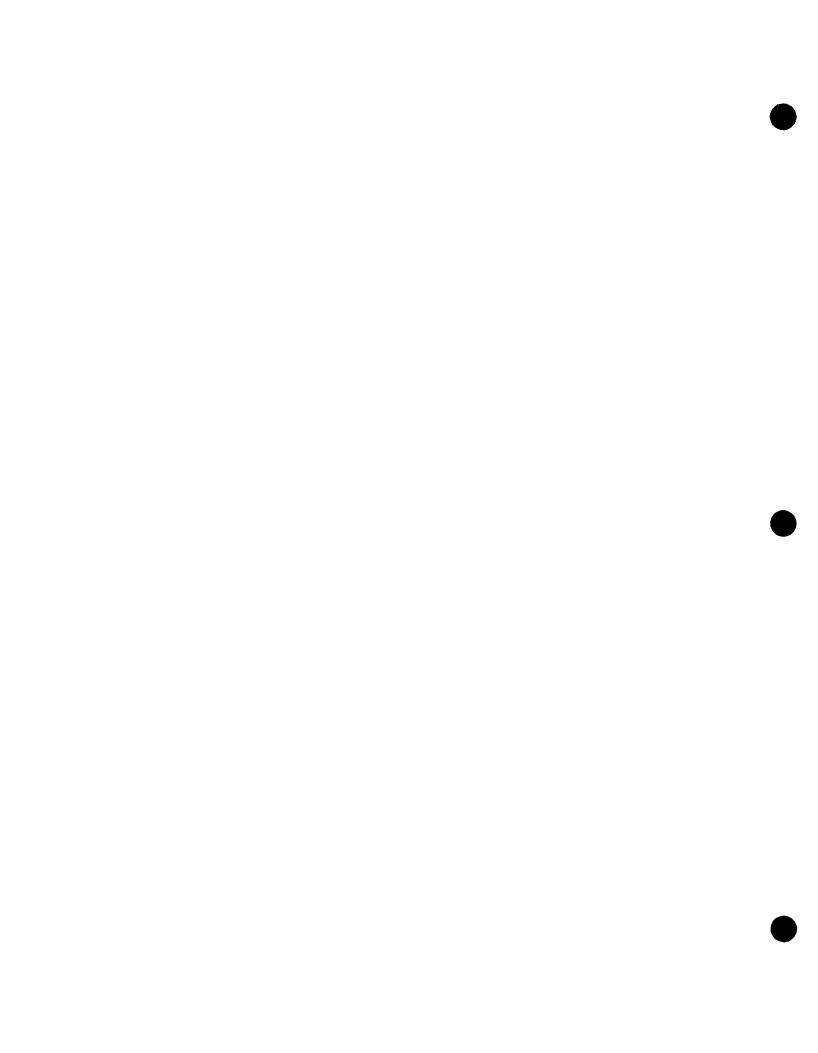
### PROJECTED INCOME & EXPENSE STATEMENT FOR TOEQ WATER CON APPLICATION FOR REPUBLIC GRAND RANCH SUBDIVISION BY DOS AGUAS LLC

# FISCAL YEAR 2

		MAN	FEB	MAR		APR		MAY		JUN		JUL		AUG		SEP		oct		NOV		DEC		TOTAL
TOTAL ON-LINE EQUIVALENT CONN		104	112	120		128		136		144		152		160		188		176		184		192		1,776
Sectional Multiplier, mo large shrould avo	(	65	0 65	9.75		1 00		1 20		1 35		1 35		1 36		1.20		1.10		0.75		0.65		12.00
Monthly Water Use/Customer, Gal	4.	534	4.095	5.231		6.750		8,370		9 113		9.416		9.416		8,100		7.673		5,063		4.534		
Monthly Water Use in Base Rate, Gall																,								
Monthly Water Use Subject to Suisharge, Gal	4.	534	4,095	5,231		5 750		6,370		9.113		9.416		9.415		6,100		7,673		5 063		4.534		
Morately Water Income Per Cuptomer, S.	\$ 68	160	\$ 67.29	3 70 69	1	PS 25	1	80 11	1	82 34	1	63 25	4	83 25	2	79.30	3	78.02	1	70 19	1	68.60	1	906.58
Morthly Sewer Use in Base Rate, Gol		-	-			-								,				-		-				
Morenly Sewer Use Subject to Sewer Charge, Gal	4.	534	4.095	5.231		9.750		8,370		9.113		9,400		9 416		8,100		7.673		5.063		4.334		
Monthly Sewer Income Per Customer, \$	\$		1 .	s .	1		1		\$		1	-	3	-	3				1		\$			
Monthly Water Bill, \$	\$ 68	60	5 67 29	\$ 70.69	1	75 25		60 11	\$	62 34	1	53 25	4	83.25	1	79 30	3	78 02	\$	70 19	1	68 60	5	908.88
Total Manthly Water Pumped, Gall	4.71,	510	458,640	627,750		864,000	1	134,120	4.	312,200	1	431,270	1	506,600	1.	960,600	1	350,360		931,500		8.70 48D		12,323,430
GROSS WATER/SHWER USE INCOME	\$7.	135	\$7,536	\$0,483		\$8,632		\$10,590	1	511.857		\$12,654		113 320	1	13.322		\$13,731		\$12,915		\$13.171		\$134.650
RESERVE FOR BAD DEBTS		171	\$75	185		\$96		\$109		\$110		\$127		\$133		\$133		\$ 137		\$129		\$132		\$1,347
WATER/SEWER INCOME (ADJUSTED)	\$7	063	\$7,461	\$6,396		\$9,536		\$10,766	1	\$11.738		\$12,527		\$13, 187	4	13,189		\$13,594		\$12,785		\$13,040		\$133,304
TAP FEE INCOME	\$10/	900	\$10,000	\$10,000		\$10,000		\$10,000	1	\$ 10,000		\$10,000		\$10,000	1	10,000		\$10,000		\$10,000		\$10,000		\$120,000
TOTAL MONTHLY INCOME	\$17,	363	\$17,401	\$18,398		\$19,538		120,786	1	\$21,735		122,527		\$23,147	1	23,189		\$23,594		122,785		123,040		\$253,304
EXPENSE																								
GENERAL & ADMINISTRATIVE																								
OFFICE EXPENSE	1	504	\$612	SKEPO		\$4529		\$638		\$844		1652		\$660		1664		\$675		5684		1892		\$7,774
EMPLOYEE SALARIES	12	706	\$2,724	\$2 740		\$2.756		\$2,772		12,704		\$2,004		\$2,820		\$2 836		\$2,852		12.858		12 884		\$33,552
PROFESSIONAL FEES	5	307	\$306	\$310		\$314		\$218		\$322		\$300		\$330		\$334		1338		1342		1346		\$3,560
INSLIGANCE		98	2000	5895		1698		1050		58/58		\$ 6530		1695		1898		\$898		1000		\$656		\$10,780
ADVALOREM TAXES	5	100	5008	1896		1598		\$350		3898		\$ 853.0		1898		1898		\$898		5050		1018		\$19,750
TCEQ PERMIT FEES	5	204	1212	\$220		\$224		\$736		1244		1252		\$260		\$260		\$276		1254		1292		12,974
TOTAL GRA	15	115	\$5.651	\$5,687		\$5,223		\$5.759		15 795		15 531		\$5,607		15 900		\$5,939		\$5.975		16.011		\$49,751
OPERATIONS						• • • • • •		4-1.4-								*****								
OPERATOR COST	\$13	200	\$1,224	\$1,240		11.756		31.272		\$1.288		\$1,304		\$1,320		\$1.336		\$1,352		\$1.368		\$1,384		\$15,532
VENICLE & EQUIPMENT COST		62	\$500	\$810		\$634		1658		1607		\$706		\$730		\$754		1778		\$602		1826		\$8,328
CUSTOMER BILLING COST	\$	562	\$586	\$610		1634		1658		1002		\$.706		5730		1754		\$775		1002		\$426		10 328
ELECTRICITY	5	112	1936	1960		\$984		\$1,000		\$1 032		\$1,060		\$1.080		\$1 104		\$1,128		\$1.157		\$ 2 178		\$12.528
CHEMICAL COST	5	104	5312	\$320		1328		\$336		1344		5352		\$360		1368		\$376		\$384		\$392		84.178
SLUDGE DISPOSAL COST		80	10	\$0		\$4		\$0		10		10		\$0		80		\$0		50		10		10
TAP WAT'L & FIELD LABOR COST	38 5	SOCI	\$5,500	\$8,500		\$8,500		\$1,500		\$8 500		\$8,500		\$8 500		\$4,500		\$8,500		\$8,500		18 500		\$103,000
REPAR COSTS	\$2.4	137	\$1,437	\$1,437		\$1,437		\$1,437		\$1,437		\$1,437		\$1,437		\$1 437		\$1,437		11.437		\$1,437		\$17,247
CONTRIBUTION TO RESERVE ACCT	\$1.4	137	\$1,437	\$1,437		\$1,437		\$1,437		\$1,437		\$1,437		\$1,437		\$1,437		\$1,437		\$1.437		\$1,437		\$17,247
MONTHLY D & MICOST	\$14,1	123	\$15,019	\$15,115		\$15,211		\$15,307	1	15.403		\$15,499		315 525	1	15,691		\$15,787		\$15.883		15,979		\$155,407
TOTAL MONTHLY EXPENSE	\$20,5	1317	\$20,569	\$20,601		\$20,933		\$21,085		21_197		\$21,329	1	\$21,481	_1	21,583		\$21,725		\$21,057		21,989		\$255,158
NET INCOME OR EXPENSE/MONTH	[\$3,4	(74)	(\$3,200)	(\$2,403)		(\$1,397)		(\$274)		5541		\$1,198		\$1,725		\$1,500		\$1,529		1928		\$1,051		(\$1,654)

sriagoza

Note: There is no sewer in this project. All projections based on water use only



### PROJECTED INCOME & EXPENSE STATEMENT FOR TOED WATER CON APPLICATION FOR REPUBLIC GRAND RANCH SUBDIVISION BY ODS AGUAS LLC

# FISCAL YEAR 1

	JAN	7625	WAI	APR I	MAY	JUN	JUL	ANG	SEP	OCT	NON	DEC	TOTAL
TOTAL ON UNE EQUIVALENT CONN	200	201	216	726	132	249	248	256	264	277	260	243	2,323
Sassansi Multiplica, and every services and	20.0	0.65	0.75	100	1.23	1.35	1 35	1 15	1.20	1 19	9.76	0.65	12.00
Nontriv Weter Usp Customer, Gal	4,334	4.095	1,231	6 740	8,372	4 113	1,416	9 416	1 100	7 673	5.063	4 534	
Monthly Webs Use in Base Rate, Gal													
Monthly Water Use Subject to Surcharge, Oak	4,534	4.095	5,231	4.750	4,310	9,913	2,416	2.416	1,100	7,073	5 053	4,534	
Monthly Wester Income Per Gustamos, I	8 65 61	\$ 67.29	\$ 70 GF	\$ 75.25	\$ 4011	1 47 34	3 43 25	\$ 83.25	1 79.35	\$ 78 02	\$ 70 19	\$ 68.50	104,48
Monthly Dawer Libo in Bess Hote, Gas													
Monday Sewer than Subject to Sever Charge Class	4,534	4.095	5,231	9,752	4 379	9117	8 4 10	P 4 16	4,100	1,673	5.063	4,534	
Hantity Seven Income Par Customer, \$	•	5 -	1	1	1	\$	\$	<b>4</b> ·	5	\$ .	4 -	1	
Merida Water Bill \$	\$ 08.60	\$ 67.22	3 70 85	\$ 75.25	£ 82.11	5 62 34	8 43.25	1 12.52	\$ 79.30	\$ 78.02	\$ 70 19	6 62,60	1 935.83
Yotal Monthly Woder Pumped, Gal	000,750	051,760	1 129,450	1,512,500	1 941,540	2 187 000	2,315,234	7 410 540	7 128,400	1 pag 510	1417,300	1,345,720	20,221,433
GROSS WATER/SEWER USE INCOME	\$13 770	\$13 960	\$15,270	\$10,850	\$16 568	119.76	\$20,646	521 312	\$20,935	\$21,271	\$19,502	\$10,757	6221,711
RESERVE FOR BAD CEBTS	\$137	\$140	\$153	\$150	\$118	\$150	\$206	\$253	\$205	1212	\$197	\$198	\$2,217
WATERISEWER INCOME (ACIJUSTED)	813 583	\$13.055	315 117	\$10 GB.F	\$16,420	\$10 563	\$20 419	\$21,595	\$20,726	\$21,009	\$19,456	\$19 560	6212.494
TAP FEE CHOOME	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$12,000	110,000	\$10,000	\$10,000	\$10,000	\$120,00U
TOTAL MONTHLY INCOME	\$13,563	\$23,615	\$25,117	116,687	\$18,430	\$29,560	\$30,419	\$31,299	\$10,725	\$11,003	125,456	139,660	1331.A14
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$700	\$108	\$110	1724	1732	1740	\$740	\$756	3754	1772	1700	8788	\$4,170
EMPLOYEE SALARIES	12 900	\$7 016	\$2,932	12,946	12 964	\$2 930	\$2 996	\$3 017	\$5,021	\$3 044	13 050	\$3.076	\$35,456
PROFESSIONAL PEES	\$350	\$354	5356	\$382	\$356	\$370	\$374	\$378	\$182	\$316	2390	8394	\$4,464
NSCRANCE	\$598	\$594	5002	444	1090	1016	\$030	\$498	1421	1614	1898	1410	110,740
ADVALCREM TAKES	2800	\$564	3496	5454	Sasa	1616	\$096	2494	\$893	\$653	\$232	1010	\$19,789
1CEO PERMIT FEES	\$30¢	\$368	\$7.18	\$324	1332	\$340	\$348	\$356	\$354	\$272	1380	1318	\$4,124
TOTAL G&A	15,047	\$6.D43	\$6 419	\$6 125	\$4 131	56 227	\$8 263	16.299	85 335	\$6,271	\$8 40)	16,443	274,436
OPERATIONS													
OPERATOR COST	\$1 400	\$1 416	\$1,432	11,448	\$1,454	\$1,480	\$1,496	\$1 512	\$1 528	\$1 544	\$1,560	21 578	\$17,650
VEHICLE & EQUIPMENT COST	\$350	3674	\$898	1622	\$940	1970	3794	\$1 016	\$1,042	\$1,964	\$1 090	\$7,174	\$11,784
CUSTOMER BILLING COST	\$450	1874	\$108	1922	5346	\$970	1994	\$1 016	51,042	\$1 066	\$1,090	25,114	B11,784
Lectroly	\$1,200	\$1 724	\$1 348	\$1,272	11.296	11 320	\$1 344	\$1 366	\$1,192	\$1 416	\$1 44D	81,464	\$15,984
CHEMICAL COST	8405	5448	\$418	\$424	\$432	\$440	3448	\$454	\$484	\$472	\$480	\$466	\$5,324
SLUGGE DISPOSAL COST	10	\$0	10	10	\$0	50	10	50	\$6	\$0	\$0	\$0	50
TAP MATE & FIELD LABOR COST	18,500	\$8 500	\$8,500	\$8 500	\$8,500	35,500	\$8,500	\$4 500	\$8,500	\$8,300	\$8,500	\$8,500	\$102,000
REPAIR COSTS	\$1,437	E1 433	\$1,437	\$1,437	\$1 437	\$1 427	51 437	\$1 437	\$1,437	\$1 417	\$1 437	\$1,427	\$17,247
CONTRIBUTION TO REBERVE ACCY	\$1,437	31 427	81,437	\$1 437	11 437	\$1 #37	\$1 427	\$1,437	\$1 437	\$1,437	\$1 433	\$1 437	117,247
MONTHLY O & IN COST	\$15 075	\$16 1/1	\$18,267	\$16.363	116 450	\$16,555	258.971	116 747	316,843	\$16 939	\$17.005	\$17,131	\$195,231
TOTAL MUNTHLY EXPENSE	\$72,279	122,243	\$22,363	612,617	\$22,649	\$25,741	\$22.913	\$23,045	\$23,177	\$29.009	183,441	\$23,673	5274,166
HET INCOME OR EXPENSE/NOXTH	\$1,462	\$1,602	12,732	\$4,170	\$4,751	\$4,782	\$7,512	84 <b>25</b> 3	87,641	17.814	\$4,012	16,554	161,321

SCOTO Page 4

Note There is no sewer in this project. All projections based on water use only



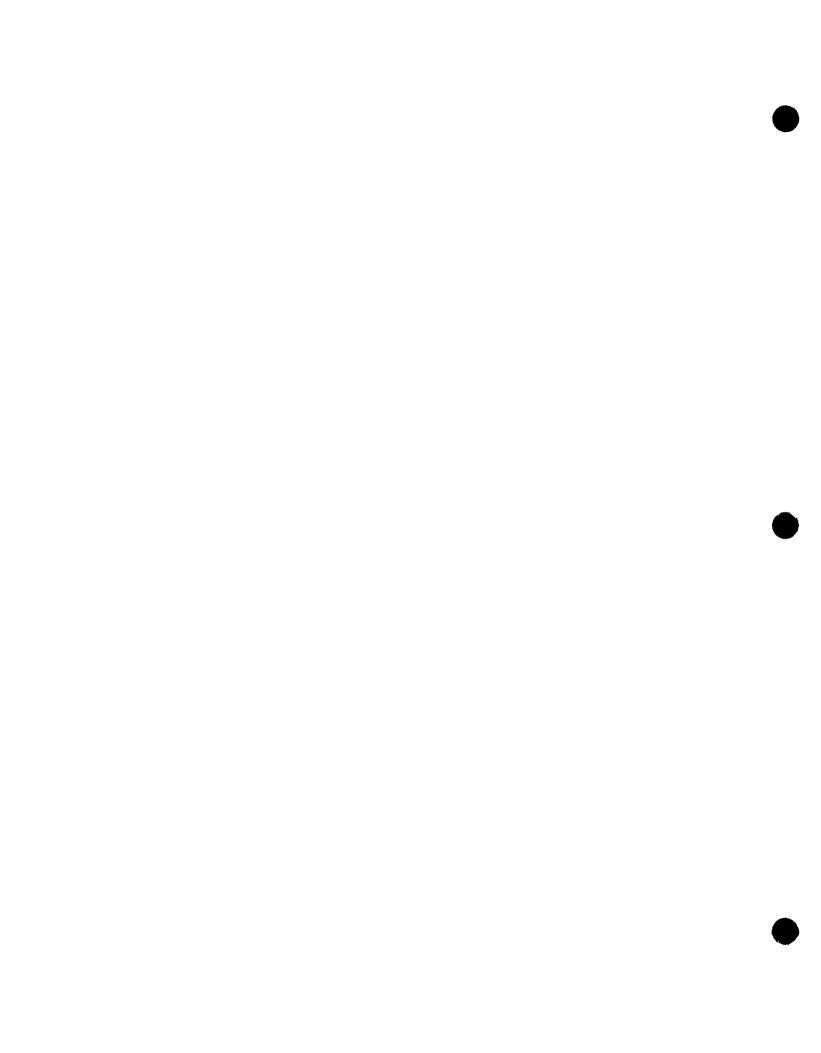
### PROJECTED INCOME & EXPENSE STATEMENT FOR TOEQ WATER COM APPLICATION FOR REPUBLIC GRAND RANCH SUBDIVISION BY DOS AGUAS LLC

