



Filing Receipt

Received - 2022-02-04 12:14:38 PM

Control Number - 53075

ItemNumber - 267

**WATER UTILITY TARIFF
FOR**

SWWC Utilities, Inc., dba
Diamond Water Company, a Texas Corporation
(Utility Name)

12535 Reed Rd.
(Business Address)

Sugar Land, TX 77478-2837
(City, State, Zip Code)

(866) 654-7992
(Area Code/Telephone)

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

12865

This tariff is effective in the following counties:

Bandera, Comal and Gillespie

The following is a list of cities where SWWC Utilities, Inc., dba Diamond Water Company, a Texas Corporation provides water service:

City of Bulverde

The rates set or approved by the City of Bulverde (City) for the system within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the TCEQ and will have to be obtained from the city or utility.

This tariff is effective in the following subdivisions or systems:

See attached list.

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES.....	7
SECTION 3.0 -- EXTENSION POLICY	15
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN.....	22
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

LIST OF SUBDIVISIONS

SUBDIVISIONS / SYSTEM	PWS ID NUMBER	COUNTY
Enchanted River Estates	0100039	Bandera
Oakview	0860107	Gillespie
Rimrock	0460211	Comal
River Bend Estates	0100042	Bandera
Windmill Ranch/Kestrel Park	0460221	Comal

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonage Charge</u>
5/8" or 3/4"	\$40.95	\$2.50 per 1,000 gallons, from 0 to 2,000 gallons
1"	\$102.38	\$4.15 per 1,000 gallons, from 2,001 to 10,000 gallons
1 1/2"	\$204.75	\$5.00 per 1,000 gallons, from 10,001 to 20,000 gallons
2"	\$327.60	\$8.00 per 1,000 gallons over 20,001 gallons
3"	\$614.25	
4"	\$1,023.75	*Plus
6"	\$2,047.50	(Purchased Water Pass Through Fees Below)
8"	\$3,276.00	

Purchased Water Pass Through Fees:

Canyon Lake Water Service Company Fee.....\$1.94 per 1000 gallons

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

Cash X , Check X , Money Order X , MasterCard X , Visa X ,
 Electronic Fund Transfer X

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

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

Section 1.02 – Miscellaneous Fees

TAP FEE..... \$700.00
 TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" or 3/4" METER PLUS UNIQUE COSTS AS PERMITTED BY TCEQ RULE AT COST.

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

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

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

**WATER UTILITY TARIFF
FOR**

SWWC Utilities, Inc., dba
Diamond Water Company, a Texas Corporation
(Utility Name)

12535 Reed Rd.
(Business Address)

Sugarland, TX 77478-2837
(City, State, Zip Code)

(866) 654-7992
(Area Code/Telephone)

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

12865

This tariff is effective in the following counties:

Bandera, Comal and Gillespie

The following is a list of cities where SWWC Utilities, Inc., dba Diamond Water Company, a Texas Corporation provides water service:

City of Bulverde

The rates set or approved by the City of Bulverde (City) for the system within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the TCEQ and will have to be obtained from the city or utility.

This tariff is effective in the following subdivisions or systems:

See attached list.

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES.....	7
SECTION 3.0 -- EXTENSION POLICY	15
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN.....	22
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

LIST OF SUBDIVISIONS

SUBDIVISIONS / SYSTEM	PWS ID NUMBER	COUNTY
Enchanted River Estates	0100039	Bandera
Oakview	0860107	Gillespie
Rimrock	0460211	Comal
River Bend Estates	01000042	Bandera
Windmill Ranch/Kestrel Park	0460221	Comal

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonge Charge</u>
5/8" or 3/4"	\$40.95	\$2.50 per 1,000 gallons, from 0 to 2,000 gallons
1"	\$102.38	\$4.15 per 1,000 gallons, from 2,001 to 10,000 gallons
1 1/2"	\$204.75	\$5.00 per 1,000 gallons, from 10,001 to 20,000 gallons
2"	\$327.60	\$8.00 per 1,000 gallons over 20,001 gallons
3"	\$614.25	
4"	\$1,023.75	
6"	\$2,047.50	
8"	\$3,276.00	

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

Cash X, Check X, Money Order X, MasterCard X, Visa X,

Electronic Fund Transfer X

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

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

Section 1.02 – Miscellaneous Fees

TAP FEE..... \$700.00
 TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" or 3/4" METER PLUS UNIQUE COSTS AS PERMITTED BY TCEQ RULE AT COST.

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

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

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY
 37381-R, CCN 12865, SEPTEMBER 1, 2012
 APPROVED TARIFF BY J. B. [Signature]

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees (Continued)

RECONNECTION FEE

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

- a) Non-payment of bill (Maximum \$25.00)..... \$25.00
- b) Customer's request \$50.00
or other reasons listed under Section 2.0 of this tariff

TRANSFER FEE \$45.00

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

LATE CHARGE 10%

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

RETURNED CHECK CHARGE \$25.00

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

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

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

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY.

METER RELOCATION FEE..... Actual Relocation Cost, Not To Exceed Tap Fee

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

METER CONVERSION FEE Actual Cost To Convert That Meter

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

SEASONAL RECONNECTION FEE:

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND SECTION 3.20 UTILITY SPECIFIC EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES.

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees (Continued)

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

INCREASES IN INSPECTION FEES AND WATER TESTING COSTS IMPOSED BY STATE OR FEDERAL LAW MAY BE PASSED THROUGH AS AN ADJUSTMENT TO THE MONTHLY BASE RATE CHARGE UNDER THE TERMS AND CONDITIONS OF 30 TAC 291.21(k)(2) AFTER NOTICE TO CUSTOMERS AND UPON WRITTEN APPROVAL BY THE TCEQ.

