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ItemNumber - 508

**WATER UTILITY TARIFF
FOR**

Edward Jarzombeck, Jr., d/b/a Shady Oaks Water Company
(Utility Name)

129 US Hwy 181 S
(Business Address)

Floresville Texas 78114-9440
(City, State, Zip Code)

(830) 393-2322
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity
12090

This tariff is effective in the following county:

Wilson

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

None

This tariff is effective in the following subdivisions or systems:

Arrowhead Water System PWS ID# 2470025

Shady Oaks Water Co. PWS ID # 2470017

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TEXAS COMM. ON ENVIRONMENTAL QUALITY

CCN 12090 JUN 03 02

APPROVED TARIFF BY [Signature]

**DROUGHT CONTINGENCY PLAN
FOR THE**

Shady Oaks Water Company

RR 4 Box 172-C

Floresville, Texas 78114-9440

PWS ID # 2470017

CCN # 12090

AMENDED May 26, 2001

RECEIVED

JUN 07 2001


SURFACE WATER USES DIVISION
TRACC

Section E: Declaration of Policy, Purpose, and Intent

In cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit non-essential water usage. The purpose of the Drought Contingency Plan is to encourage customer conservation in order to maintain supply, storage, or pressure or to comply with the requirements of a court, government agency or other authority.

Water restriction is not a legitimate alternative when the water system does not meet the Texas Natural Resource Conservation Commission's capacity requirements under normal conditions, nor when the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

I, Lois Jarzombek, being the responsible official for Shady Oaks Water Company, request a minor tariff amendment to include the enclosed Drought Contingency Plan.



(Signature)

5/29/2001

(Date)

TEXAS COMM ON ENVIRONMENTAL QUALITY

CCN 12090 JUN 05 '02

APPROVED TARIFF BY L. Jarzombek

**DROUGHT CONTINGENCY PLAN
FOR THE
Shady Oaks Water Company
(Date)**

Section I: Declaration of Policy, Purpose, and Intent

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, Shady Oaks Water Company hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section XI of this Plan.

Section II: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the Shady Oaks Water Company by means of personal random interviews.

Section III: Public Education

Shady Oaks Water Company will periodically provide the public 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 drought response measures to be implemented in each stage. This information will be provided by means of utility bill inserts.

Section IV: Coordination with Regional Water Planning Groups

The service area of the Shady Oaks Water Company is located within the South Central Texas and Shady Oaks Water Company has provided a copy of this Plan to the South Central Texas (Region L) Planning Group.

Section V: Authorization

The Certified Utility Operator or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to

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CCN 12090 JUN 03 '02

APPROVED TARIFF BY

protect public health, safety, and welfare. The Certified Operator or his/her designee, shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section VI: Application

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by Shady Oaks Water Company. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

Section VII: Definitions

For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by Shady Oaks Water Company.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

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APPROVED TARIFF BY *[Signature]*

APPENDIX C

Non-essential water use water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- (a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (e) flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or jacuzzi-type pools;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- (i) use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd numbered address street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

Section VIII: Criteria for Initiation and Termination of Drought Response Stages

The Shady Oaks Water Company or his/her designee shall monitor water supply and/or demand conditions on a weekly basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

The triggering criteria described below are based on system capacity limits.

Stage 1 Triggers -- MILD Water Shortage Conditions

Requirements for initiation

Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses, defined in Section VII - Definitions, *Annually, beginning on May 1 through September 30.*

Requirements for termination

Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days.

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Stage 2 Triggers -- MODERATE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section IX of this Plan when we experience a no rain condition for a period of 4 consecutive weeks.

Requirements for termination

Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased. Such as a good soaking general rain. Upon termination of Stage 2, Stage 1 becomes operative.

Stage 3 Triggers -- SEVERE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan when we experience a no rain condition for a period of 8 consecutive weeks.

Requirements for termination

Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased. Such as a good soaking general rain. Upon termination of Stage 3, Stage 2 becomes operative.

Stage 4 Triggers -- CRITICAL Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when we experience a no rain condition for a period of 12 consecutive weeks or when our Certified Water System Operator or his/her designee deems it necessary to further scale back usage.

Requirements for termination

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased. Such as a good soaking general rain. Upon termination of Stage 4, Stage 3 becomes operative.

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APPENDIX C

Stage 5 Triggers -- EMERGENCY Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan when the Certified Utility Operator or his/her designee, determines that a water supply emergency exists based on:

1. Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service; or
2. Natural or man-made contamination of the water supply source(s)

Requirements for termination

Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days.

Section IX: Drought Response Stages

The Certified Utility Operator or his/her designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe, critical, emergency or water shortage condition exists and shall implement the following notification procedures:

Notification

Notification of the Public

The Certified Utility Operator or his/her designee shall notify the public by means of signs posted in public places

Additional Notification:

The Certified Utility Operator or his/her designee shall notify directly, or cause to be notified directly, the following individuals and entities.

Major water users

Stage 1 Response -- MILD Water Shortage Conditions

Goal: Achieve a voluntary 10 percent reduction in daily water.

Supply Management Measures:

Shady Oaks Water Company will reduce flushing of water system.

Voluntary Water Use Restrictions:

- (a) Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the hours of midnight and 10:00 a.m. and 8:00 p.m. to midnight on designated watering days.
- (b) All operations of the Shady Oaks Water Company shall adhere to water use restrictions prescribed for Stage 2 of the Plan.
- (c) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

Stage 2 Response -- MODERATE Water Shortage Conditions

Goal: Achieve a 15 percent reduction in daily water demand.

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Supply Management Measures

Shady Oaks Water Company will reduce flushing of water system.