# FISCAL YEAR 4

	JAN	FEB	MAR	APR	MAY	JUN	JUL.	AUG	SEP	oct	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	296	304	312	320	328	336	344	352	360	366	376	384	4.080
Sossonal Multipler, me, avoi annual avo	0.85	0.85	0.75	1.00	1.20	1 35	1.35	1 35	1.20				
Monthly Weter UserCustomer, Gal	4,534	4.095	5.231	6,750	6.370	9.113	9.416	9 416	8.100	1.10	0 75	0.65	12.90
Monthly Weter Use in Base Rate, Gal	4,534			0,750					8,100		5,063	4,534	
	4.534		5 231	6.750	8,370			9.416		7 673			
Worthly Water Use Subject to Surcharge. Gr		4,095				9,113	9.416		8.100		5,083	4,534	
	\$ 63.60	\$ 07.29	\$ 70.69	\$ 75.25	\$ 80 11	\$ 87.34	\$ 63.25	1 13.75	\$ 79.30	\$ 78.02	\$ 70.19	\$ 66.00	\$ 906.88
Worthly Sewer Use in Base Rate, Gell	4 534	4.095	5 231	6.750	6,370		9 4 16	9.410		7 673		4.534	
Monthly Sewer Use Subject to Sewer Charge						4,113			8,100	-,	5,083		_
	1 63.60	1	3 70.69	1	5 80 11	\$	1	3	1	5	1	\$	
		\$ 67.20		\$ 75.25		\$ 02.34	\$ 83.25		\$ 70.30	\$ 78.02	\$ 70.19	\$ 68.60	5 906.88
Total Worthly Water Pumped, Gal	1,341,990	1,244,850	1,632,150	2,160,000	2,745,360	3,061,500	3.239.190	3 314,520	5,810,000	2,623,460	1,003,500	1.740,060	28,123,830
GROSS WATER/SEWER USE INCOME	\$20,306	\$20,455	\$22,054	\$24,060	\$26,216	\$27,665	\$25,634	\$29,304	\$28,548	\$28,710	\$26,391	\$26,343	\$306,771
RESERVE FOR BAD DEBTS	\$503	1205	\$221	\$241	\$263	\$277	\$286	3293	\$285	\$287	2264	2503	22,088
WATER/SEWER INCOME (ADJUSTED)	\$20,103	\$20,250	\$21,836	\$53,839	\$26,013	\$27,369	128,351	\$29,011	250,203	\$28,423	\$26,127	\$26,579	\$305,684
TAP FEE INCOME	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
TOTAL MONTHLY INCOME	130,103	\$30,250	\$31,838	\$33,839	136,012	\$37,200	\$38,381	\$39,011	\$38,263	\$38,423	\$36,127	\$34,079	\$425,684
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$796	\$804	\$812	\$820	1828	1836	5844	\$852	\$860	\$865	\$876	\$884	\$10,080
EMPLOYEE SALARES	\$3.092	\$3,108	\$3,124	\$3,140	\$3,156	\$3,172	\$3,188	\$3,264	53,220	\$3,230	\$3,252	\$3,266	838,160
PROFESSIONAL FEES	\$793	\$402	\$408	5410	\$414	\$418	3422	\$426	\$430	\$434	3438	\$442	\$5,040
INSURANCE	5493	\$898	\$698	\$898	\$698	\$808	5898	\$698	\$898	sage	\$598	5618	\$10,780
ADVALOREM TAXES	1885	\$898	5888	5690	\$898	\$492	1694	\$610	\$895	\$860	\$690	3818	\$10,780
TOEG PERMIT FEES	\$396	\$464	\$412	\$420	\$425	\$436	\$444	\$452	1460	\$468	\$476	3454	35,280
TOTAL GEA	\$6,479	\$8,515	\$6,551	\$6,587	\$8,623	\$6.659	\$6.695	\$6,731	30,767	\$6,603	\$6,839	36,875	\$60,119
OPERATIONS				6.14.60,									
OPERATOR COST	\$1,592	\$1,608	\$1,624	\$1,540	\$1,656	\$1.672	\$1,688	\$1,704	\$1.720	\$1,736	\$1,752	\$1,768	\$20,160
VEHICLE & EQUIPMENT COST	\$1,135	\$1,162	\$1,166	\$1,210	\$1,234	\$1.254	\$1,282	\$1,308	\$1,330	\$1,354	\$1,378	\$1,402	\$15,240
CUSTOMER BILLING COST	\$1,138	\$1,162	\$1,186	\$1,210	\$1,234	\$1.258	\$1,282	\$1,306	\$1,330	\$1,354	\$1,376	\$1,402	\$15,240
ELECTRICITY	\$1,468	\$1,512	\$1,536	\$1,560	\$1,584	\$1,608	\$1,632	\$1,650	\$1,480	\$1,704	\$1,728	\$1,752	\$19,440
CHEMICAL COST	\$496	3504	5512	\$520	\$520	\$536	\$544	3552	\$560	\$568	\$5.76	\$584	\$6,480
SLUDGE DISPOSAL COST	50	\$0	\$0	\$40	50	50	\$40	\$0	30	\$0	50	\$0	10
TAP MAT'L & FIELD LABOR COST	\$6,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$102,000
REPAIR COSTS	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,427	\$17,247
CONTRIBUTION TO RESERVE ACCT	\$1.437	\$1.437	\$1,437	\$1,437	\$1,437	\$1 437	\$1,437	\$1,437	\$1.437	\$1.437	\$1,437	\$1,437	\$17,247
MONTHLY O & M COST	\$17,227	\$17,323	\$17,419	\$17,515	\$17,511	\$17,707	\$17,803	\$17,599	\$17,105	\$18,091	\$18,187	\$14,243	\$213,055
TOTAL MONTHLY EXPENSE	\$23,705	\$23,837	\$23,989	\$24,101	\$24,233	\$24.365	324,497	\$24,629	824,761	\$24,883	\$26,025	\$25,157	\$293,174
NET INCOME OR EXPENSE/MONTH	\$6.391	16,413	\$7,867	39,728	\$11,780	\$13,024	\$13,654	\$14,381	\$13,501	\$13,620	\$11,101	\$10,822	\$132,610

8-10/2020

Note: There is no sewer in this project. All projections based on water use only



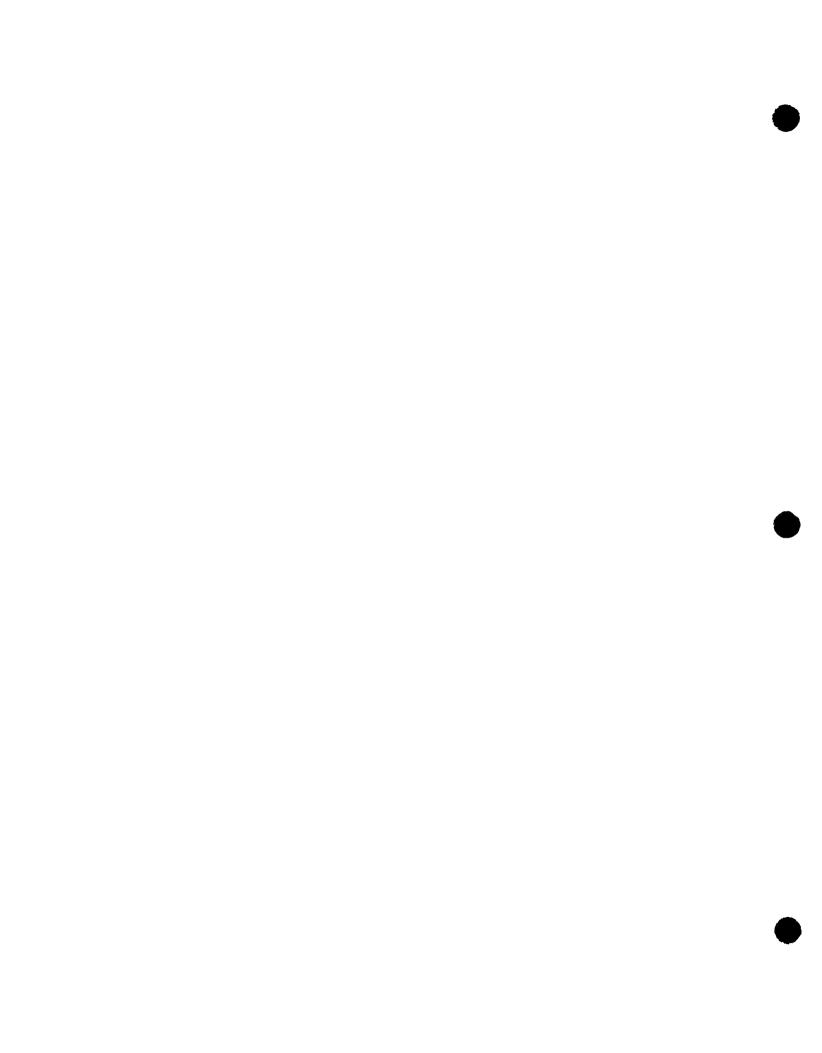
### PROJECTED INCOME & EXPENSE STATEMENT FOR TCEQ WATER CON APPLICATION FOR REPUBLIC GRAND RANCH SUBDIVISION BY DOS AGUAS LLC

# FISCAL YEAR 6

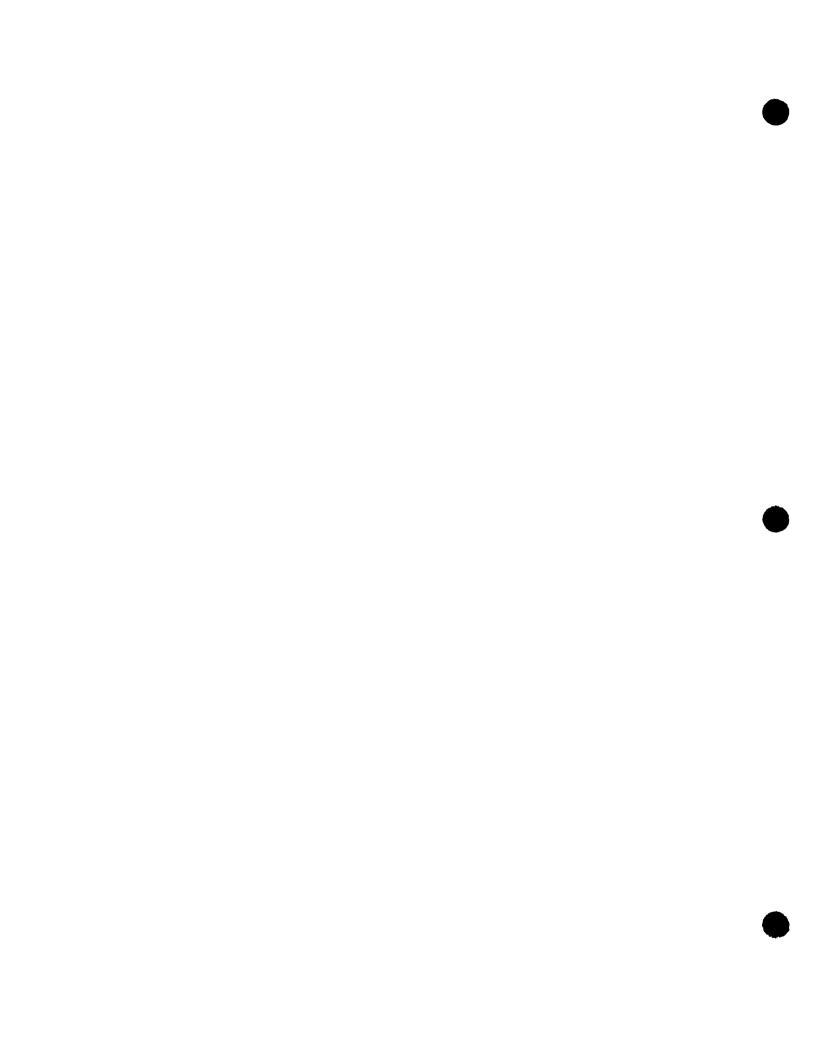
	JAN	FEB	MAR	лря	MAY	JUN	101	. AUG	SEP.	OCT	NOV	DUC	IATOT
TOTAL ONLINE EQUIVALENT CONV	392	600	405	618	474	432	440	448	43/1	464	472	440	6,232
Sensonal Multiplier rise, avg/ entrust avg	0.55	0 €5	0 75	1 00	1 20	1.35	1 15	1 15	1 20	1 10	0.75	985	12.00
Monthly Water Use/Curpries, Gill	4,514	4.015	5,231	8 75G	8 370	8 113	9418	2 4 18	8,100	7,673	5,000	4 534	
Morray Water Use in Base Rete, Ger	1,221	-,	-,	- :		••				.,			
Marthly Water Use Sulgers to Surcharge C	4.534	4.055	5 2 3 1	6 720	8.310	9 112	9.416	2,418	8,160	7,673	5,090	4,534	
Menthly Water Income Per Custamer 3	\$ 88 60	\$ 67.28	3 73 49	\$ 75.25	\$ 80.11	\$ 62.34	2 47.27	\$ 43.75	1 70 30	1 78 52	\$ 70 19	5 08 50 4	106 81
Monthly Sewer Use of Base Rate Gol	,			_	-							-	
Monthly Sewer Use Subsect to Sewer Charge	4,534	4,095	5.231	€, 750	6,370	9113	9416	9 418	8,100	7,673	5,063	4,534	
Morthly Bower Income Per Customer \$	\$	3	6	3 .	\$	3	5	S -		3 -	1 .	<b>3</b> · 1	
Morrate Winar BLL &	\$ 6560	\$ 67.29	\$ 73.59	\$ 75.75	5 60 11	\$ 82.34	1 63.25	\$ 43.25	\$ 7830	\$ 7802	\$ 70 10	\$ 68.60 1	\$05.88
Trital Martine Water Purpost Gal	1,777,230	1,638,600	2 134 350	2,808 000	3 549 860	1,936 800	4,143 150	4,218,480	3,693 600	3 560,040	2 383,500	2 176 200	36,024,732
GROSS WATER/SEWER USE INCOME.	\$26 492	\$28,014	\$26 \$43	\$31,504	133,047	\$3\$ 570	\$78 629	\$37 795	\$38,161	136,200	\$33,120	\$32,629	£315 133
RESERVE FOR BAD DESTS	\$209	\$200	3254	\$313	\$340	2350	\$166	\$373	\$362	\$362	1331	\$129	13,160
WATERUSEWER INCOME (ADJUSTED)	120,623	\$20,045	328,555	\$30,991	\$33 627	135,214	\$16,263	130,022	\$35,799	\$35,830	\$32,191	\$37 509	3111,474
TAP FEE DICONE	\$10,000	\$10 000	\$10,000	\$10,000	\$10,000	\$10 000	\$10 000	\$10 000	110,000	\$10,000	\$16,000	\$10 000	\$120,000
FOTAL MONTHLY INCOME	\$34,613	\$16, <del>14</del> 5	\$38,861	\$40,991	\$41,627	145,214	146,267	146.922	\$46,799	\$45,638	\$42,797	642,660	\$511,874
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$892	2500	1908	\$915	\$924	1012	\$940	\$14B	1556	\$994	3977	3860	311,232
EMPLOYEE SALARES	\$3,284	\$3,300	\$3 316	\$3,312	\$3,346	\$7,354	\$3,380	\$3,396	\$5.412	\$3,426	23,444	\$3 460	540 444
PROFESSIONAL FEES	\$440	\$450	\$454	3458	\$462	1450	\$470	\$474	\$476	\$482	\$485	\$490	\$5,616
INSURANCE	2838	\$898	3493	\$890	5010	5858	\$406	\$408	1898	\$848	\$898	SIDE	\$10,780
ADVALOREM TAXES	\$496	3898	\$4.66	1498	\$890	S# io	2461	SEUR	\$498	\$598	4898	1498	\$10.753
ICEO PERMIT FEES	\$492	\$500	\$500	\$515	3574	\$532	\$540	\$548	\$556	\$564	\$572	\$585	14,432
TOTAL GAA	\$6 911	\$8 947	\$5 48)	\$7 010	\$7 015	\$7 091	\$7 127	\$1,183	\$7 199	17 235	\$7,271	\$7 307	\$86,303
OPERATIONS													\$4
OPERATOR COST	\$1.784	\$1,800	\$1,614	\$1 637	\$1,848	\$1,564	\$1 660	\$1 196	\$1 P!Z	\$1 928	\$1,544	\$1 965	\$12,464
VEHICLE & FOUPMENT COST	81 42 <del>0</del>	\$1,450	\$1 474	\$1,498	\$1,522	\$1,548	\$1 570	81,594	\$1,618	\$1 842	392,12	\$1,699	\$12,596
CUSTOMER BILLING COST	31 426	\$1,450	51 474	\$1,498	\$1,522	\$1,548	\$1510	\$1 594	31,618	11,642	\$1 665	\$1 092	318,696
ELECTRICITY	\$1776	\$1.500	31 574	\$1 545	\$1,572	\$1,866	\$1 920	\$1 944	\$1 965	\$1,492	\$2,016	12,640	122,196
CHEMICAL COST	\$592	\$600	\$603	\$414	\$624	\$612	\$640	3548	5654	\$464	\$472	\$860	57 632
SLUDGE DISPOSAL CHAT	\$40	10	10	\$3	\$0	\$0	\$C	\$5	\$0	\$0	\$40	\$0	60
TAP MATE & PIELD LABOR GOST	58 500	32 500	\$8.500	\$4,500	\$6,500	\$8 500	\$8 100	\$A 300	\$8,100	M 500	\$8,500	58 500	\$102,003
HEPAR COSTS	51 437	\$1,437	\$1.437	\$3 437	\$1,437	\$1,437	31 437	\$1 437	\$1.437	\$1 437	\$1,437	31 457	617,247
Contribution to reserve acct	\$1,437	\$1,497	\$1 437	\$1,437	\$1,437	\$1 437	31 437	31 437	\$1,427	\$1 437	\$1,437	21 437	\$17,267
MONTHLY D & M COST	\$16 379	\$18 475	212 217	\$15,567	112,763	215 920	\$18 953	\$19.951	210 147	\$19 243	\$19,338	\$19.455	\$229 479
TOTAL WONTHLY EXPENSE	\$75 349	\$36,421	\$25,551	115,646	125,617	825,949	\$26 (81	\$26,213	\$26,346	\$26,677	\$16,509	826 741	\$317 187
NET INCOME OR LEPCASIUMONTH	111,334	111,224	113.001	\$15,306	\$17,810	\$15,258	\$20,182	\$20,700	119,454	619,261	\$16,108	116 463	\$119,497

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Note. There is no sewer in this project. All projections based on water use only

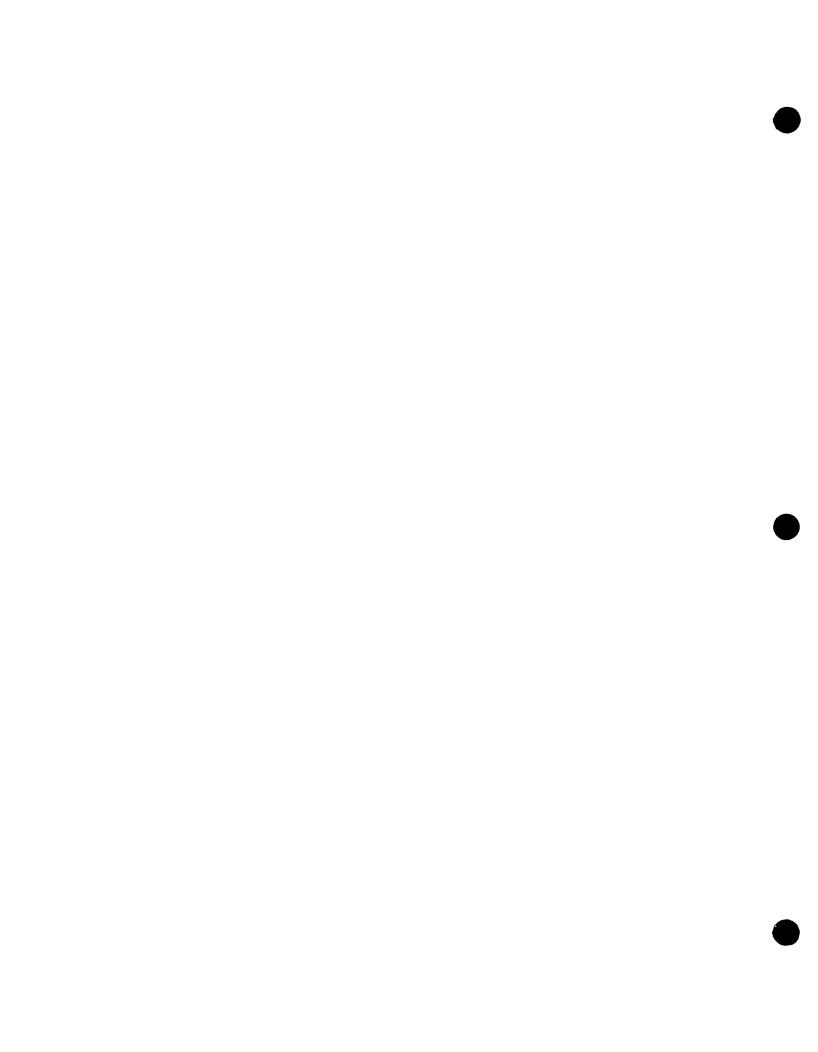


# Tariff/Rate Schedule



# Water Utility Tariff Dos Aguas, LLC.

Adopted August 20, 2020



# WATER UTILITY TARIFF FOR DOS AGUAS, LLC

Dos Aguas LLC. 455 FM 2296 Huntsville TX 77340

936-295-4809

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

This tariff is effective in the following counties:

# Walker and Montgomery

This tariff is effective in the following subdivisions or systems:

CCN xxxxx - Water Systems / Subdivisions Served

Deer Forest

Walker County

ID#

Republic Grand Ranch Montgomery County

ID#

# TABLE OF CONTENTS

The above utility lists the following sections of its tariff:

SECTION 10 DATE COURNILE

SECTION I'M	KA 1E 3CHEUULE	۱,
SECTION 2.0	SERVICE RULES AND POLICIES	2
SECTION 3.0	EXTENSION POLICY	3
SECTION 4.0	DROUGHT CONTINGENCY PLAN	4
SECTION 5.0	MISCELLEANOUS TRANSACTION FORMS	F





# SECTION 1.0 -- RATE SCHEDULE

# **SECTION 1.01-RATES**

	PHASEI	PHASE II
	<u>Rates</u>	Rates
	Effective	Effective
	August 8, 2015	January 1, 2016
Monthly Meter Charge Zer		•
5/8" × 3/4"	\$55.00	
3/4"	\$55.00	
1"	\$88.00	
Gallonage Charge per thou	sand:	
First 10,000 Gallons	\$3.00	
Over 10,000 Gallons	4.50	

The Monthly Minimum Charge for any meter sizes larger than 1" will be calculated using American Water Works Association ("AWWA") approved meter equivalency factors.