SUPPLEMENTAL EMERGENCY SERVICE FEE

APPLICABLE TO NONRESIDENTIAL WATER SERVICE CUSTOMERS WHO REQUIRE SUPPLEMENTAL SERVICE OVER AND ABOVE THEIR EXISTING WATER SERVICE FROM TIME TO TIME. USAGE IS TO BE DETERMINED BY CUSTOMER. THE MINIMUM DIAMETER FOR SUPPLEMENTAL SERVICE METER SHALL BE 2 INCHES.

MONTHLY SUPPLEMENTAL SERVICE RATE: \$13.43
PER INCH DIAMETER OF SERVICE CONNECTION METER

METER TAMPERING, DAMAGE OR DIVERSION FEE:

ONE TIME PENALTY PER OCCURRENCE FOR TAMPERING WITH OR DAMAGING A WATER METER OR ANY APPURTENANCE THERETO INCLUDING LOCKS AND METER BOXES OR SERVICE DIVERSION OF ONE HUNDRED DOLLARS (\$100.00).

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37381-R, CCN 12865, SEPTEMBER 1, 2018
APPROVED TARIFF BY JLB

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees (Continued)

TEMPORARY WATER RATE:

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

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

Where:

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

To implement the Temporary Water Rate, the utility must comply with all notice and other requirements of 30 TAC 291.21(l).

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE - ALL WATER SUBJECT TO FEE:

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

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

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent;
- G = approved gallonage charge (per 1,000 gallons);
- B = change in purchased water/district gallonage charge (per 1,000 gallons);
- L = system average line loss for preceding 12 months not to exceed 0.15

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees (Continued)

**PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE –
PORTION OF WATER SUBJECT TO FEE:**

Upon notice from a water supplier of either an increase or a decrease in the cost of purchased water, the utility shall provide notice to customers and the Commission of its intent to implement rates imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$$\text{Adjustment to the gallonage rate: } AG = (CP/GB) \times 1,000$$

$$\text{Adjustment to the minimum bill: } AMB = GMB \times AG$$

Where:

CP: $CP_1 - CP_0$ = Change in cost of purchased water

CP_1 : Cost of purchased water during the most recent 12 month period at the new rates;

CP_0 : Cost of purchased water during the most recent 12 month period at the previous rates;

GMB: Number of gallons in the minimum bill, divided by 1,000; and

GB: Number of gallons billed to customers in excess of the amount included in the monthly minimum bill for the 12 Month period used above.

FRANCHISE FEE PASS THROUGH CLAUSE:

Charges a municipality makes for use of streets and alleys pursuant to Tax Code §182.025 or other applicable state law shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$$AG = G + B$$

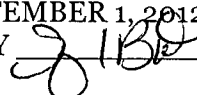
Where:

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

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

B = projected franchise fees payable (per 1,000 gallons).

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37381-R, CCN 12865, SEPTEMBER 1, 2012
APPROVED TARIFF BY 

SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 - Rules

The Utility will have the most current TCEQ Rules, 30 TAC Chapter 291, Water Rates, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02 - Application for and Provision of Water Service

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

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

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

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

Section 2.03 - Refusal of Service

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

Section 2.04 - Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the Utility, the applicant may be required to pay a deposit as provided for in Section 1.02 of this tariff. The Utility will keep records of the deposit and credit interest in accordance with TCEQ 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 that accrued within the last two years.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.04 - Customer Deposits (Continued)

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

Refund of deposit. If service is not connected, or after disconnection of service, the Utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The Utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent. Deposits from non-residential customers may be held as long as that customer takes service.

Section 2.05 - Meter Requirements, Readings, and Testing

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

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

Meter tests. The Utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the Utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the Utility's discretion, be made at the Utility's testing facility. If within a period of two years the customer requests a new test, the Utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the Utility will charge the customer a fee that 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 2.06 - Billing

Bills from the Utility will be mailed monthly unless otherwise authorized by the Commission. The due date of the bills for utility service will be at least sixteen (16) days from the date of issuance. If the customer is a state agency, the due date for the bill may

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.06 - Billing (Continued)

not be less than 30 days after issuance, unless otherwise agreed to by the agency. 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. At the customer's option, bills may be sent in a paperless, electronic form by email. The date of the email will constitute the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the Utility or the Utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

A late penalty of 10% of the delinquent bill 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) 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 the Utility regarding any bill for utility service, the Utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the Utility will inform the customer that a complaint may be filed with the Commission.

Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The Utility may 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 has not been 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 TCEQ Rules.

Section 2.08 - Reconnection of Service

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.08 - Reconnection of Service (Continued)

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 2.09 - Service Interruptions

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

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

Section 2.10 - Quality of Service

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

Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the Utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion 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 TCEQ 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 2.12 - 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 TCEQ, 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 Utility's offices for customer inspection during regular business hours. In the event of a conflict between the TCEQ's amended 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 TCEQ rule in question to the degree that the Utility may conduct its lawful business in conformance with all requirements of said rule.

All references in Utility's tariff, service contracts, or TCEQ rules shall mean the Utility's offices at 12535 Reed Road, Sugar Land, Texas 77478. Customers may make payments, apply for service, and report service problems at the office. Use of the term "business office" shall refer to this office.

All payments for utility service shall be delivered or mailed to the Utility's business office. If the business office fails to receive payment before 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 a 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 may install cutoff valves on their side of the meter and are encouraged to do so. All new customers must install customer-owned and -maintained cutoff valves on their side of the meter.

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.