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, San Jacinto River Authority GRP, etc. SEE PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE.

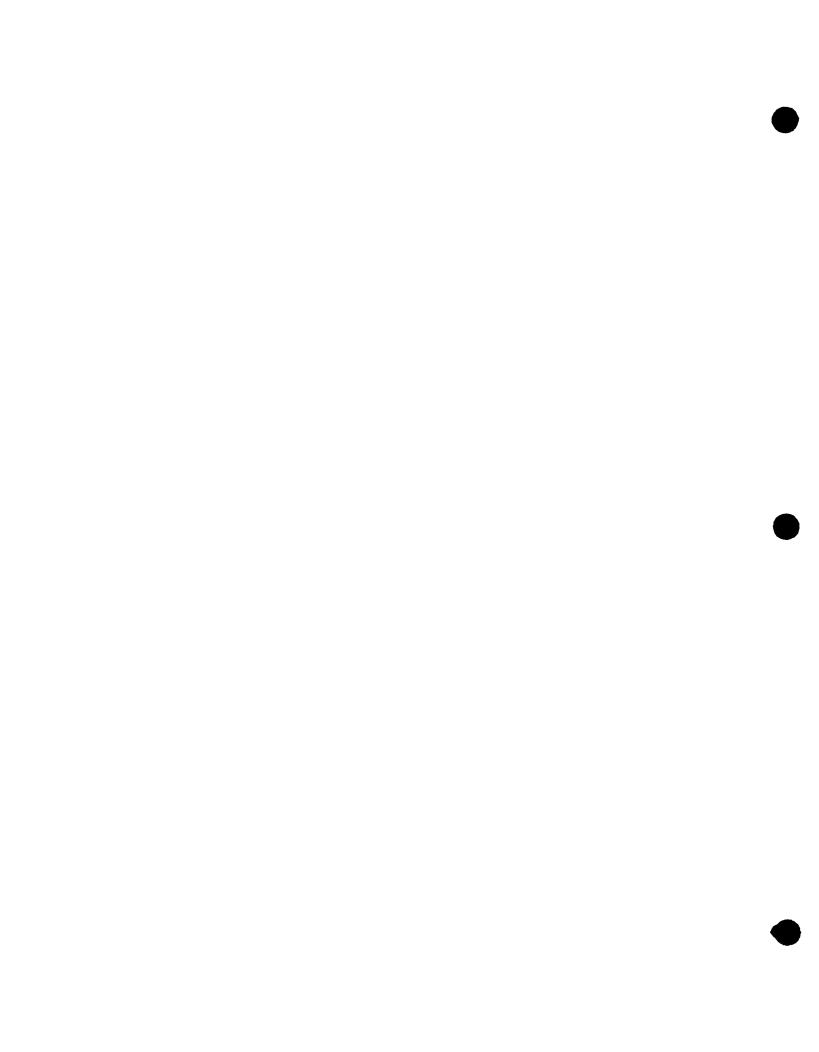
PUCT RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL. FORM OF PAYMENT:

The utility will accept the following forms of payment:

Cash\_X, Check\_X, Money Order\_X, Credit Card\_X,

A WRITTEN RECEIPT WILL BE GEVEN FOR ALL PAYMENTS.

(a)



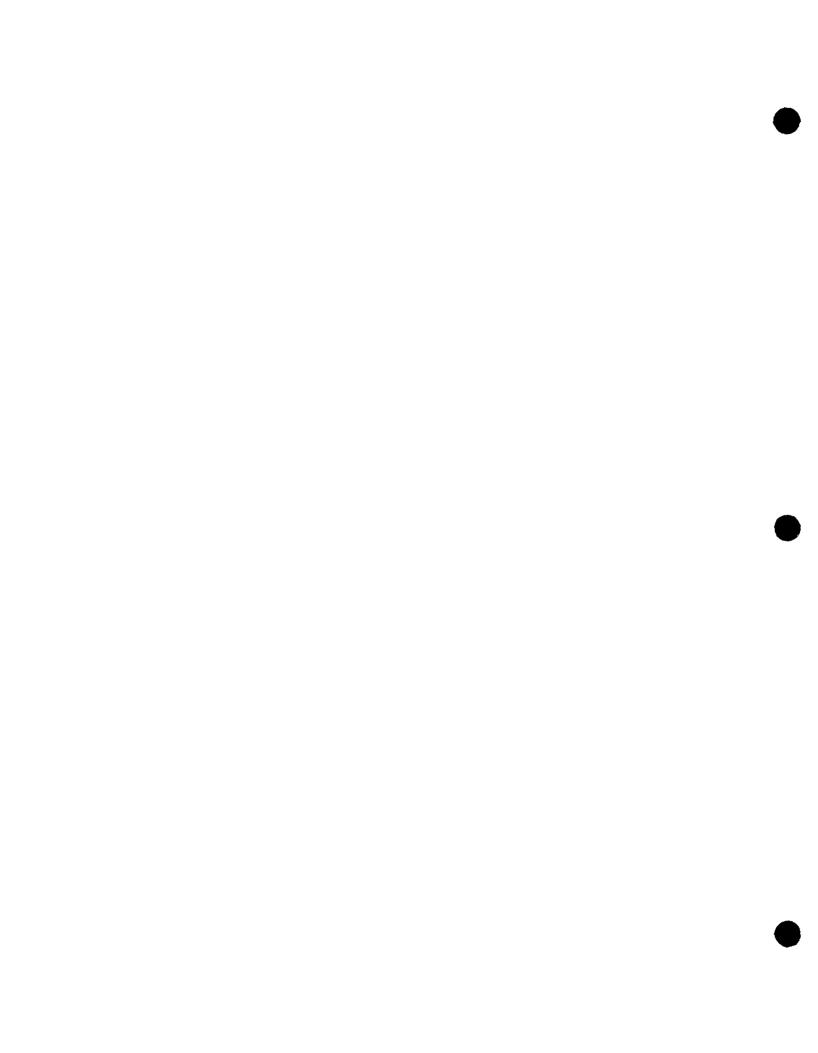
# SECTION 1.02 - MISCELLANEOUS FEES

TAP FEE
METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.
TAP FEE (Large meter) <u>Actual Cost</u> TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE  INSTALLED.
TAP FEE (Unique Costs)
CUSTOMER SERVICE INSPECTION
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)
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
SHORT RESERVICE FEE
LONG RESERVICE FEE
LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)

Dos Aguas. LLC.

Water Tariff

Page 4



RETURNED CHECK CHARGE	\$25,00
RETURNED CHECK CHARGES MUST BE BASED ON	
CUSTOMER DEPOSIT RESIDENTIAL (Maxi	mum \$50) <u>\$50.00</u>
METER TEST FEE  THIS FEE WHICH SHOULD REFLECT THE UTILIT  REQUESTS A SECOND METER TEST WITHIN A 1  THE METER IS RECORDING ACCURATELY. THE FE	Y'S COST MAY BE CHARGED IF A CUSTOMER WO-YEAR PERIOD AND THE TEST INDICATES THAT
METERRELOCATION FEE	Actual Cost to Relocate the existina Me

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.

# 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. (30 TAC 291.21(K)(2)]

# LINE EXTENSION AND CONSTRUCTION CHARGES:

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

# TEMPORARY WATER RATE:

Unless otherwise superseded by PUCT 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:

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

Where:

TGC = temporary gallonage charge

cgc = current gallonage charge

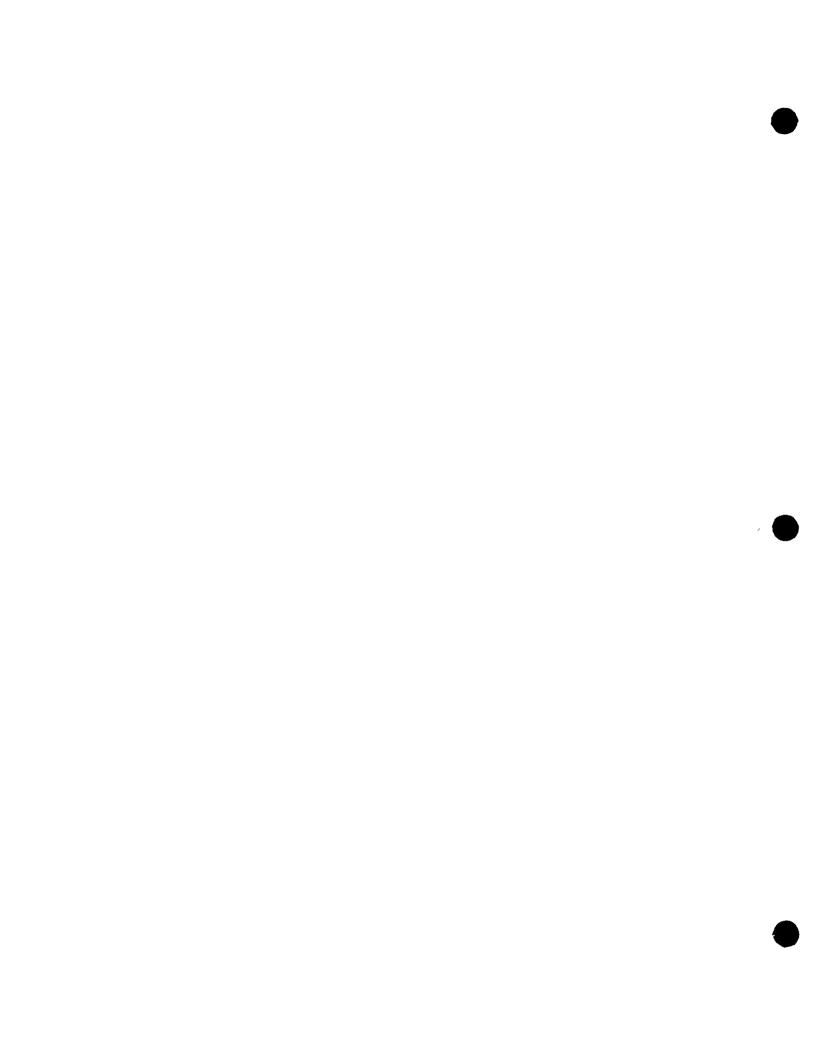
r = water use reduction expressed as a decimal fraction (the pumping restriction)

prr = 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 30 TAC 291.210).

Dos Aguas, LLC.

Water Tariff



# SECTION 2.0 - SERVICE RULES AND REGULATIONS

The utility will have the most current Public Utility Commission of Texas ("PUC") Water & Sewer Rules, 16 TACS 24.1 et seq. 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 and Provision of Water Service

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

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

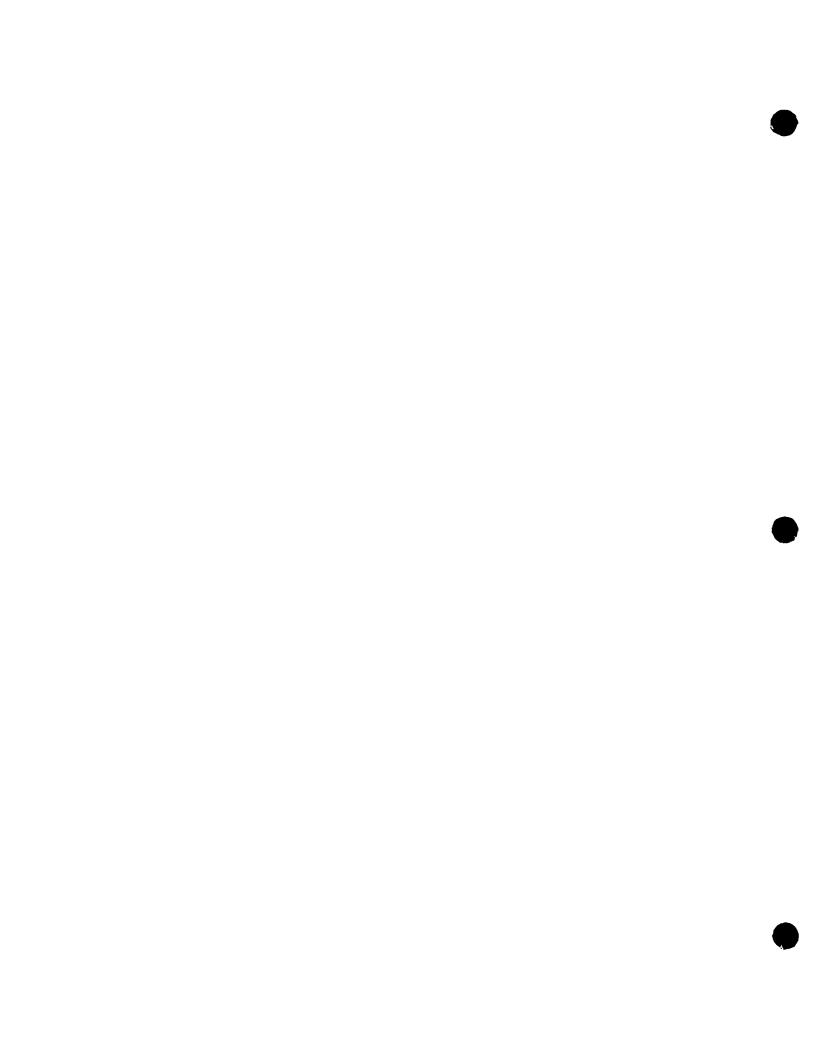
Where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

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

# Section 2.02 - 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 and/or this Tariff. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant a complaint may be filed with the PUC.

Dos Aguas. LLC. Water Tariff Page 6



# Section 2.03 - Customer Deposits

A residential applicant will be required to pay a deposit as provided for in Section 1.02 of this tariff. The utility will keep records of the deposit and credit interest in accordance with 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.

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.

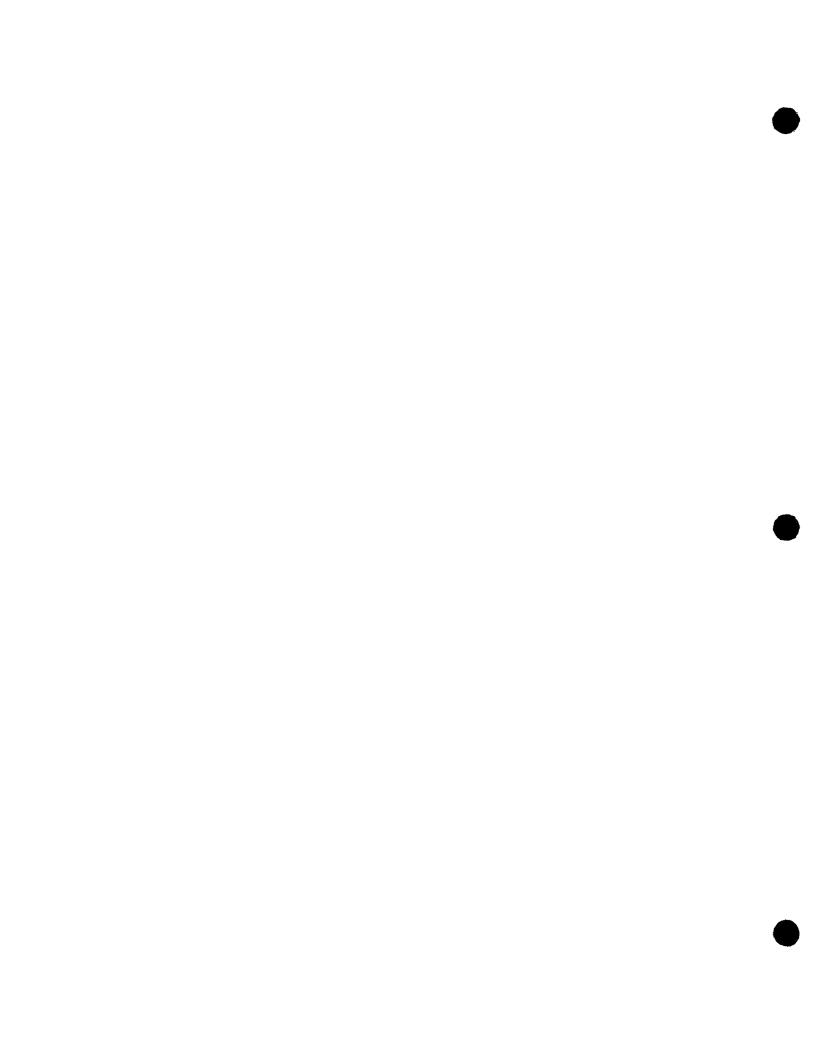
# Section 2.04-Meter Requirements, Readings, and Testing

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

Service meters will be read in one or more cyclical monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period.

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,

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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.