Section 2.12 - Specific Utility Service Rules and Regulations (Continued)

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.

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

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, the Utility and the applicant will select such engineer, 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 TCEQ rule) for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping storage and transmission.

Any 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 before 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 appeal such costs to the TCEQ 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.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.12 - Specific Utility Service Rules and Regulations (Continued)

Tap fees may be increased by unique costs not normally incurred as may be permitted by 30 TAC 291.86(a)(1)(C).

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 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 TCEQ rule. No water service smaller than 5/8" 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 that 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 crossover 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.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.12 - Specific Utility Service Rules and Regulations (Continued)

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 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 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 backflow prevention device shall be installed on the customer's service line or other necessary plumbing facilities by an appropriately licensed plumber/backflow 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, local water or conservation district 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.

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 before beginning construction.

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

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

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the TCEQ's Rules.

SECTION 3.02 - SPECIFIC UTILITY EXTENSION POLICY

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 TCEQ 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 TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

The Utility adopts the administrative rules of the TCEQ, 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 TCEQ's amended 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 TCEQ rule in question to the degree that the Utility may conduct its lawful business in conformance with all requirements of said rule.

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 TCEQ rules.

Residential tap fees may be increased by other unique costs not normally incurred as permitted by TCEQ 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 TCEQ minimum design criteria, which must be committed to such extension. As provided by 30 TAC 291.86(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.0 – SPECIFIC EXTENSION POLICY (Continued)

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

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 2.12 and 3.02 of this tariff shall be subject to appeal as provided in this tariff, TCEQ 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 before 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 appeal such costs to the TCEQ 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 TCEQ 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 any individual applicant desires one service connection. Service application 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 that 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 TCEQ 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 TCEQ 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 TCEQ 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 TCEQ. Service applicants may be required to bear the cost of the service area amendment.

SECTION 3.0 – SPECIFIC EXTENSION POLICY (Continued)

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements of service contained in this tariff, TCEQ rules and/or TCEQ 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 is 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 TCEQ for resolution. Unless otherwise ordered by the 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 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 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. Developers shall be required to provide sanitary control easements acceptable to the 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 15 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 that are sufficient to construct and maintain all weather roads as prescribed by 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.

SECTION 3.0 – SPECIFIC EXTENSION POLICY (Continued)

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

(a) The Developer shall make a written request for service to 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. If sewer service is requested, the plat must contain elevation data. A 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.

(c) Copies of all proposed plats and plans must be submitted to the Utility before 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 that 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.

SECTION 3.0 – SPECIFIC EXTENSION POLICY (Continued)

(e) The Developer shall be required to post bond or escrow the funds necessary to construct all required Utility system extensions, except individual taps, meters, and water connections, 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 before 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 Agreement 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 before 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 or sewer collection 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,

SECTION 3.0 – SPECIFIC EXTENSION POLICY (Continued)

(b) That the Developer defaulted on the terms and conditions of a 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:

1) The residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution.

2) Exceptions may be granted by the TCEQ Executive Director if:

i. 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;

ii. 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.

SECTION 4.0 – DROUGHT CONTINGENCY PLAN
(Utility must attach a copy of the TCEQ approved Drought Contingency Plan)

TEXAS COMM. ON ENVIRONMENTAL QUALITY

CCN 12865, JUNE 20, 2013

APPROVED TARIFF BY SIBD

USER DROUGHT CONTINGENCY PLAN

MONARCH UTILITIES 1, L. P. - CCN 12983

SWWC UTILITIES, INC. dba

**Diamond Water Company - CCN 12865
Hornsby Bend Utility Company, Inc. - CCN 00923
Huntington Utility Company - CCN 11971
Inverness Utility Company, Inc. - CCN 11170
Mid-Tex Utilities, Inc. - CCN 12914
SW Utility Company - CCN 12284
Water Services, Inc. - CCN 11106
Windermere Utility Company, Inc. - CCN 11471**

**As revised
June 5, 2013**

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CCN 12865 JUN 20 13

APPROVED TARIFF BY SP/SP

TABLE OF CONTENTS

Executive Summary 2

Section 1: Declaration of Policy, Purpose, and Intent..... 2

Section 2: Public Education and Involvement 2

Section 3: Coordination with Region Water Planning Groups..... 2

Section 4: Coordination with Conservation Districts (Districts)..... 2

Section 5: Notice Requirements..... 3

Section 6: Enforcement Procedures and Plan Adoption 3

Section 7: Exemptions or Variances 4

Section 8: Response Stages 4

Section 9: Drought, Demand & Critical System Capacity Stage Triggers 5

Section 10: Alternative Water Sources 5

Section 11: Water Conservation Periods and Drought Stage Responses 5

Awareness (Voluntary, No Restrictions) 5

Goal 6

Triggers/ Rationale for Initiation..... 6

Voluntary Practices..... 6

Additional Conservation Practices 6

Utility Measures 6

Stage I: Mandatory (Mandatory Restrictions)..... 6

Goal 6

Triggers/ Rationale for Initiation..... 6

Mandatory Restrictions..... 7

Violations & Penalties..... 7

Utility Measures 7

Stage II: Alarm (Mandatory Restrictions) 8

Goal 8

Triggers/ Rationale for Initiation..... 8

Mandatory Restrictions..... 8

Additional Restrictions 8

Violations & Penalties..... 9

Utility Measures 9

Stage III: Critical (Mandatory Restrictions) 9

Goal 9

Triggers/ Rationale for Initiation..... 9

Mandatory Restrictions..... 9

Additional Restrictions 10

Violations & Penalties..... 10

Utility Measures 10

Stage IV: Exceptional Drought (Mandatory Restrictions)..... 10

Goal 10

Triggers/ Rationale for Initiation..... 10

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CCN 12865 JUN 20 2013

APPROVED TARIFF BY SP/SP

Mandatory Restrictions..... 10
Additional Restrictions 101
Violations & Penalties..... 101
Utility Measures 101

Stage IV: Plum Creek Water System Only11

Section 12: Approved Watering Day Schedule.....12

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CCN 12865 JUN 20 13

APPROVED TARIFF BY SP/SP

Executive Summary

The Utility approves this User Drought Contingency Plan ("UDCP" or "plan") to manage its water systems and water resources during drought conditions, periods of abnormally high usage, system contamination, and extended reduction in ability to supply water due to equipment failure or other emergencies in a conscientious, fair, and appropriate manner. This plan is not designed to penalize, stigmatize, or criticize anyone about their respective water use. The sole intent of this plan is to protect the health and safety of the community at large by maintaining an adequate supply of water during the various stages of drought conditions or other water supply emergencies.

The Utility believes significant reductions in water usage can be achieved through voluntary efforts by customer. Implementation of voluntary water conservation measures and conscientious water use practices are encouraged at all times, however, additional water use restrictions are required in cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure.

Section 1: Declaration of Policy, Purpose, and Intent

The Utility, in their continuing effort to maintain an adequate supply of high quality water, approves this UDCP. In order to maintain supply, storage, and pressure or to comply with regulatory requirements, temporary restrictions may be necessary to limit non-essential water usage. This UDCP has been guided by the Texas Commission on Environmental Quality (TCEQ) Requirements & Rules.

Section 2: Public Education and Involvement

The Utility will periodically provide customers with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the water use restrictions to be implemented in each stage. The Utility considers drought information timely and promotes easy to understand information related to the UDCP. Therefore, the utility will provide information utilizing one or more of following communication channels:

- Bill inserts
- Direct mail notices
- Website

Section 3: Coordination with Region Water Planning Groups

The Utility service area is located within Regional Water Planning Groups (RWPG) C, D, G, H, I, J, K and L. The Utility has mailed a copy of this Plan to the respective RWPG.

Section 4: Coordination with Groundwater Conservation Districts and Regional Surface Water Authorities (Districts)

The Utility owns and operates water systems in several geographical areas within the State of Texas. A number of these areas are subject to District rules, which the Utility is obligated to follow. The Utility is committed to making the best use of groundwater and surface water resources and coordinating conservation efforts with Districts to make the best use of these resources.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Section 5: Notice Requirements

The Utility will provide written notice to each service address by mail, hand delivery or electronic mail prior to implementation or termination of each stage of the water restriction program. The utility will send said notice to each customer at least 72 hours prior to the start of new or modified water use restrictions. If the Utility hand delivers said notice, the Utility will not enforce the provisions of the plan for 24 hours after notice is provided.

The Utility will provide the following information on the written notice:

- the date restrictions will begin,
- the triggering circumstances,
- an outline of the stages and explanation of restrictions in this plan, and
- an explanation of the violation consequences.

During Stage 3, the Utility will notify customers that violating sprinklers, automatic irrigations systems or use of hand held hose restrictions may result in installation of a flow restrictor without a prior notice.

Prior to implementing Alarm, Critical or Exceptional Drought Stage, the Utility will notify the TCEQ by telephone at (512) 239-4691 or by electronic mail at watermon@tceq.state.tx.us. In addition, the Utility will notify, in writing, the District and the Public Drinking Water Section at MC-155, P.O. Box 13087, Austin, TX 78711-3087 with five (5) working days of implementation.

Section 6: Enforcement Procedures and Plan Adoption

No person shall knowingly or intentionally allow the use of water from the Utility for residential, commercial, industrial, agricultural, governmental or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the Utility Management in accordance with provisions of the Plan.

Any person, including a water customer of the Utility in apparent control of the property where a violation occurs or originates, shall be presumed to be the violator and proof that the violation occurred on the person's property shall constitute a presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to prove a violation was not committed. Parents or guardians are presumed to be the responsible party for violations committed by their minor children. A violation of this policy, committed by a child, occurring on property within the parent or guardian control shall constitute a presumption that the parent committed the violation. The Utility reserves the right to review violations on a case by case basis and discharge violations of this plan where a violator provides reasonable evidence of a good faith effort to prevent a violation of this plan.

To implement and enforce this plan, the Utility will:

- utilize methods and procedures outlined in this plan,
- incorporate enforcement measures and surcharges available to CCN holders under TCEQ rules, and
- will notify system end-users of the authority and intent to enforce the measures of this plan.

Penalties for violations are outlined in the respective plan stages below.

TEXAS COMM ON ENVIRONMENTAL QUALITY

Section 7: Exemptions or Variances

The Utility may grant any customer an exemption or variance from the UDCP for good cause upon written request. If such a request may cause the Utility to violate a provision as set by Districts, the Utility may request a variance to the provision from said District. Any customer refused an exemption or variance by the Utility may appeal such action of the Utility in writing to the TCEQ. The Utility will treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances. No exemption or variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

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

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

Persons requesting an exemption from the provisions of the Plan shall file a petition for variance with the Utility within five (5) days after the Plan or a particular drought response stage had been invoked. All petitions for variances shall be reviewed by the Management of the Utility 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 provision.
- 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.

Variances granted by the Utility are subject to the following conditions, unless waived or modified by Management:

- Variances granted shall include a timetable for compliance.
- Variances granted shall expire when the Plan is no longer in effect, unless the petitioner has failed to meet specific requirements.