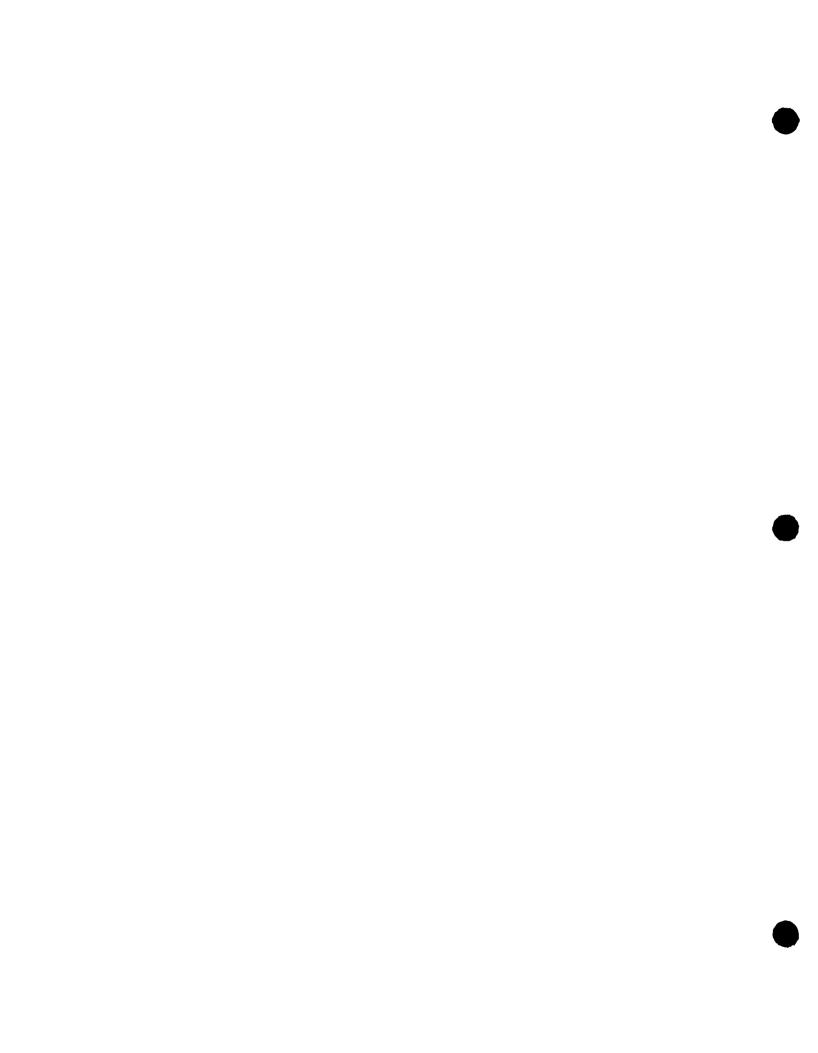
#### Section 2.05 - Billing

Bills from the utility will be mailed monthly. 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 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.

A late penalty of 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.

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

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



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 30 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.

#### Section 2.07 - Reconnection of Service

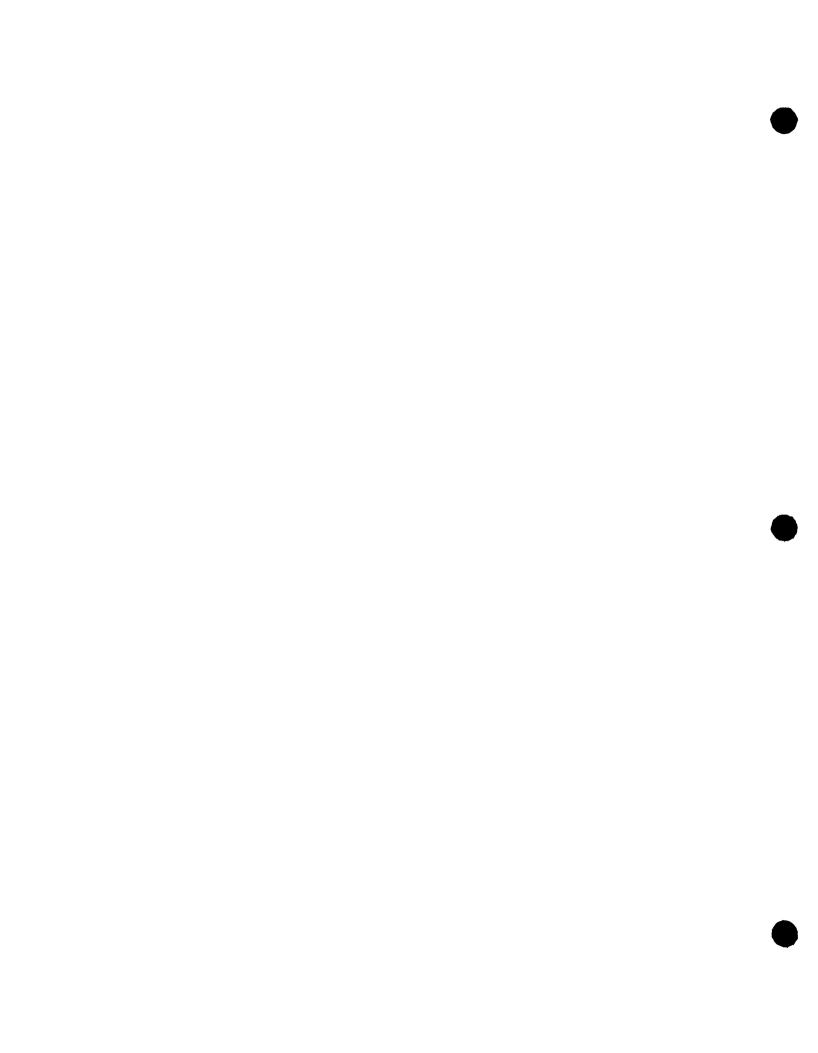
Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

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

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

# Section 2.08 - 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.



<u>Prorated Bills</u> - 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 2.09 - Quality of Service

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

## Section 2.10 - Customer Complaints and Disputes

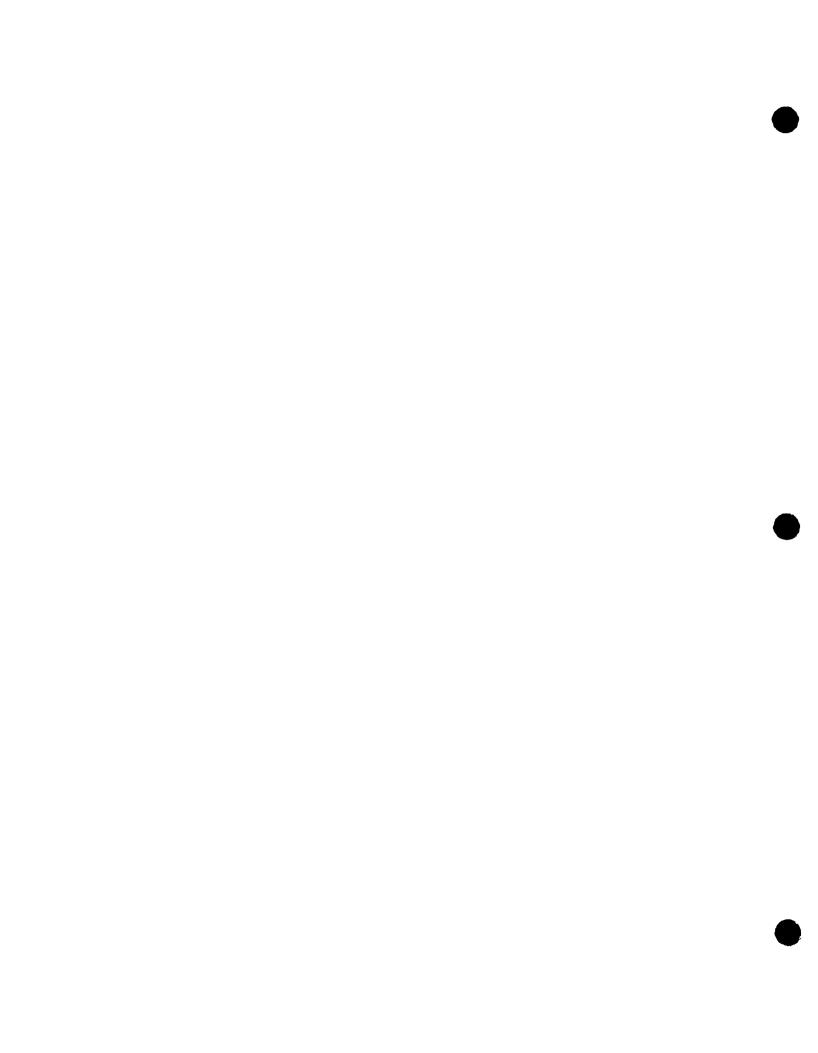
If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility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

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

# SECTION 2.11 - Specific Utility Service Rules And Regulations

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

The utility adopts the administrative rules of the PUC and Texas Commission on Environmental Quality, as the same may be amended from time to time, as its company specific service rules and regulations. These rules will be kept on file at the company's offices for customer inspection



during regular business hours. In the event of a conflict between the PUC and/or TCEQ's rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the PUC and/or TCEQ rule in question to the degree that the Utility may conduct its lawful business in conformance with all requirements of said rule.

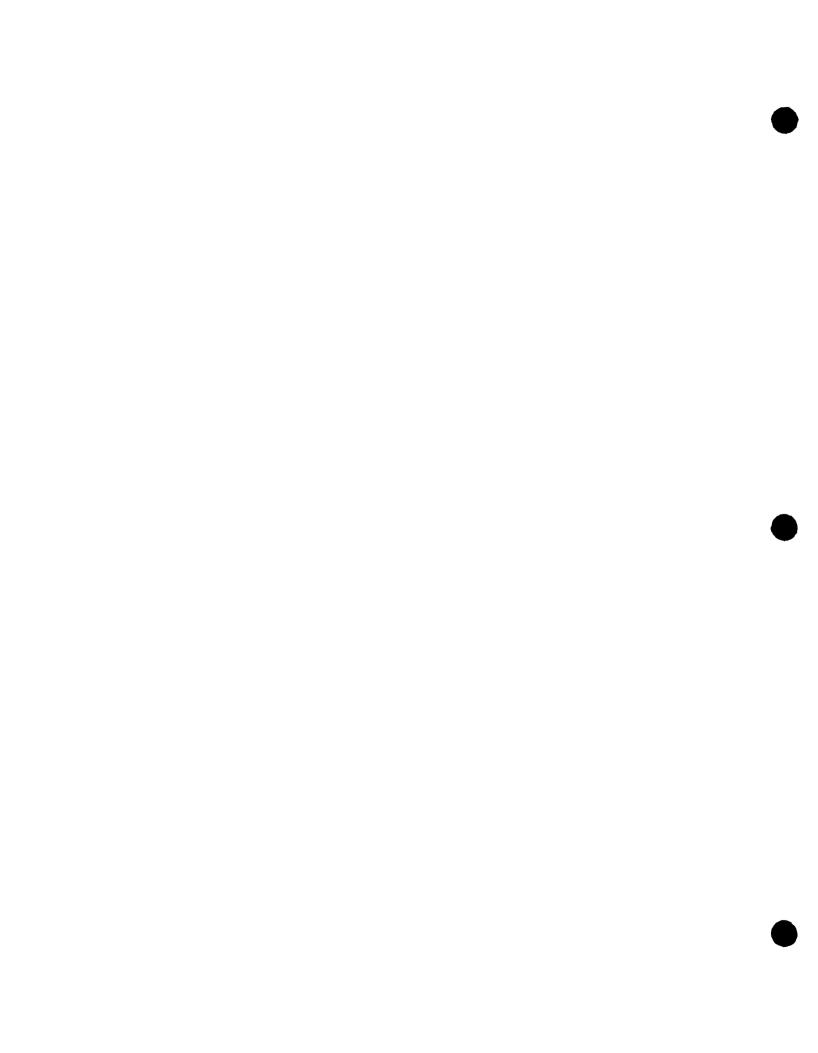
All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not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

Customers shall not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers have cutoff valves on their side of the meter and are encouraged to use them

No water connection from any public drinking water supply system shall be made to any establishment where an actual or potential contamination or system hazard exists without an air gap separation between the drinking water supply and the source of potential contamination. The containment air gap is sometimes impractical and, instead, reliance must be placed on individual "internal" air gaps or mechanical backflow prevention devices.

Under these conditions, additional protection shall be required at the meter in the form of a backflow prevention device (in accordance with AWWA Standards C510 and C511, and AWWA Manual M14) on those establishments handling substances deleterious or hazardous to the public health. The water purveyor need not require backflow protection at the water service entrance if an adequate cross-connection control program is in effect that includes an annual inspection and testing by a certified backflow prevention device tester. It will be the responsibility of the water purveyor to ensure that these requirements are met.



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

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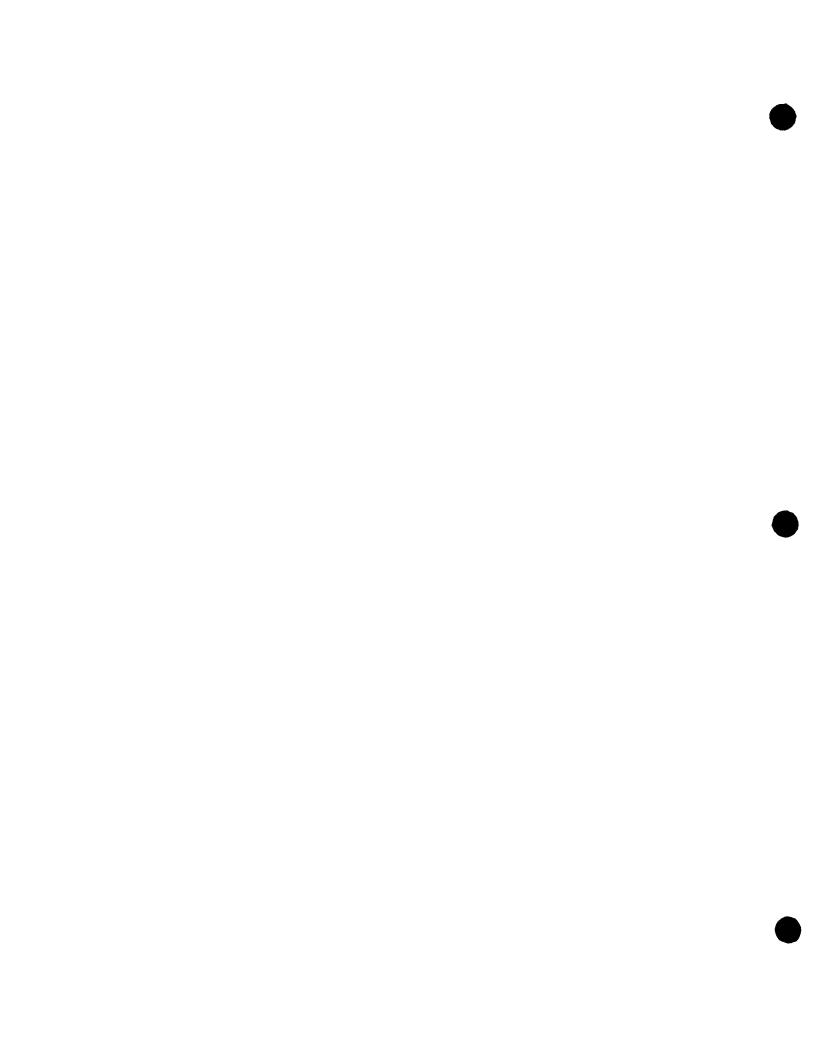
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Limitation on Product/Service Liability- Public water utilities are required to deliver water to the customer's side of the meter or service connection that meets the potability and pressure standards of the Texas Commission on Environmental Quality. 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. 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 preventive measures as are required by TCEQ rules, (3) electrical power failures in water systems not required by TCEQ rule to have auxiliary power supplies, or (4) termination of water service pursuant to the utility's tariff and the TCEQ's rules. The utility is not required by law and does not provide fire prevention or fire fighting services. The HOA provides this service. 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.

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.



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 entitled to a written explanation of such costs prior to 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 have the right to file a Complaint with 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.

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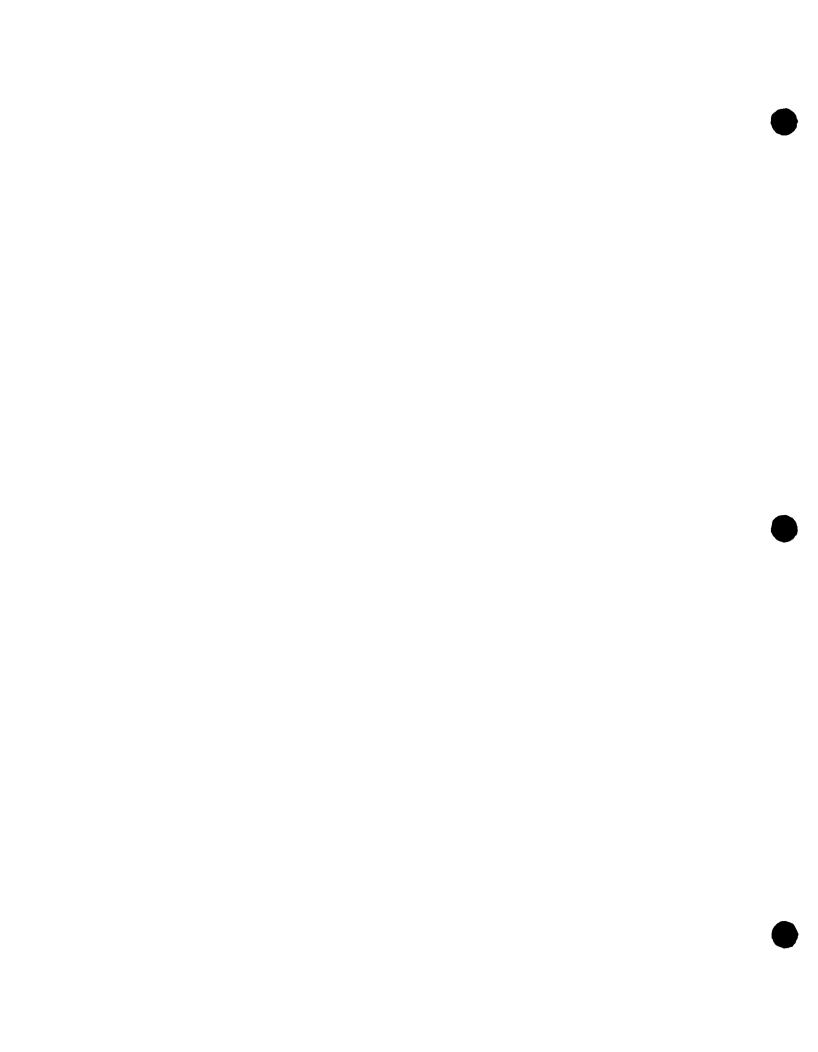
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Tap fees may be increased by unique costs not normally incurred as may be permitted by applicable PUC Rules.

The Utility adopts the Uniform Plumbing Code pursuant to TCEQ Rule 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 rule. No water service smaller than  $5/8^{\circ}$  will be connected. No pipe or pipe fitting which contains more than 8.0% 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 0.2% lead can be used at any connection which provides water for human use.

The utility will have the right of access to the customer's premises at all times reasonable 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. 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.

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

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other water service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a water main abutting the premises.

No connection shall be allowed which allows water to be returned to the public drinking water supply. No backflow prevention device shall be permitted to be installed in the customer's plumbing without notice to and written permission from the utility. Any backflow prevention devices so installed shall be inspected annually by a licensed backflow prevention device inspector or appropriately licensed plumber and a written report of such inspection delivered to the utility.

No application, agreement or contract for service may be assigned or transferred without the written consent of the utility.

It is agreed and understood that any and all meters, water lines and other equipment furnished by the utility (excepting the customer's individual service lines from the point of connection to customer's structures on customer's premises) are and shall remain the sole property of the utility, and nothing contained herein or in a contract/application for service shall be construed to reflect a sale or transfer of any such meters, lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said water lines and for installation, not purchase, of said meters and lines.

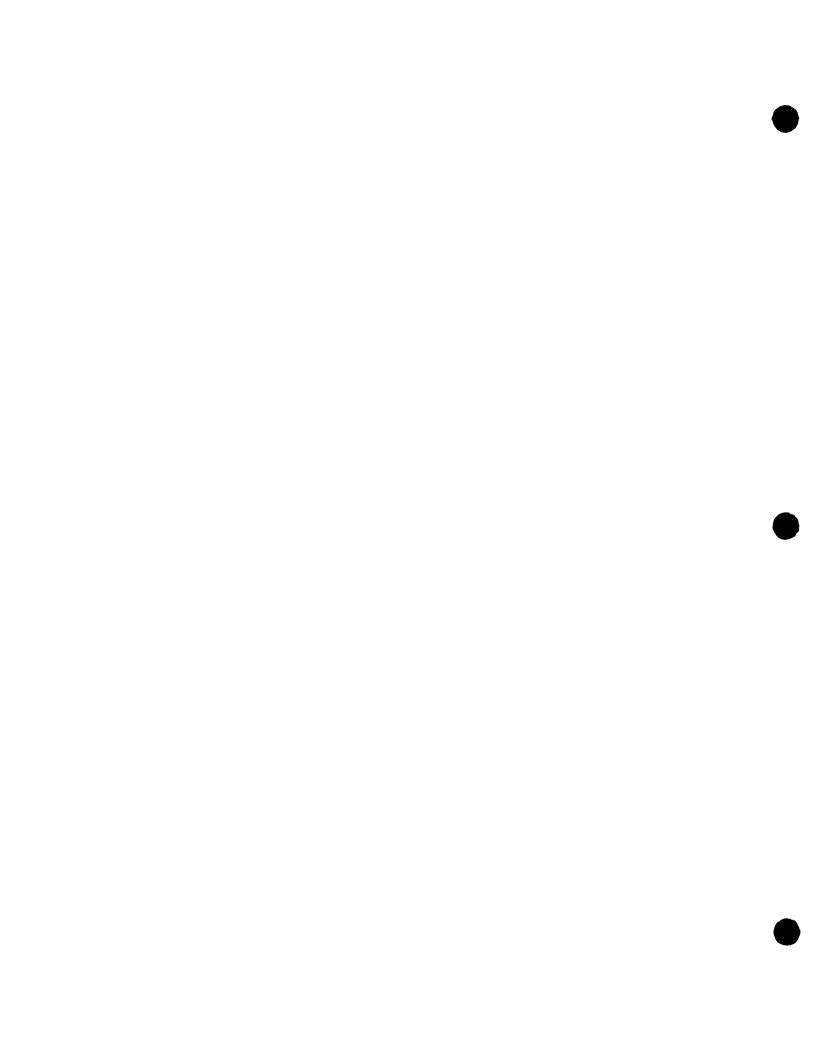
Applicants for service at new consuming facilities or facilities which have undergone extensive plumbing modifications are required to deliver to the

Dos Aguas. LLC.

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Water Tariff

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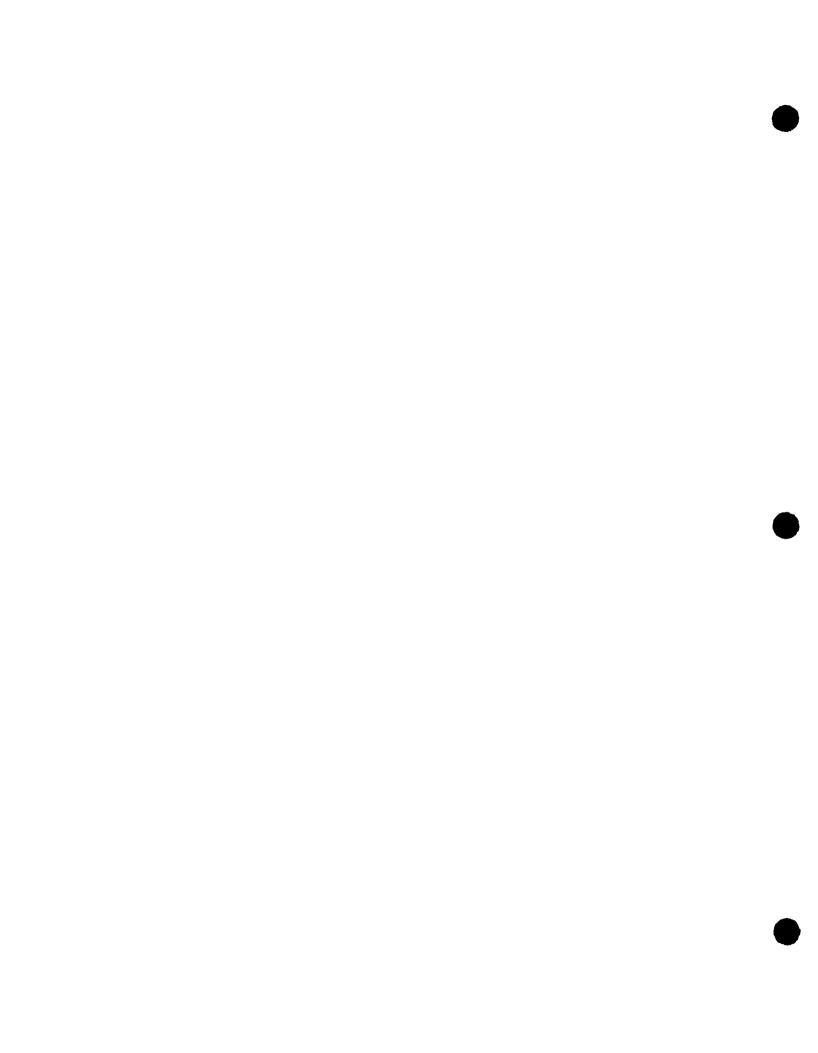
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Utility a certificate that their facilities have been inspected by a statelicensed inspector and that they are in compliance with all applicable plumbing codes and are free of potential hazards to public health and safety. Service may be denied until the certificate is received or any identified violations or hazards are remedied. The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer to locate and obtain the services of a licensed inspector in a timely manner. When potential sources of contamination are identified which, in the opinion of the inspector or the Utility, require the installation of a state-approved backflow prevention device, such back flow prevention device shall be installed on the customer's service line or other necessary plumbing facilities by an appropriately licensed plumber/back flow prevention device specialist at the customer's expense. The backflow prevention device shall be maintained by the customer at his expense and inspected annually by a licensed inspector. Copies of the annual inspection report must be provided to the Utility. Failure to comply with this requirement may constitute grounds for termination of water service with notice.

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. Access to meters and cutoff valves shall be controlled by the provisions of 30 TAC 291.89(c).

Where necessary to serve an applicant's property, the Utility may require the applicant to provide it a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant.

Service applicants may be required to comply with any pre-condition to receiving service not printed herein as may exist under TCEQ rule (customer service, health and safety, water conservation, or environmental), USEPA rule, TWDB rule, PUC rule, local water or conservation Company rule or health department rule. Existing customers shall be required to comply with such rules, including modification of their plumbing and/or consumption patterns, after notice.



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FIRE PROTECTION: Utility is not required by law and does not provide fire prevention or firefighting services. 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 service 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 customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

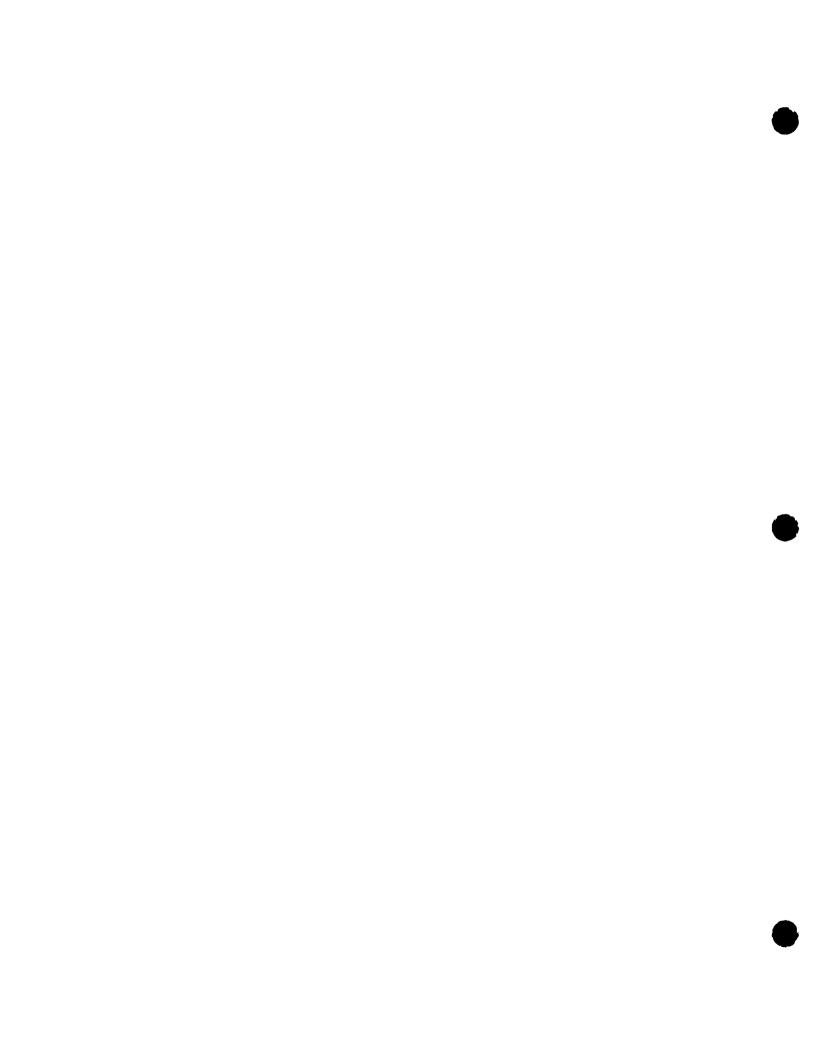
The utility will bear the full cost of any oversizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction <u>may not be required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

COST UTILITIES SHALL BEAR. Within its certificate area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the PUC and/or TCEQ Rules.

Dos Aguas. LLC.

Water Tariff



# SECTION 3.20 - Specific Utility Extension Policy

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

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

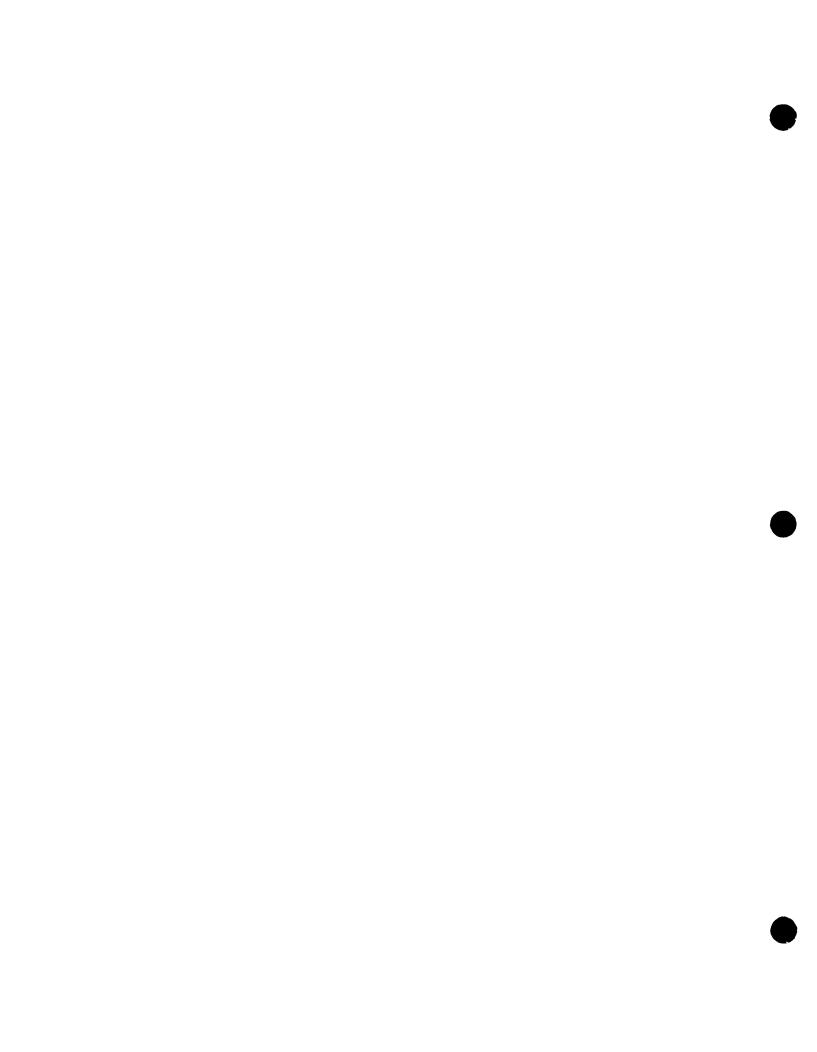
Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Commission on Environmental Quality minimum design criteria for facilities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

The utility adopts the administrative rules of the PUC, as amended from time to time, as its company specific extension policy. These rules will be kept on file at the company's business office for customer inspection during normal business hours. In the event of a conflict between the PUC's rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the PUC rule in question to the degree that the Utility may conduct its lawful business in conformance with all requirements of said rule.

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When an individual residential applicant requires an extension of a main line beyond 200 feet, the charge to that applicant shall be the actual cost of such extension in excess of 200 feet, plus the applicable tap fee plus such other approved costs as may be provided in this tariff and/or PUC rules.

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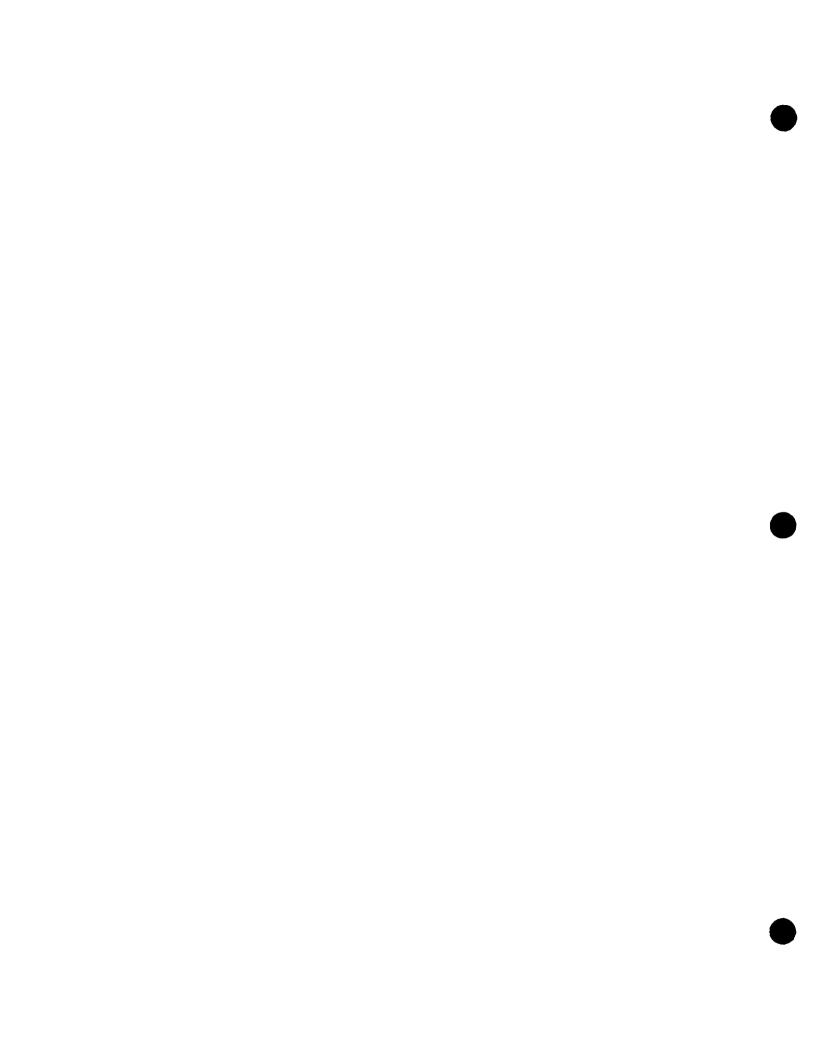
Residential tap fees may be increased by other unique costs not normally incurred as permitted by PUC rule. Larger meter taps shall be made at actual cost associated with that tap which shall include such extraordinary expenses.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 291.86(d) and this tariff. 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 based upon the capacities of production, transmission, storage, pumping and treatment facilities, compliant with the Texas Commission on Environmental Quality minimum design criteria, which must be committed to such extension. As provided by 30 T.A.C. 291.86(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

Unless expressly exempted by TCEQ rule or order, each point of use (as defined by 30 TAC 291.3) must be individually metered.

The imposition of additional extension costs or charges as provided by Sections 2.20 and 3.20 of this tariff shall be subject to complaint 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 entitled to 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 have the right to file a complaint with the PUC or such



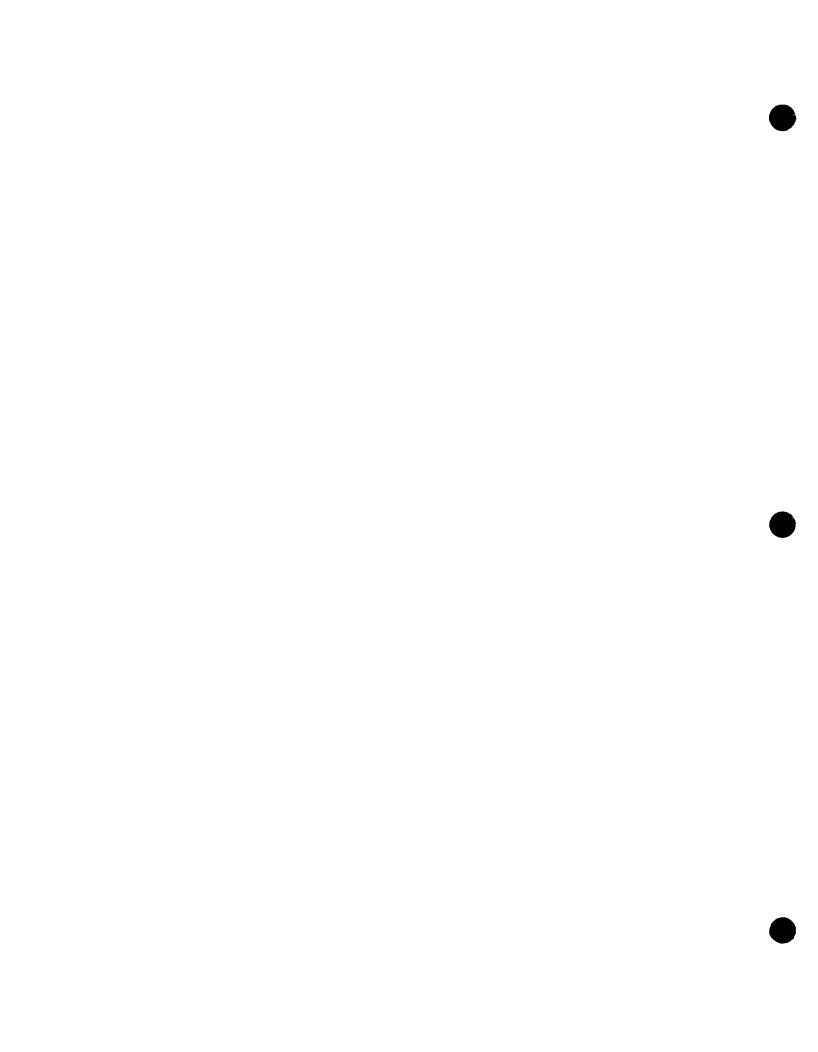
other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located. Unless the PUC or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

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 applications forms will be available for applicant pick up 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.