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

Section 8: Response Stages

Unless there is an immediate and extreme reduction in an aquifer level; water availability or production; critical system capacity; or other absolute necessity to declare an emergency or

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

severe condition, the Utility will progress sequentially from Stage 1 through more restrictive stages. If, after a reasonable period of time, demand is not reduced enough to alleviate the conditions that initiated restrictions or to comply with restrictions required by a court, district, government agency, wholesale provider or other authority, some outdoor water use provisions in a particular Stage may be modified or further restricted or more restrictive Stages implemented as necessary to achieve the necessary reductions. In addition to restricted watering times, maximum monthly or weekly customer usage targets may be implemented and enforced in the same manner as the restrictions listed below. Notice of any modified restrictions or of a more stringent stage will be provided to customers in accordance with Section 3. In order to comply with the requirements of an underground district, wholesale provider or other authority, the Utility may skip a less restrictive stage and immediately implement Stage II, Stage III or Stage IV.

Section 9: Drought, Demand & Critical System Capacity Stage Triggers

Water System Supply Contamination or Outage

In the event of system supply contamination or system outage, the Utility may immediately implement the response measures of Stage IV.

Demand Based Triggers

Trigger	Stage I (Mandatory)	Stage II (Mandatory)	Stage III (Mandatory)
Percent of water treatment capacity reached for 3 or more days in a week	60	75	90
Well pump hours per day for more than 3 days.	15 Hours	18 hours	22 hours

Supply Based Triggers

For those systems where the Utility pumps water from a ground water district or purchases water from wholesalers, the district or wholesale supplier will formally notify the Utility of one or more precipitating events triggering a stage of the district or wholesaler’s drought contingency plan. Upon enactment of a stage in the district, authority or wholesaler’s drought contingency plan, the Utility may correspondingly implement the same or equivalent stage in its service area. The Utility can modify its plan to match the watering schedules, daily watering hours or other specific restrictions of a wholesaler, district or other authority if asked to do so. The Utility will notify customers of any changes in days, hours or other provisions prior to enforcing provisions of the plan. When the Utility must self regulate to comply with ground water permit limitations, water restrictions may be enacted to ensure compliance with permit limits.

Section 10: Alternative Water Sources

If available an alternate water source will be used directly by the Utility to manage limited water supplies in the event of water supply contamination, system outage or conditional permitting curtailments.

Section 11: Water Conservation Periods and Drought Stage Responses

Drought contingency plans are multifaceted. To aid the general public and utility employees in understanding this plan, the Utility provides a summary of the mandatory Stages I, II, and III in Section 13.

Awareness (Voluntary, No Restrictions)

Goal

Reduce water consumption and usage by ten (10) percent through voluntary conservation.

Triggers/ Rationale for Initiation

To preserve the health, safety, and well-being of water users, the Utility encourages customers to follow voluntarily conservation awareness practices below. When not in a declared drought or mandatory water restriction period, the Utility will implement this voluntary conservation stage between May 1st and September 30th. The Utility will notify customers each spring that Voluntary Conservation is in place.

Voluntary Practices

The Utility recommends customers voluntarily limit the irrigation of landscaped areas using hose-end sprinklers or automatic systems between 12:01 AM to 4:00 AM; 7:00 AM to 10:00 AM; and 8:00 PM to 11:59 PM on the designated watering day on the approved watering schedule cited in Section 12.

Additional Conservation Practices

- Water garden, trees, flowers or other landscaped areas with hand held hose, a faucet filled bucket or watering can any day between 6:00 PM to 10:00 AM, and avoid unattended hoses.
- Utilize soaker hoses anywhere except lawns from 8:00 PM to 10:00 AM
- Limit vehicle washing with bucket or hand-held hose with automatic shut-off.
- Draw less water for bath or reduce shower time.
- Do not let water run while shaving, dish washing, brushing teeth, etc.
- Keep pools covered if not used on a daily basis.
- Use water displacement device in toilet tank.
- Install aerators on faucets.
- Utilize water reuse where possible.
- Replacement or retrofits with ultra low flow fixtures is encouraged.
- Use a broom or blower instead of a hose to wash off driveways, sidewalks, or streets.
- Use Commercial Car Washes that recycle water.

Utility Measures

To ensure the Utility maximizes water conservation efforts, it will manage limited water supplies and/or reduce water demand by reducing or discontinuing public landscape irrigation and by using alternative supply source(s). The Utility will provide its respective employees copies of this plan. Utility management will be available to answer any employee or staff questions.

The Utility will work closely with Districts and provide timely information on water levels, water quality and pumping demands. The Utility will conduct leak surveys as required and repair all water leaks in a timely fashion. The Utility will request water users to report leaks to the Utility.

Stage I: Mandatory (Mandatory Restrictions)

Goal

Reduce water consumption and usage by ten (10) percent through mandatory restrictions.

Triggers/ Rationale for Initiation

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

If the system meets supply or demand triggers identified in Section 9 of this plan or critical system capacities are threatened, the Utility will activate Stage I.