The Utility shall serve each qualified service applicant within its certificated 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 herein or by PUC rules.

The Utility is not required to extend service to any applicant outside of its certificated service area and will only do so, at the Utility's sole option, under terms and conditions mutually agreeable to the Utility and the applicant and upon extension of the Utility's certificated service area boundaries by the PUC. Service applicants may be required to bear the cost of the service area amendment.

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements of service contained in this tariff, PUC and/or TCEQ rules and/or PUC order, (2) has made all payments for tap fees and extension



charges, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary, (4) delivered an executed customer service inspection certificate to the Utility and (5) has executed a customer service application for each location to which service is being requested.

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. The tap request must be accompanied with a plat, map, diagram 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. 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 near service main with adequate capacity to service the applicant's full potential service demand. 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, applicant may refer the matter to the PUC and/or TCEQ for resolution. Unless otherwise ordered by the PUC or TCEQ, the tap or service connection will not be made until the location dispute is resolved.

The Utility shall require a developer (as defined by applicable PUC and/or TCEQ rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property. The Developer shall be required to obtain all necessary easements and rights-of-way required to extend the Utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by PUC and/or TCEQ rules and local service conditions) to and throughout the Developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, well plant sites shall convey with unrestricted rights to produce water for public drinking water supply.

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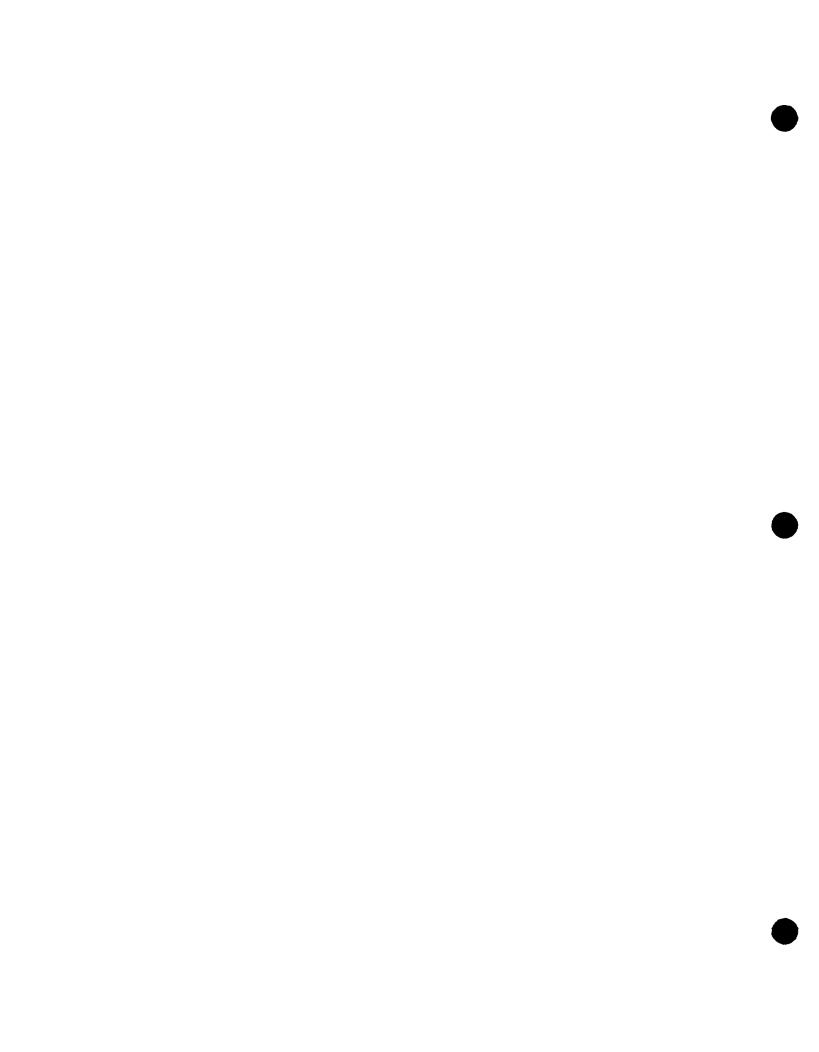
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Developers shall be required to provide sanitary control easements acceptable to the PUC and/or TCEQ for each water well site to be located within their property or otherwise being obtained to serve their property. Unless otherwise agreed to by the Utility, pipe line right-of-way easements must be at least 20 feet wide to allow adequate room to facilitate backhoe and other heavy equipment operation and meters. Easements must be provided for all production, storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by PUC and/or TCEQ rules. All easements shall be evidenced, at Developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

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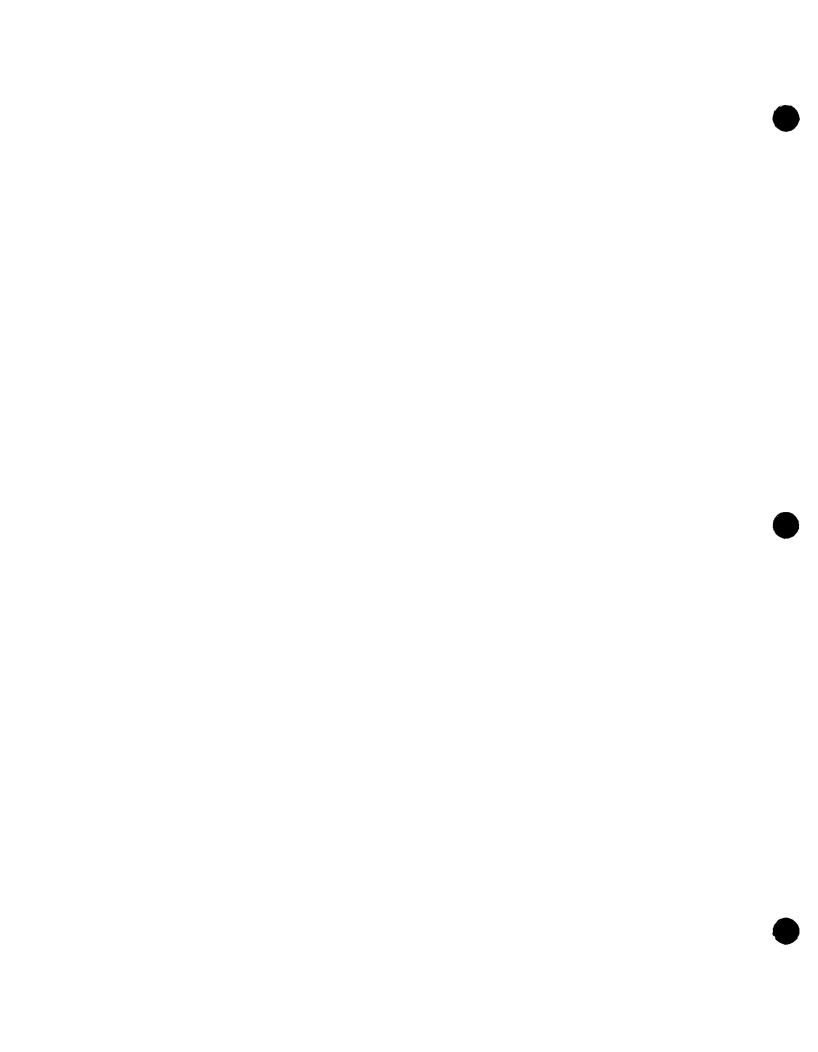
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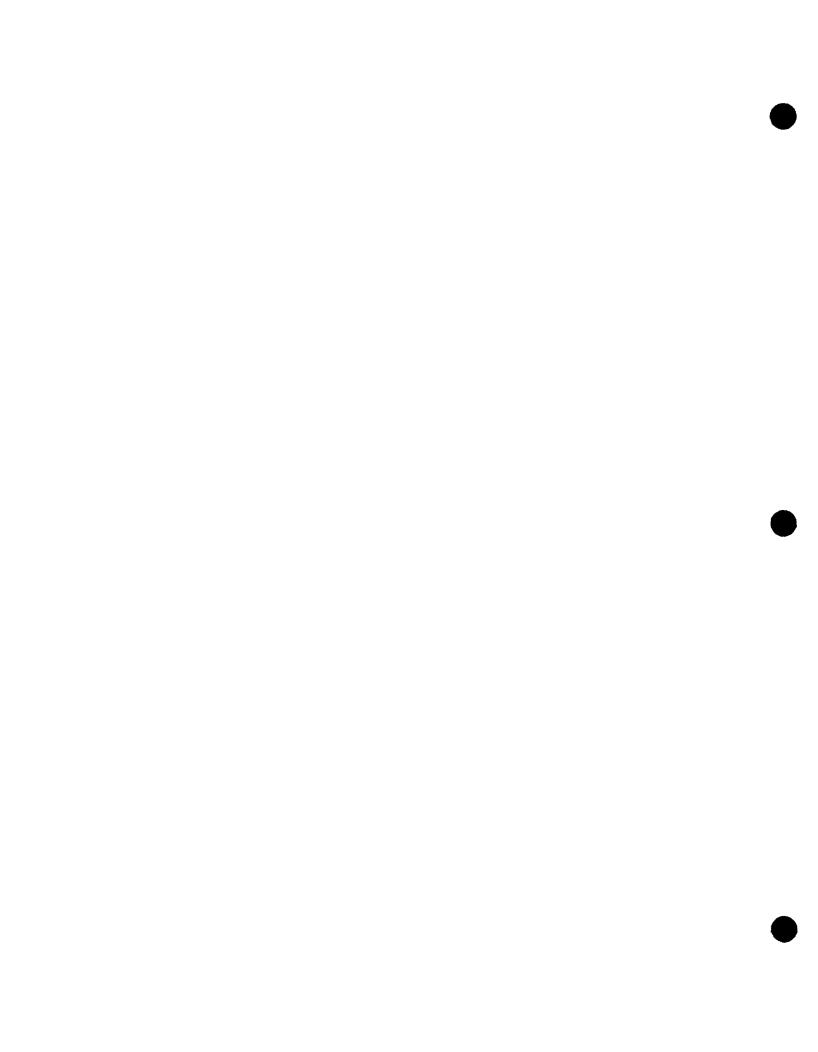
Prior to the extension of utility service to developers (as defined by PUC and/or TCEQ rules) or new subdivisions, the Developer shall comply with the following:

- The Developer shall make a written request for service to (a) property that is to be subdivided and developed. The Developer shall submit to the Utility a proposed plat on a scale of one inch (1") to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. reconcilable deposit in an amount set by the Utility may be required to cover preliminary engineering, legal and copy cost to be incurred by the Utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers and/or the environment.
- (b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the Utility to the Developer for final plat preparation.



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- (c) Copies of all proposed plats and plans must be submitted to the Utility prior to their submission to the county for approval to insure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the Utility so that necessary changes may be incorporated into the Developer's final submitted plat(s) and plans.
- (d) The Utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the Utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the Utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands. the Developer will be so notified. Plat amendments must be obtained by the Developer. The Developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the Utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.
- (e) The Developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual taps, meters, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.
- (f) At the sole option of the Utility, the Developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions-in-aid of construction and



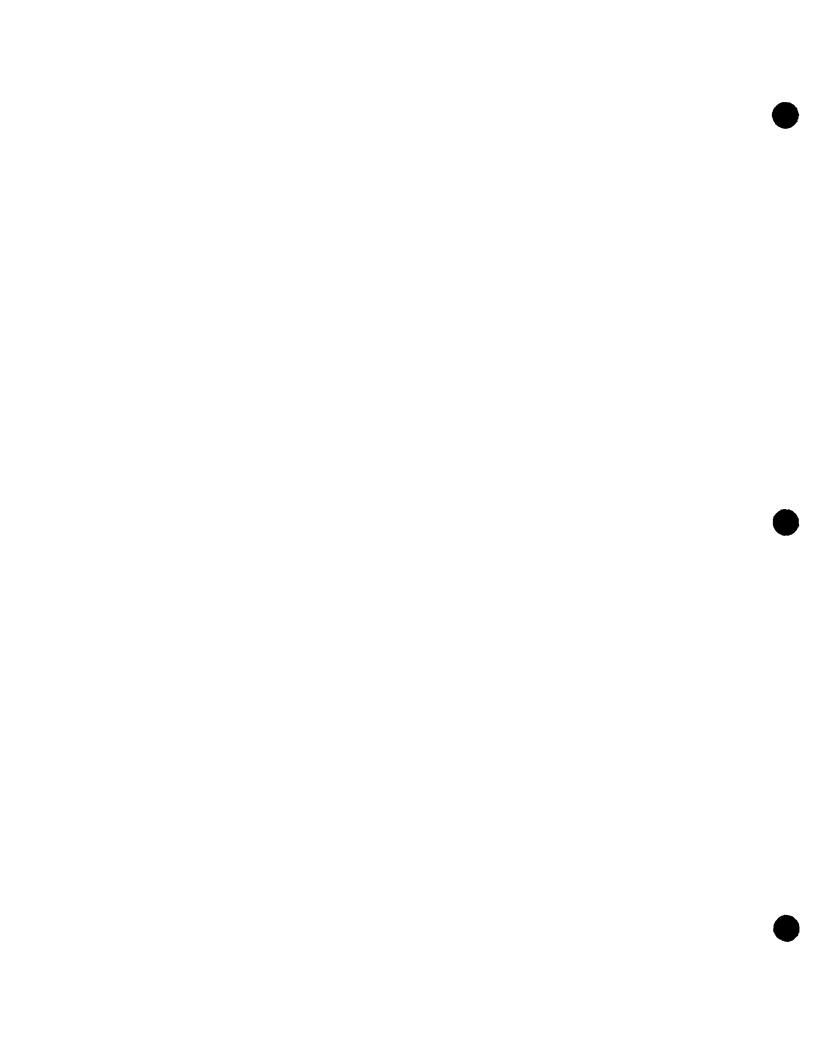
developer reimbursements, if any.

- (g) The Utility may require the Developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the Utility may abate its construction activities until full development construction begins. If the Developer stops construction of subdivision improvements for any purpose, the Utility may abate its construction for a similar period.
- (h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The Developer must notify the Utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the Utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The Developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.
- (i) The Developer, not the Utility, shall insure that Developer's employees, agents, contractors and others under its control coordinate their work or construction throughout the property with the Utility to insure the orderly and timely construction of all utility plant necessary to serve the public.

Within its certificated area, the Utility shall bear the cost of the first 200 feet of any water main line necessary to extend service to an individual residential service applicant within a platted subdivision unless the Utility can document:

- (a) 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; or,
- (b) that the Developer defaulted on the terms and conditions of a

  Dos Aguas. LLC. Water Tariff Page 24



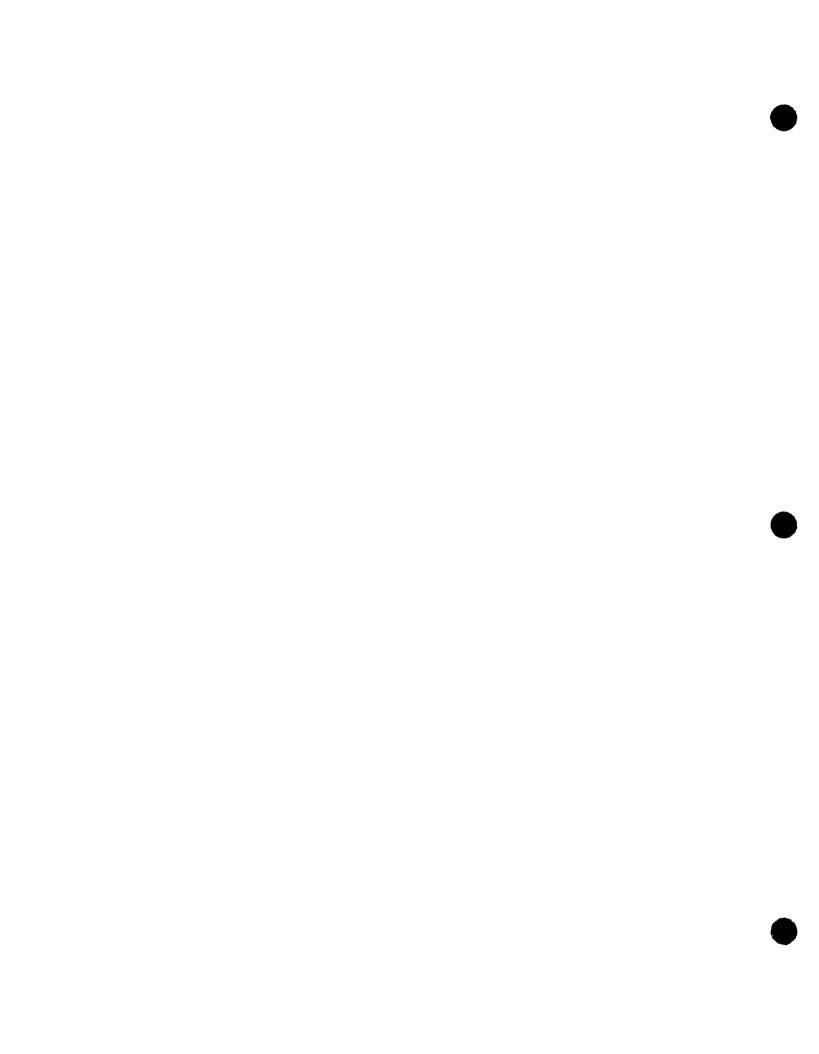
written agreement or contract existing between the utility and the developer or the terms of this tariff regarding payment for services, extensions, or other requirements; or in the event the Developer declared bankruptcy and was therefore unable to meet obligations; and,

- (c) that the residential service applicant purchased the property from the Developer after the Developer was notified of the need to provide facilities to the utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main, whether or not that line has adequate capacity to serve that residential service applicant. The following criteria shall be considered to determine the residential service applicant's cost for extending service:
- (d) the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution.
- (e) Exceptions may be granted by the TCEQ Executive Director if:
  - (1) 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;
  - (2) Larger minimum line sizes are required under subdivision platting requirements or applicable building codes.
  - (3) 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 certificated 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 but will pay for the cost of the meter as shown in this tariff.



# SECTION 4.0 - DROUGHT CONTINGENCY PLAN

# DROUGHT CONTINGENCY AND EMERGENCY WATER DEMAND MANAGEMENT PLAN

#### 1. INTRODUCTION

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The goal of this plan is to cause a reduction in water use in response to drought or emergency conditions so that the water availability can be preserved. Since emergency conditions can occur rapidly, responses must also be enacted quickly. This plan has been prepared in advance considering conditions that will initiate and terminate the rationing program.

A Drought/Emergency Management Manager who is the System Manager will monitor usage patterns and public education efforts and will make recommendations to the Company on future conservation efforts, demand management procedures or any changes to this plan. The Manager will develop public awareness notices, bill stuffers, and other methods that will begin and continue as a constant type of reminder that water should be conserved at all times, not just during a drought or emergency. This Manager will also review and evaluate any needed amendments or major changes due to changes in the Company service area population, distribution system or supply. This review and evaluation will be done on a regular basis of five years unless conditions necessitate more frequent amendments.

The plan will be implemented according to the three stages of rationing as imposed by the Company. Section D describes the conditions that will trigger these stages.

## 2. PUBLIC INVOLVEMENT

Opportunity for the public to provide input into the preparation of the Plan was provided by the Company by scheduling and providing public notice of a public meeting to accept input on the Plan. Notice of the meeting was provided to all customers. In the adoption of this plan, the Company considered all comments from customers.

Coordination with Regional Water Planning Group



Being located within Region H, a copy of this Plan has been provided to that Regional Water Planning Group.

#### 3. TRIGGER CONDITIONS

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The Drought Emergency Management Manager is responsible for monitoring water supply and demand conditions on a monthly basis (or more frequently if conditions warrant) and shall determine when conditions warrant initiation or termination of each stage of the plan, that is, when the specified triggers are reached. The Manager will monitor monthly operating reports, water supply or storage tank levels and/or rainfall as needed to determine when trigger conditions are reached. The triggering conditions described below take into consideration: the vulnerability of the water source under drought of record conditions; the production, treatment and distribution capacities of the system, and member usage based upon historical patterns.

- a. Stage I Mild Condition: Stage I water allocation measures may be implemented when one or more of the following conditions exist:
  - 1) Water consumption has reached 80 percent of daily maximum supply for three (3) consecutive days.
  - 2) Water supply is reduced to a level that is only 20 percent greater than the average consumption for the previous month.
  - 3) There is an extended period (at least eight (8) weeks) of low rainfall and daily use has risen 20 percent above the use for the same period during the previous year.
- b. Stage II Moderate Conditions: Stage II water allocation measures may be implemented when one of the following conditions exist:
  - 1) Water consumption has reached 90 percent of the amount available for three consecutive days.
  - 2) The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days. Example: The highest recorded water level drops three (3) feet or



- c. Stage III Severe Conditions: Stage III water allocation measures may be implemented when one of the following five conditions exist:
  - 1) Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of 24 hours or longer.
  - 2) Water consumption of 95 percent or more of the maximum available for three (3) consecutive days.
  - 3) Water consumption of 100 percent of the maximum available and the water storage levels in the system drop during one 24-hour period.
  - 4) Natural or man-made contamination of the water supply source(s).
  - 5) The declaration of a state of disaster due to drought conditions in a county or counties served by the Corporation.
  - 6) Reduction of wholesale water supply due to drought conditions.
  - 7) Other unforeseen events which could cause imminent health or safety risks to the public.

### 4. STAGE LEVELS OF WATER ALLOCATIONS

The stage levels of water allocations are to be placed in effect by the triggers in Section D. The System shall institute monitoring and enforce penalties for violations of the Drought Plan for each of the Stages listed below. The water allocation measures are summarized below.

# a. Stage I - Mild Conditions

1) Alternate day, time of day, or duration restrictions for outside water usage allowed. (System will notify Customers which restriction is in effect)

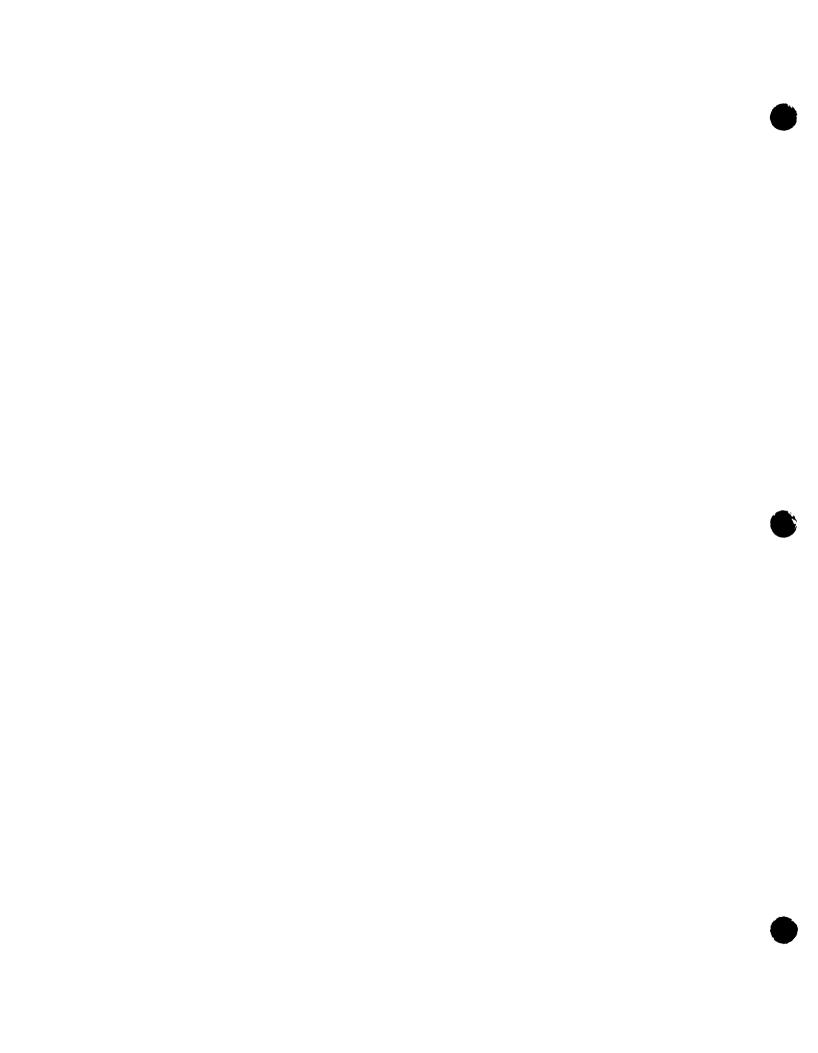
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Water Tariff



- 2) The system will reduce flushing operations.
- 3) Reduction of customers' water use will be encouraged through notices on bills or other method.

# b. Stage II - Moderate Conditions

- 1) All outside water use is prohibited (except for livestock variances).
- 2) Make public service announcements as conditions change via local media (Radio, newspapers, etc.).

# c. Stage III - Severe Conditions

- 1) All outside watering prohibited.
- Water use will be restricted to a percentage of each member's prior month usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
- 3) Corporation shall continue enforcement and educational efforts.

## 5. INITIATION AND TERMINATION PROCEDURES

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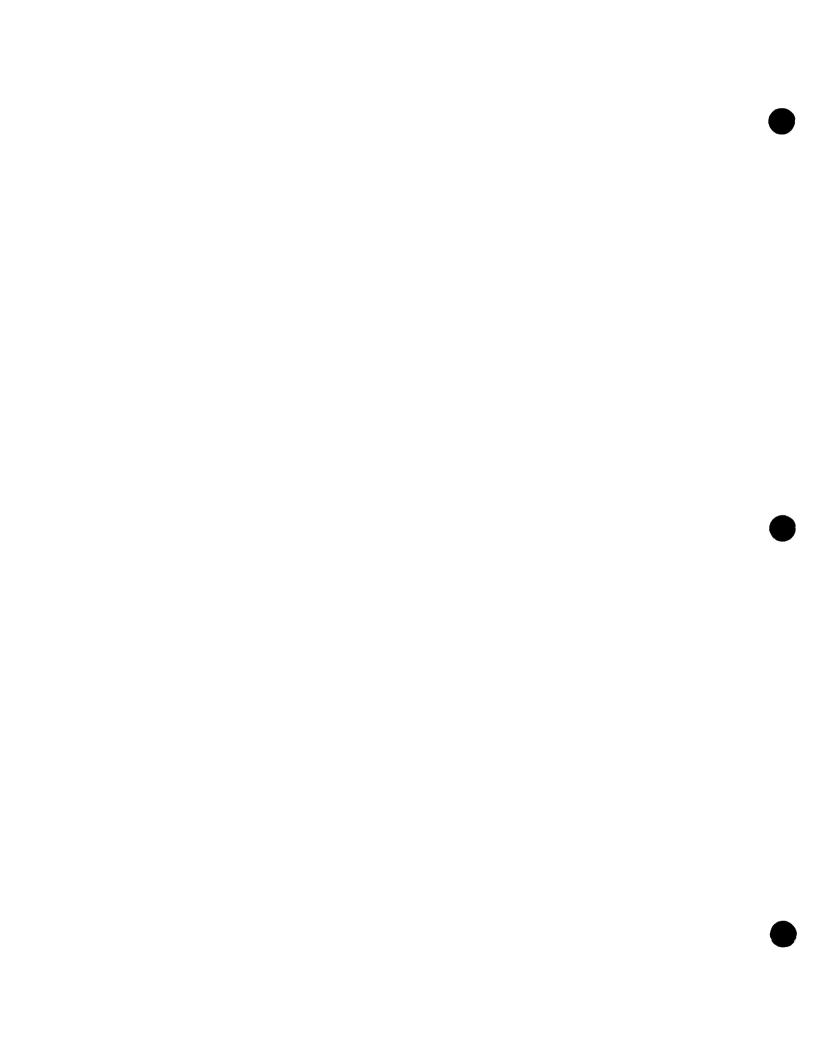
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Once a trigger condition occurs, the Corporation, or its designated responsible representative, shall, based on recommendation from the Chairperson of the Drought/Emergency Management Manager, decide if the appropriate stage of rationing shall be initiated. The initiation may be delayed if there is a reasonable possibility the water system performance will not be compromised by the condition. If water allocations are to be instituted, written notice to the customers shall be given.

Written notice of the proposed water allocation measure shall be mailed or delivered to each affected customer upon the initiation of each stage. In addition, upon adoption of Stage II or Stage III, a notice will be placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:



- a. The date water allocation shall begin,
- b. The expected duration,
- c. The stage (level) of water allocations to be employed,
- d. Penalty for violations of the water allocation program, and
- e. Affected area or areas.

If the water allocation program extends 30 days then Drought/Emergency Management Manager shall present the reasons for the allocations at the next scheduled Company Meeting and shall request the concurrence of the Company to extend the allocation period.

When the trigger condition no longer exists then the responsible official may terminate the water allocations provided that such an action is based on sound judgment. Written notice of the end of allocations shall be given to customers. A water allocation period may not exceed 60 days without extension by action of the Company.

#### 6. PENALTIES FOR VIOLATIONS

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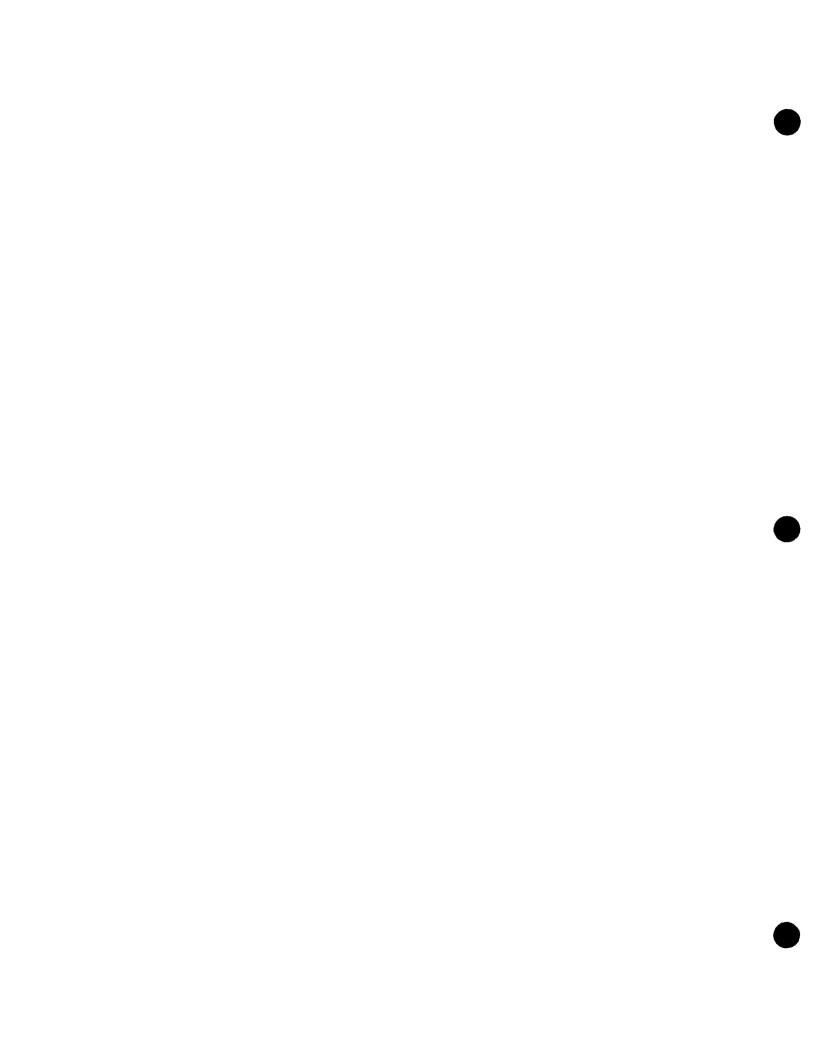
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- a. First Violation The customer/member will be notified by a written notice of their specific violation.
- b. Second Violation The Corporation may install a flow restricting device in the customer's service line to limit the amount of water that will pass through the meter in a 24 hour period. The cost of this shall be the actual cost to do the work and shall be paid by the customer.
- c. Subsequent Violations The Corporation may terminate service for up to 7 days and charge for the service call to restore service.

These provisions apply to all customers of the Corporation.

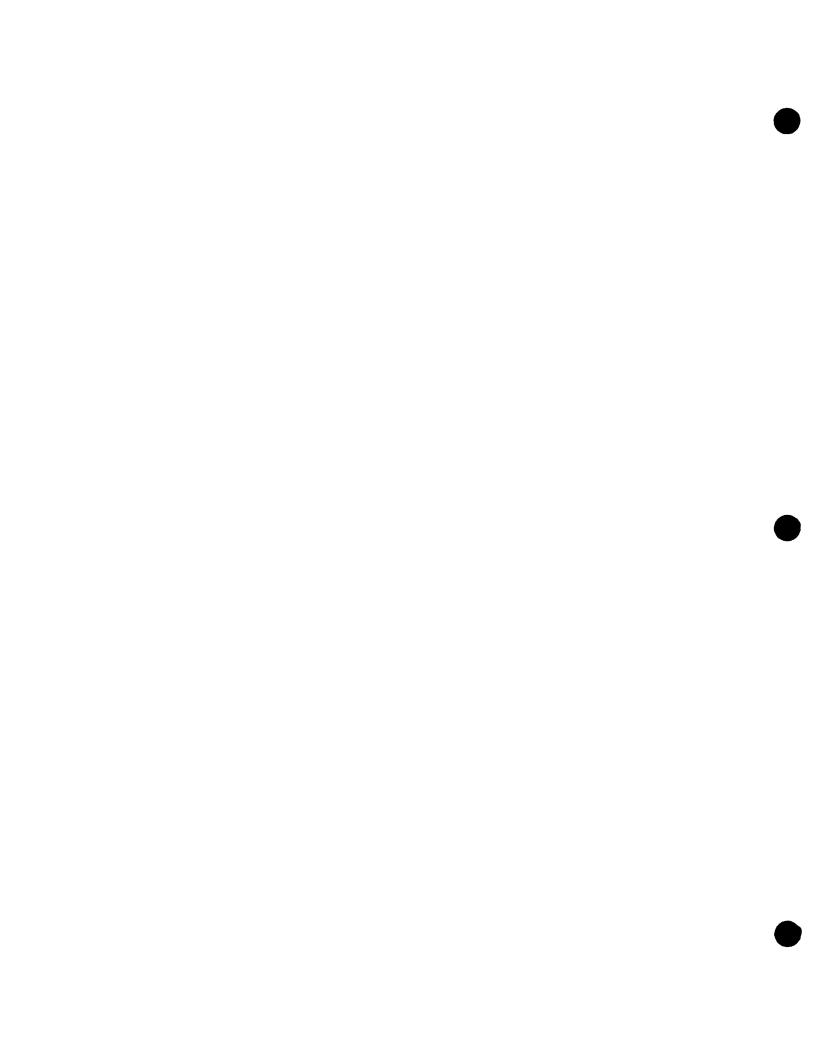


The Drought/Emergency Management Manager may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health or sanitation for the public or the person requesting such variance and if one or more of the following conditions are met:

- a. Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- b. Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the Drought/Emergency Management Manager within 5 days after the Plan or a particular drought response stage has been invoked or after a condition justifying the variance first occurs. All petitions for variances shall be reviewed by the Manager and shall include the following:

- Name and address of the petitioner(s).
- Purpose of water use.
- Specific provision(s) of the Plan from which the petitioner is requesting relief.
- Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan.
- Description of the relief requested.
- Period of time for which the variance is sought.
- Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- Other pertinent information, as requested by the Manager.



Variances granted by the Manager shall be subject to the following conditions, unless specifically waived or modified by the Manager or Company of Directors:

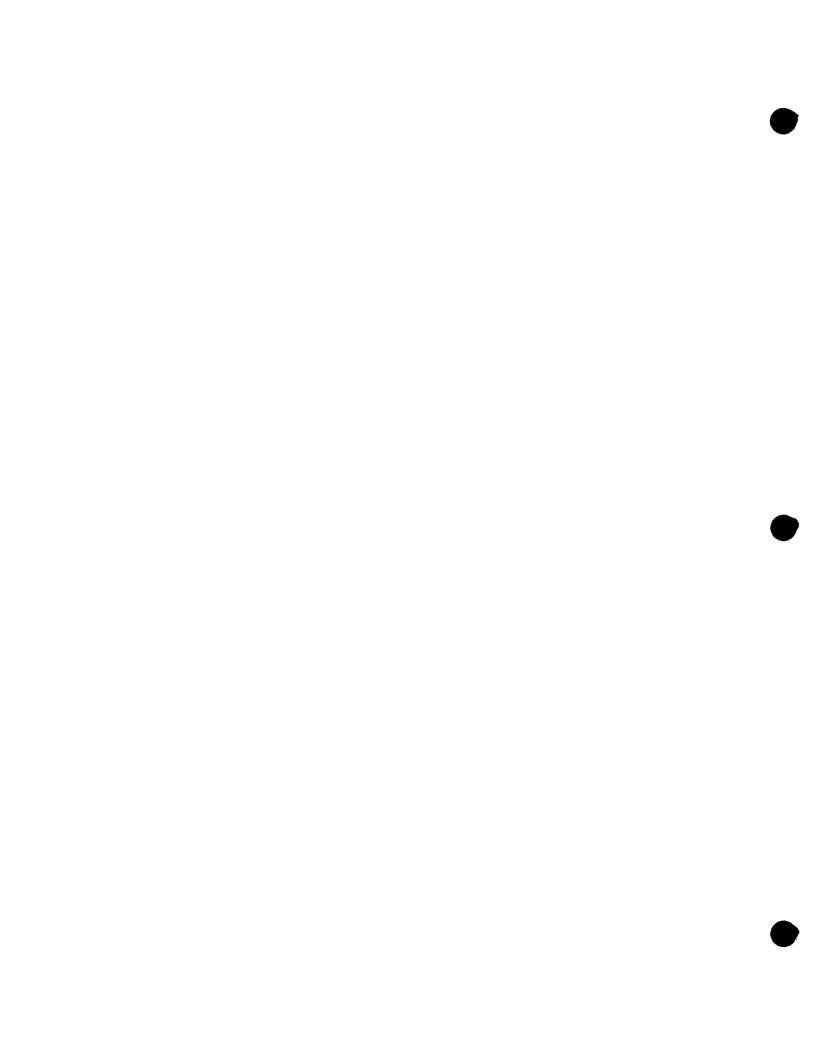
- Variances granted shall include a timetable for compliance.
- Variances granted shall expire when the water allocation is no longer in effect, unless the petitioner has failed to meet specified requirements. No variance allowed for a condition requiring water allocation will continue beyond the termination of water allocation under Section F. Any variance for a subsequent water allocation must be petitioned again. The fact that a variance has been granted in response to a petition will have no relevance to the Manager's decision on any subsequent petition.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

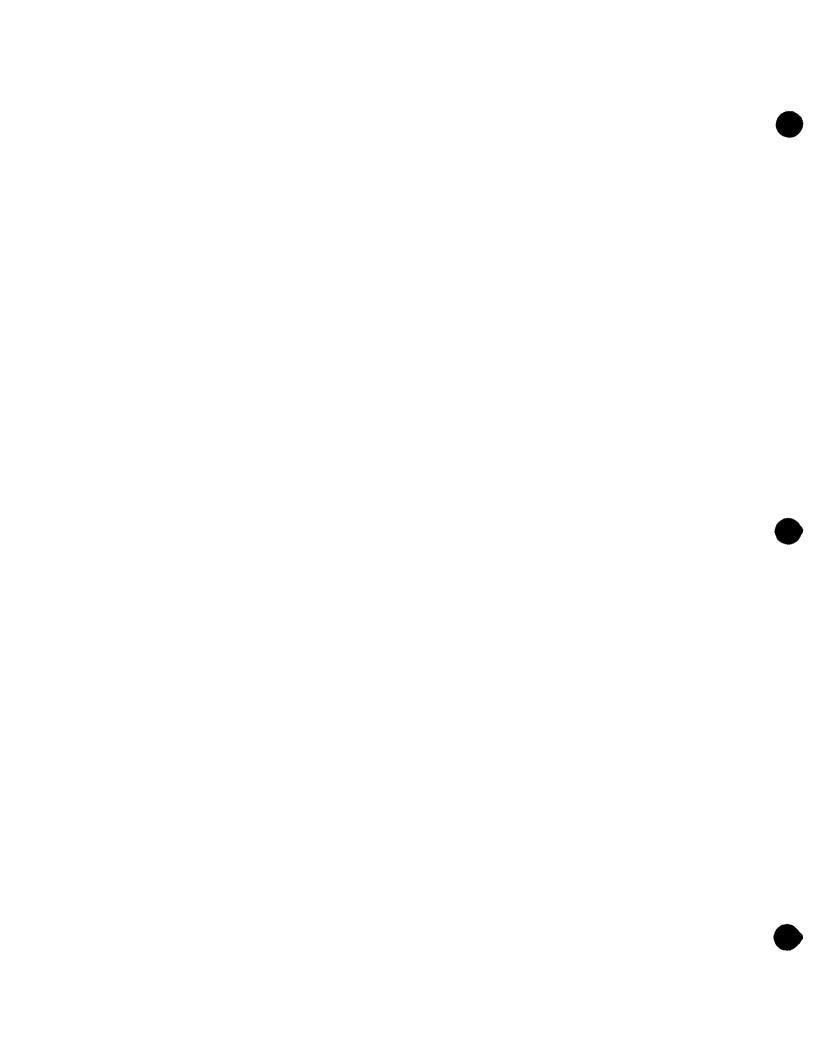
### 8. IMPLEMENTATION

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D. The Company establishes a Drought/Emergency Management Manager by Resolution, the chairperson of which will be the responsible representative to make Drought and Emergency Water Management actions. This Manager will review the procedures in this plan annually or more frequently. Modifications may be required to accommodate system growth, changes in water use demand, available water supply and/or other circumstances.