Mandatory Restrictions

The Utility supports continued water conservation practices and voluntary reductions in water use in general. In addition, the Utility enforces the following mandatory restrictions on outdoor water use:

- Use of Automatic irrigation systems and hose end sprinkler(s) is limited between 12:01 AM to 4:00 AM; 7:00 AM to 10:00 AM; and 8:00 PM to 11:59 PM on the approved Watering Day Schedule cited in Section 12. Twice weekly watering allowed.
- Irrigation of landscaped areas, such as gardens, trees and flowers by hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system is allowed any day between 12:01AM to 10:00 AM and 7:00 PM to 11:59 PM. The Utility prohibits leaving hand-held hoses unattended unless the hose is connected to an automatic shut-off nozzle.
- Use of soaker hoses on landscaped areas is allowed from 12:01 AM to 10:00 AM and 8:00 PM to 11:59 PM on the approved Watering Day Schedule cited in Section 12.
- Washing any motor vehicle, motorbike, boat, trailer, airplane or other vehicle with a bucket or hand-held hose with automatic shut off nozzle is permitted one (1) time every two weeks. Vehicle washing is permitted be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- Topping off pools is allowed on the approved Watering Day Schedule cited in Section 12. However, outdoor water use, such as filling, refilling or adding of water to swimming pools, wading pools and Jacuzzi-type pools; and operation of any ornamental fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system is prohibited.
- Washing or rinsing driveways, sidewalks, or streets is prohibited at all times.
- The use of water for construction purposes from designated fire hydrants is permitted under special permit.

Violations & Penalties

First Violation

The Utility will issue a written Notice of Violation to the customer.

Second Violation

The Utility may install a flow restriction device in the line to limit the amount of water which will pass through the meter in a 24 hour period. The Utility may charge the customer for the cost of installing and removing the flow restricting device. This cost shall not exceed \$50.00 dollars.

Third Violation

The Utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the Utility will apply for restoration of service.

Utility Measures

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

During Stage I, the Utility requests that customers voluntarily limit the use of water for non-essential purposes by practicing water conservation and promoting efficient use of water.

To ensure the Utility maximizes water conservation efforts, it will manage limited water supplies and/or reduce water demand by reducing or discontinuing water main flushing, public landscape irrigation; and by using alternative supply source(s). The Utility will provide its respective employees copies of this plan. Utility management will be available to answer any employee or staff questions.

The Utility will work closely with Districts and provide timely information on water levels, water quality and pumping demands. The Utility will conduct leak surveys as required and repair all water leaks in a timely fashion. The Utility will request water users to report leaks to the Utility.

Stage II: Alarm (Mandatory Restrictions)

Goal

Reduce water consumption and usage by twenty (20) percent through mandatory restrictions.

Triggers/ Rationale for Initiation

If the system meets supply or demand triggers identified in Section 9 of this plan or critical system capacities are threatened, the Utility will activate Stage II.

Mandatory Restrictions

The Utility supports continued water conservation practices and voluntary reductions in water use in general. In addition, the Utility enforces the following mandatory restrictions on outdoor water use:

- Use of automatic irrigation systems is limited between 12:01 AM to 4:00 AM and 8:00 PM to 11:00 PM on the approved Watering Day Schedule cited in Section 12. Once weekly watering allowed.
- Use of a hose end sprinkler(s) is limited between 12:01 AM to 4:00 AM and 7:00 PM to 11:59 PM on the approved Watering Day Schedule cited in Section 12.
- Irrigation of landscaped areas, such as gardens, trees and flowers by hand-held hose, is limited between 12:01 AM to 4:00 AM and 7:00 PM to 11:59 PM on the approved Watering Day Schedule cited in Section 12.
- Soaker Hoses for all landscaped areas, except lawns, is permitted from 12:01 AM to 10:00 AM and 8:00 PM to 11:59 PM on the approved Watering Day Schedule cited in Section 12.
- Washing any motor vehicle, motorbike, boat, trailer, airplane or other vehicle with a bucket or hand-held hose with automatic shut-off nozzle is prohibited. Vehicle washing is permitted at any time on the immediate premises of a commercial car wash or commercial service station that uses recycled water. Further, such washing may be exempted from these regulations if the health, safety and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- Topping off pools is allowed on the approved Watering Day Schedule cited in Section 12. However, outdoor water use, such as filling, refilling or adding of water to swimming pools, wading pools and Jacuzzi-type pools; and operation of any ornamental fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system is prohibited.
- Washing or rinsing driveways, sidewalks, or streets is prohibited at all times.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

- The use of water for construction purposes from designated fire hydrants is permitted under special permit.

Additional Restrictions

Due to the extreme nature of Stage II, the Utility reserves the right to prescribe a monthly consumption limit for customers to ensure meeting required reduction.

Violations & Penalties

First Violation

The Utility will issue a Notice of Violation to the customer.

Second Violation

The Utility may install a flow restriction device in the line to limit the amount of water which will pass through the meter in a 24 hour period. The Utility may charge the customer for the cost of installing and removing the flow restricting device. This cost shall not exceed \$50.00 dollars.

Third Violation

The Utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the Utility will apply for restoration of service.

Utility Measures

During Stage II, the Utility requests that customers voluntarily limit the use of water for non-essential purposes by practicing water conservation and promoting efficient use of water.

To ensure the Utility maximizes water conservation efforts, it will manage limited water supplies and/or reduce water demand by reducing or discontinuing water main flushing, public landscape irrigation; and by using alternative supply source(s). The Utility will provide its respective employees copies of this plan. Utility management will be available to answer any employee or staff questions.

The Utility will work closely with Districts and provide timely information on water levels, water quality and pumping demands. The Utility will conduct leak surveys as required and repair all water leaks in a timely fashion. The Utility will request water users to report leaks to the Utility.

Stage III: Critical (Mandatory Restrictions)

Goal

Reduce water consumption and usage by thirty (30) percent through mandatory restrictions.

Triggers/ Rationale for Initiation

If the system meets supply or demand triggers identified in Section 9 of this plan or critical system capacities are threatened or system failures are imminent the Utility will activate Stage IV.