1 OTTLITY USE ONLY	
Date Approved	_
Service Classification	
Cost	_
Work Order No.	-
Eng. Update	_

# Dos Aguas, LLC 455 FM 2296 Huntsville, TX 77340

# SERVICE APPLICATION AND AGREEMENT

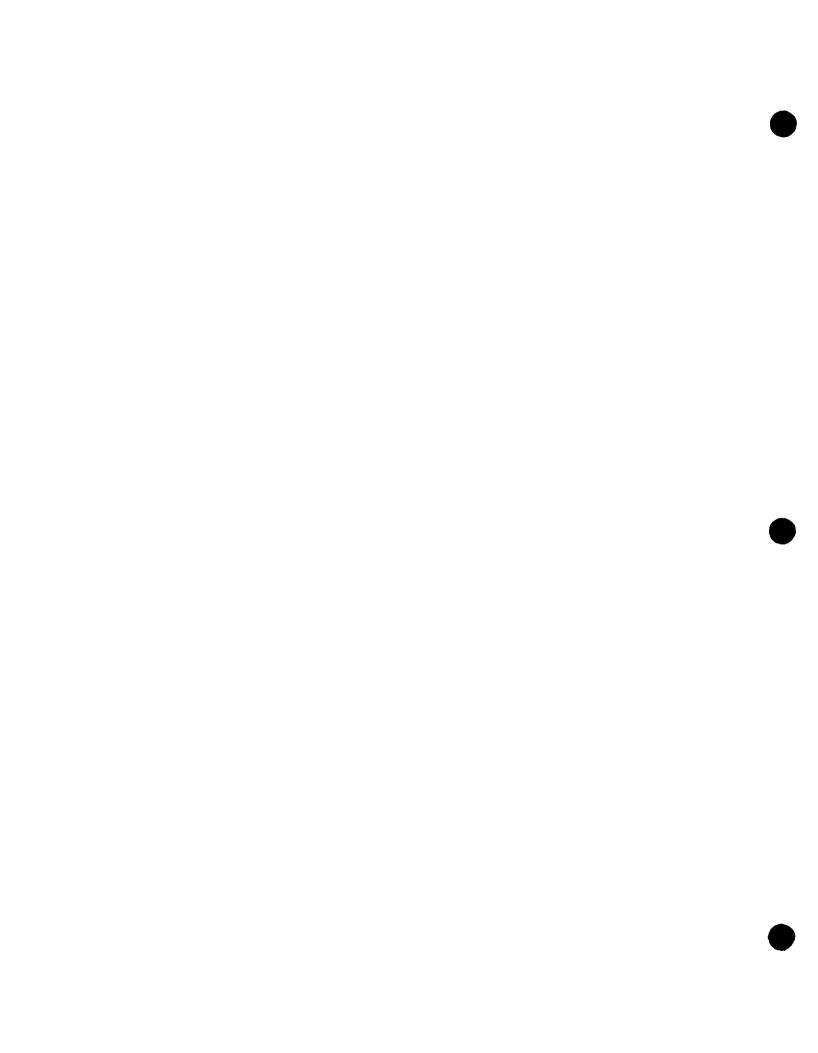
Please Print: A/C	DATE
APPLICANT'S NAME	
SPOUSE'S NAME	
E-MAIL ADDRESS	
CURRENT BILLING ADDRESS:	FUTURE BILLING ADDRESS:
PHONE NUMBER - Home ( )	Cell ()
PROOF OF OWNERSHIP PROVIDED BY	
DRIVER'S LICENSE # OF APPLICANT	
LEGAL DESCRIPTION OF PROPERTY (Included)	de name of road, subdivision with lot and block numbe

#### AGREEMENT:

Dos Aguas, LLC ("Utility") shall sell and deliver water service to the Applicant and Applicant shall purchase, receive, and/or reserve water service from the Utility in accordance with the Tariff of the Utility as amended from time to time by the Utility. Upon compliance with said policies, including payment of a Deposit Fee, the Applicant qualifies for service as a new Applicant and thereby may hereinafter be called a Customer.

Dos Aguas. LLC.

Water Tariff



The Customer shall pay the Utility for service hereunder as determined by the Utility's Tariff and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which Customer acknowledges receipt hereof by execution of this Agreement.

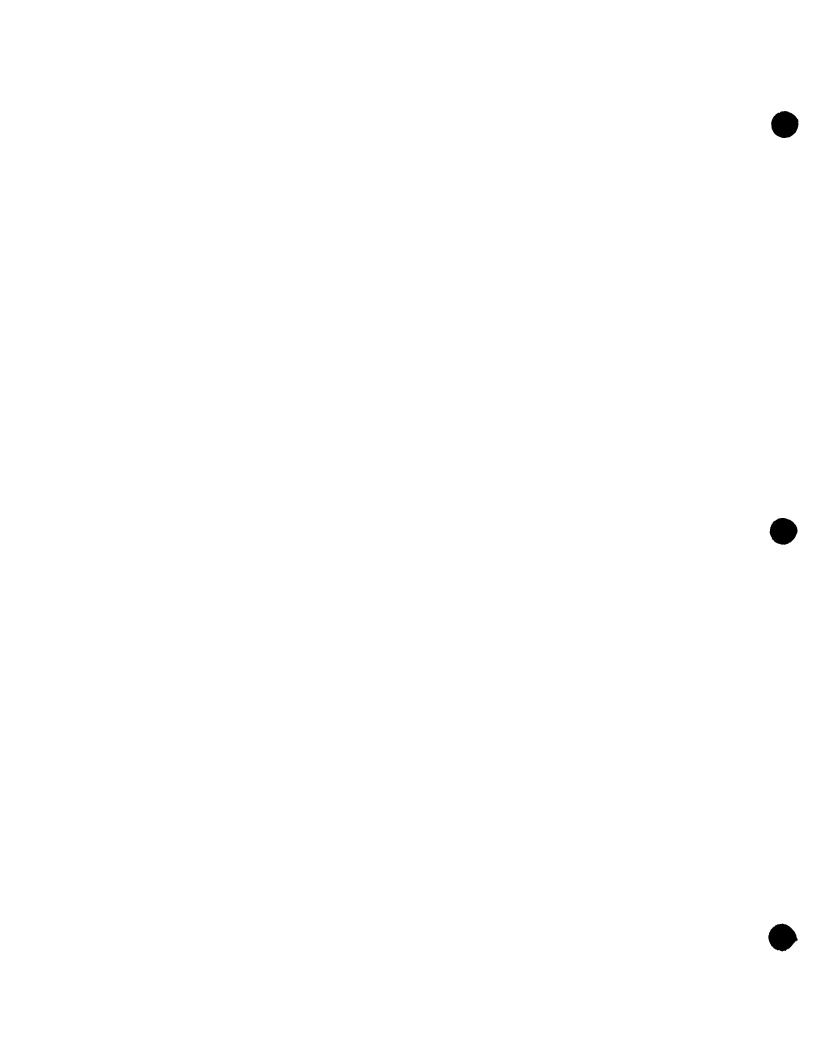
The Utility shall have the authority to cancel the service of any Customer not complying with any policy or not paying any utility fees or charges as required by the Utility's published rates, fees, and conditions of service.

PURPOSE: The purpose of this Customer Service Agreement is to notify each customer of the plumbing restrictions, which are in place to provide this protection. Dos Aguas, LLC. ("Utility") is responsible for protecting the drinking water supply from contamination or pollution, which could result from improper plumbing practices. The Utility has adopted the Uniform Plumbing Code. Any extension and/or new facilities shall comply with that code and all standards established by the TCEQ. Where conflicts arise, the more stringent standard must be followed. 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 applicable regulatory authorities and all tariffed service rules of Utility. No other water service will be used by the Customer on the same property in conjunction with Utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect onto any water lines on his premises. The Utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this Agreement before the Utility will begin service. In addition, when the service to an existing connection has been suspended or terminated the Utility will not re-establish service unless it has a signed copy of this agreement.

CUSTOMER LIABILITY: Customer shall be liable for any damage or injury to Utility owned property or personnel by the customer or others under his control. Customer agrees to take no action to create a health or safety hazard or otherwise endanger, injure, damage, or threaten Utility's plant, its personnel, or its customers.

RIGHT OF ACCESS AND EASEMENTS: Utility will have the right of access and use of the Customer's premises at all times for the purpose of installing, inspecting or repairing water, meters, and all other equipment used in connection with its provision of water, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the Utility's system. The customer will install, at his own expense, a service line from the water meter, including a cut off valve on the customer's side of the meter. The customer will be responsible for the maintenance and repair of this service line and will release and hold the Utility harmless from any claims/demands for damage to real or personal property occurring beyond the point the customer connects to the water meter.

PLUMBING INSPECTION: Applicants for service at new consuming facilities or facilities which have undergone extensive plumbing modifications, including remodeling, are required to deliver to the Utility a certificate that their facilities have been inspected by a state-licensed inspector and that



they are in compliance with all applicable plumbing codes and are free of potential hazards to public health and safety. Service may be denied until the Customer Service Inspection (CSI) is received or any identified violations or hazards are remedied. When potential sources of contamination are identified that require the installation of a backflow prevention device, such backflow flow prevention device shall be installed, tested, and maintained at the customer's expense.

LIMITATION ON UTILITY'S PRODUCT/SERVICE LIABILITY: Public water utilities are required to deliver water to the customer's side of the meter or service connection which meets the potability and pressure standards of the PUC & 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 meter delivered meets these state standards. The Utility makes no representation or warranties (expressed or implied), that customer's appliances will not be damaged or disruptions of or fluctuations in water service whatever the cause. 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 Utility, 3) electrical power failures, or 4) termination of water service pursuant to Utility's tariff and the PUC rules.

In the event the total water supply is insufficient to meet all of the needs of the Customers, or in the event there is a shortage of water, the Utility may initiate the Emergency Rationing Program as specified in the Utility's Drought Contingency Plan. By execution by the Applicant of this Agreement, Applicant hereby shall comply with the terms of said Program.

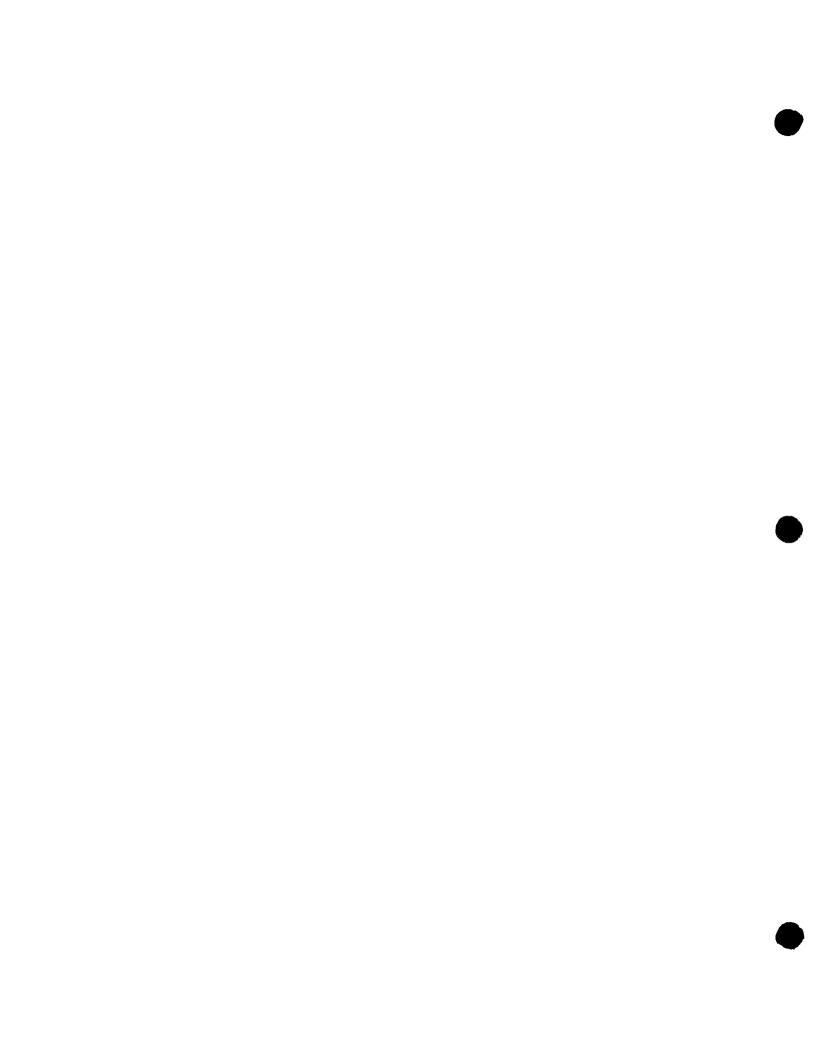
The Customer shall install at his own expense a service line from the water meter to the point of use, including any customer service isolation valves and other equipment as may be specified by the Utility District. The use of pipes and pipe fittings that contain more than 0.25% lead or solders and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Utility District.

By execution hereof, the Customer shall hold the Utility harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Customer/Users of the Utility District, normal failures of the system, or other events beyond the Utility District's control.

The Utility shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Customer's property at a point to be chosen by the Utility District, and shall have access to its property and equipment located upon Customer's premises at all reasonable times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Utility shall have the right to remove any of its equipment from the Customer's property.

The Utility's authorized employees shall have access to the Customer's property or premises at all reasonable times for the purpose of inspecting for possible violations of the Utility's policies or TCEQ Rules and Regulations. The Utility strictly prohibits the connection of service pipelines from its water service meter to any private well or other unknown water supply.

By execution of this Service Application and Agreement, Applicant shall guarantee payment of all



other rates, fees, and charges due on any account for which said Applicant has a Deposit. Said guarantee shall pledge any and all Deposit Fees against any balance due the Utility. Liquidation of said Deposit Fees shall give rise to discontinuance of water utility service under the terms and conditions of the Utility's Tariff.

By execution of this Service Application and Agreement, Applicant agrees that non-compliance with the terms of this Agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Utility.

Any misrepresentation of the facts by the Applicant on any of the four pages of this form shall result in discontinuance of service pursuant to the terms and conditions of the Utility's Tariff.

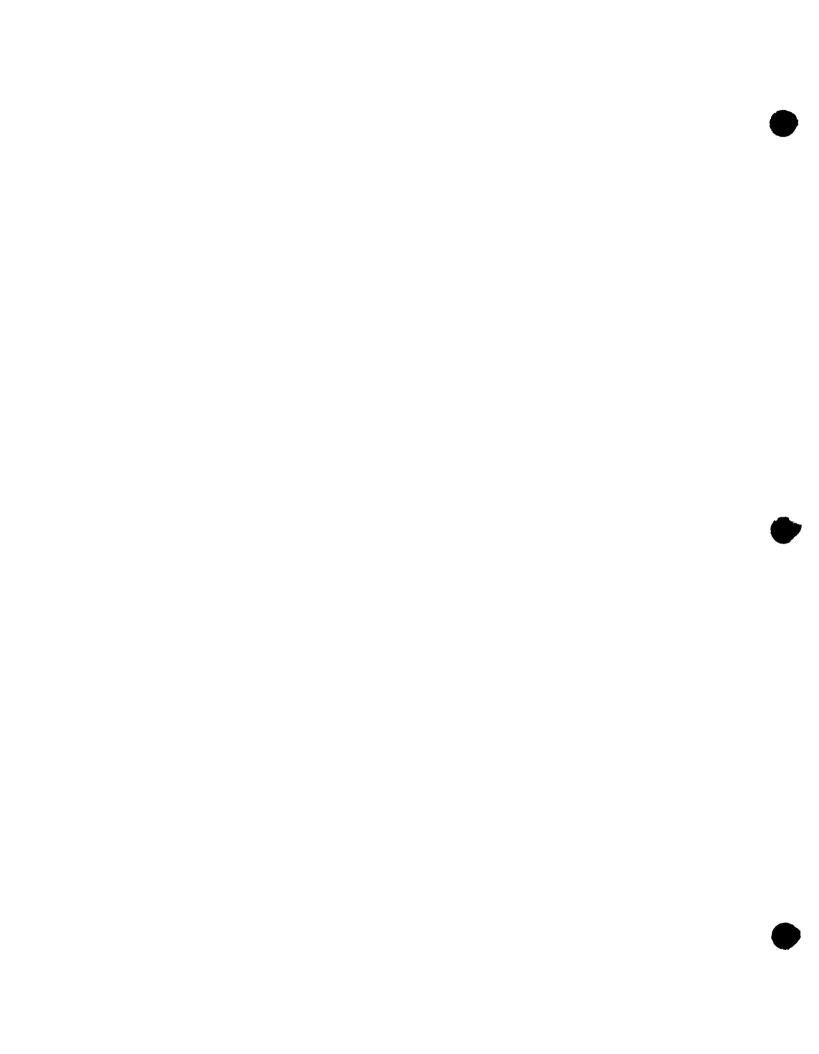
Applicant/Customer

Witnesseth Approved and Acce

DOS AGUAS, LLC

Address: 455 FM 2296 Huntsville, TX 77340

Phone Number: 936-295-4809 Contact Person: Roark Rohe



# **Detailed Map**