Mandatory Restrictions

- Use of automatic irrigation systems, hand held hose, or hose end sprinkler is prohibited.
- Use of water to wash any motor vehicles, motorbikes, boats, trailers, airplanes or other vehicles is prohibited.
- Outdoor water use, such as filling, refilling or adding of water to swimming pools, wading pools and Jacuzzi-type pools; and operation of any ornamental fountain or pond for

aesthetic or scenic purposes except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system is prohibited.

- Irrigation of landscaped areas, such as gardens, trees and flowers by a faucet-filled bucket or watering can of five (5) gallons or less is limited between 7:00 AM to 9:00 AM and 7:00 PM to 9:00 PM.
- The use of water for construction purposes from designated fire hydrants is permitted under special permit.
- Soaker Hose use for use on building foundations is permitted from 6:00 AM to 9:00 AM and 8:00 PM to 11:59 PM on the approved Watering Day Schedule cited in Section 12.

Additional Restrictions

Due to the extreme nature of Stage III, the Utility reserves the right to prescribe a monthly consumption limit for customers to ensure meeting required reduction.

Violations & Penalties

First Violation

The Utility will issue a written Notice of Violation to the customer.

Second Violation

The Utility may install a flow restriction device in the line to limit the amount of water which will pass through the meter in a 24 hour period. The Utility may charge the customer for the cost of installing and removing the flow restricting device. This cost shall not exceed \$50.00 dollars.

Third Violation

The Utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the Utility will apply for restoration of service.

Utility Measures

During Stage III, the Utility requests that customers voluntarily limit the use of water for non-essential purposes by practicing water conservation and promoting efficient use of water.

To ensure the Utility maximizes water conservation efforts, it will manage limited water supplies and/or reduce water demand by reducing or discontinuing water main flushing, public landscape irrigation; and by using alternative supply source(s). The Utility will provide its respective employees copies of this plan. Utility management will be available to answer any employee or staff questions.

The Utility will work closely with Districts and provide timely information on water levels, water quality and pumping demands. The Utility will conduct leak surveys as required and repair all water leaks in a timely fashion. The Utility will request water users to report leaks to the Utility.

Stage IV- Exceptional Drought

Goal

Reduce water consumption and usage by forty (40) percent through mandatory restrictions.

Triggers/ Rationale for Initiation

Upon notification by the managing Groundwater Conservation District or Regional Surface Water Authority that the District or Authority has declared Exceptional Drought Stage or if critical

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CCN 12865 JUN 20 '13
APPROVED/TARIFF BY SP/SP

system capacities are threatened or system failures are imminent the Utility will activate Stage IV.

Mandatory Restrictions

- Use of automatic irrigation systems, hand held hose, or hose end sprinkler is prohibited.
- Use of water to wash any motor vehicles, motorbikes, boats, trailers, airplanes or other vehicles is prohibited.
- Outdoor water use, such as filling, refilling or adding of water to swimming pools, wading pools and Jacuzzi-type pools; and operation of any ornamental fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system is prohibited.
- Irrigation of landscaped areas, such as gardens, trees and flowers by a faucet-filled bucket or watering can of five (5) gallons is prohibited.
- The use of water for construction purposes from designated fire hydrants is permitted under special permit.
- Soaker Hose use for use on building foundations is prohibited.

Additional Restrictions

Due to the extreme nature of Stage IV, the Utility reserves the right to prescribe a monthly consumption limit for customers to ensure meeting required reduction.

Violations & Penalties

First Violation

The Utility will issue a written Notice of Violation to the customer.

Second Violation

The Utility may install a flow restriction device in the line to limit the amount of water which will pass through the meter in a 24 hour period. The Utility may charge the customer for the cost of installing and removing the flow restricting device. This cost shall not exceed \$50.00 dollars.

Third Violation

The Utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the Utility will apply for restoration of service.

Utility Measures

During Stage IV, the Utility requests that customers voluntarily limit the use of water for non-essential purposes by practicing water conservation and promoting efficient use of water.

To ensure the Utility maximizes water conservation efforts, it will manage limited water supplies and/or reduce water demand by reducing or discontinuing water main flushing, public landscape irrigation; and by using alternative supply source(s). The Utility will provide its respective employees copies of this plan. Utility management will be available to answer any employee or staff questions.

The Utility will work closely with Districts and provide timely information on water levels, water quality and pumping demands. The Utility will conduct leak surveys as required and repair all water leaks in a timely fashion. The Utility will request water users to report leaks to the Utility.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Stage IV- Exceptional Drought – Plum Creek Water System Only

Upon notification by the Barton Springs/Edwards Aquifer Conservation District that the District has declared the aquifer to be in an Exceptional Drought Stage, Plum Creek Water System will achieve a reduction of well water by 40%. Stage V will be declared by the District when the 10-day average discharge from Barton Springs is at a rate of 14 cubic feet per second or less. The Utility will notify its' customers that this stage has been declared by the District and that the supply of groundwater from the Edwards Aquifer is in peril. The Utility will enforce the conditions set in Stage IV beginning on page 8 of this plan with the following additional requirements:

- All outdoor use of potable water is prohibited including water buckets or cans and building foundation protection, including soaker hoses.
- All use of water for construction purposes will be reviewed. The Utility reserves the right to terminate the use of potable water for construction under this stage.

Section 12: Approved Watering Day Schedule

The following schedule is approved by the Utility for outdoor watering. This schedule is applicable to Stage I.

Approved Watering Day Schedule (Stage I)			
Address Ends In	1,4,7,0	2,5 or 8	3,6 or 9
Watering Days	Monday Thursday	Tuesday Friday	Wednesday Saturday

The following schedule is approved by the Utility for outdoor watering. This schedule is applicable to Stage II.

Approved Watering Day Schedule (Stage II)						
Address Ends In	1 or 7	2 or 8	3 or 9	0 or 4	5	6
Watering Day	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday

APPENDIX A -- SAMPLE SERVICE AGREEMENT

From 30 T.A.C. Chapter 290.47(b), Appendix B

SERVICE AGREEMENT

I. PURPOSE. The SWWC Utilities, Inc., dba Diamond Water Company, a Texas Corporation is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the SWWC Utilities, Inc., dba Diamond Water Company, a Texas Corporation will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.

II. RESTRICTIONS. The following unacceptable practices are prohibited by State regulations.

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

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

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

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

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

III. SERVICE AGREEMENT. The following are the terms of the service agreement between the SWWC Utilities, Inc., dba Diamond Water Company, a Texas Corporation (the Water System) and NAME OF CUSTOMER (the Customer).

A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.

B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.

C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.

D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.

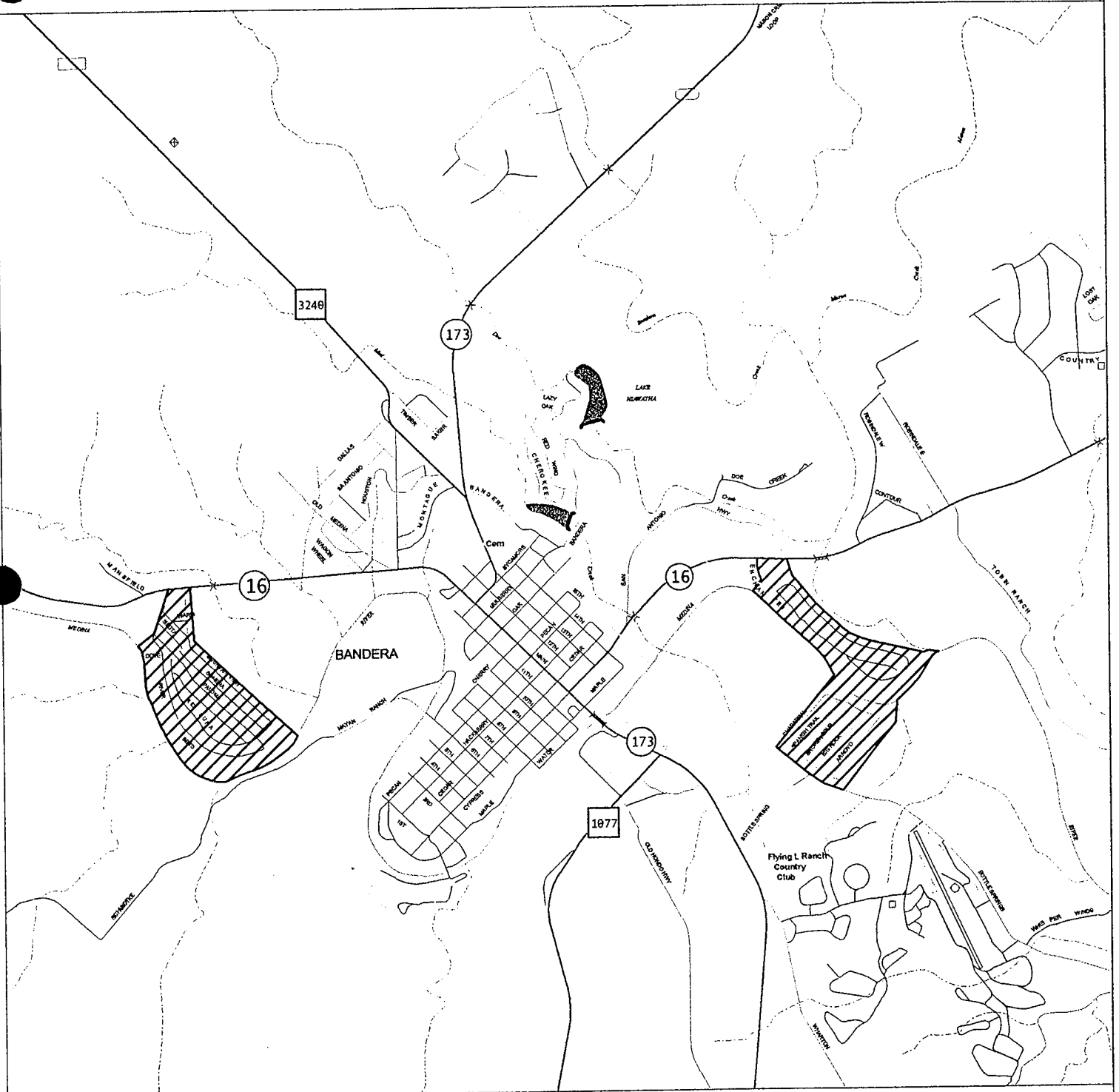
E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

Diamond Water Company, A Texas Corporation
Portion of Water Service Area
CCN No. 12865
Application No. 34029-S
Bandera County



3000 0 3000 Feet

1 inch = 3,000 feet

Water CCN Service Area
12865 - DIAMOND WATER CO A TX CORP



Map created by S. Jaster 6/25/2003
Data path: e:\w\ccn\ccn_working\ccn.shp
Project path: i:\maps\project\34029-s.apr



Texas Commission on Environmental Quality

By These Presents Be It Known To All That

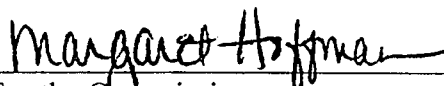
Diamond Water Company

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

Certificate of Convenience and Necessity No. 12865

to provide continuous and adequate water utility service to that service area or those service areas in Bandera, Comal and Gillespie County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 34029-S are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Diamond Water Company to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this JUL 30 2003


For the Commission