Water Use Restrictions Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may 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 is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- (c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the Shady Oaks Water Company.
- (f) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water

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CCN 12090 JUN 12 '02

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source other than that provided by the Shady Oaks Water Company, the facility shall not be subject to these regulations

(g) All restaurants are prohibited from serving water to patrons except upon request of the patron

(h) The following uses of water are defined as non-essential and are prohibited

1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas,
2. use of water to wash down buildings or structures for purposes other than immediate fire protection,
3. use of water for dust control,
4. flushing gutters or permitting water to run or accumulate in any gutter or street, and
5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s)

Stage 3 Response -- SEVERE Water Shortage Conditions

Goal: Achieve a 20 percent reduction in daily water demand

Supply Management Measures

Shady Oaks Water Company will reduce or discontinue flushing of water system.

Water Use Restrictions: All requirements of Stage 2 shall remain in effect during Stage 3 except

- (a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.
- (b) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the Shady Oaks Water Company.
- (c) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

Stage 4 Response -- CRITICAL Water Shortage Conditions

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CCN 12090 JUN 05 '02

APPROVED TARIFF BY *[Signature]*

ADDENDUM C

Goal Achieve a 35 percent reduction in daily water demand

Supply Management Measures

Shady Oaks Water Company will reduce or discontinue flushing of water system.

Water Use Restrictions All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except

- (a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10 p.m.
- (c) The filling, refilling, or adding of water to swimming pools, wading pools, and jacuzzi-type pools is prohibited.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

Stage 5 Response – EMERGENCY Water Shortage Conditions

Goal Achieve a 50 percent reduction in daily water demand

Supply Management Measures

Shady Oaks Water Company will red. or discontinue flushing of water system.

TEXAS COMM. ON ENVIRONMENTAL QUALITY

CCN 12090 JUN 05 '02

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Water Use Restrictions All requirements of Stage 2, 3, and 4 shall remain in effect during Stage 5 except:

- (a) Irrigation of landscaped areas is absolutely prohibited.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

Section X: VIOLATIONS

1. First violation - The customer will be notified by written notice of their specific violation.
 2. Second violation - After written notice the utility may install a flow restricting 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 actual cost of installing and removing the flow restricting device, not to exceed \$50.00.
 3. Subsequent violations - 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.
- (a) No person shall knowingly or intentionally allow the use of water from the CCHCWS for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan by the drought response stage in effect at the time pursuant to action taken by CCHCWS or his/her designee, in accordance with provisions of this Plan.
 - (b) Any person, including a person classified as a water customer of the CCHCWS, 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 rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.

TEXAS COMM. ON ENVIRONMENTAL QUALITY

Section XI: Variances

CCN 12090 JUN 05 '02

APPROVED TARIFF BY *[Signature]*

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

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

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the Shady Oaks Water Company within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the Certified Utility Operator or his/her designee, and shall include the following:

- (a) Name and address of the petitioner(s)
- (b) Purpose of water use.
- (c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- (d) 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 Ordinance.
- (e) Description of the relief requested.
- (f) Period of time for which the variance is sought.
- (g) 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.
- (h) Other pertinent information.

Variances granted by the Shady Oaks Water Company shall be subject to the following conditions, unless waived or modified by the Certified Utility Operator or his/her designee:

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

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

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CCN 12090 JUN 05 '02

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TEXAS WATER COMMISSION
WATER RATE SECTION

TARIFF

Edward Jarzombek, Jr., d/b/a
SHADY OAKS WATER COMPANY, INC.
921 4TH STREET
FLORESVILLE, TEXAS 78114

CCN No. 12090

WATER UTILITY

OBSOLETE
DATE 12/10/82 BY 10090
DCP

FILMED
MAY 26 1988
SYSTEM 200

APPROVED
NOV 10 1987
Texas Water Commission

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Texas Water Commission

OBSOLETE
DATE 12/18/82 FILE 12190
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MAY 26 1988
SYSTEM 200

SECTION F: EMERGENCY RATIONING PROGRAM

The following water rationing program is adopted for emergency use only during periods of acute water shortage.

1. Declaration of Emergency: When a system demand exceeds production or storage capability measured over a twenty-four (24) hour period, and refilling the storage facilities is rendered impossible, OR when the utility is notified by its wholesale supplier of a cutback in water to be delivered to such an extent that normal use patterns will no longer be possible, the utility may declare an emergency to exist, and thereafter ration water in the following manner.
2. Notice Requirements: Written notice of the proposed rationing shall be mailed or delivered to each customer seventy-two (72) hours before the utility actually starts the program, and shall also be placed in a local newspaper. The utility shall send a copy of the customer notice to the Texas Water Commission at the same time notice is sent to the customers. The customer notice shall contain the following information:
 - A. The date rationing shall begin,
 - B. The date rationing shall end,
 - C. The stage (level) of rationing to be employed, and
 - D. A copy of this rationing authority.
3. Stage Levels of Rationing:

STAGE I (Mild Rationing Conditions): Alternate day usage of water for outdoor purposes such as lawns, gardens, car washing, etc. Customers with even number addresses (north or west side of streets) shall use water outdoors only on even numbered days; odd number addresses (south or east side of streets) shall use water outdoors only on odd numbered days.

STAGE I-A (Limited Water Usage): The company may limit water usage to a gallonage determined by the water plant's mechanical capability to provide continuous service prorated over all customers served by the water plant.

Violation of Stage I-A: Water restrictors may be installed for customers that exceed the limited gallonage determined by the system's mechanical capability. A flow restrictor shall be installed at the customer's expense (not to exceed actual costs or \$50.00). Tampering with the flow restrictor will result in water service termination for seven (7) days. The normal reconnect fee of the utility shall apply for restoration of service. The maximum number of gallons per meter per month shall be contained in the notice to each customer. The utility shall notify the Texas Water Commission of the installation of such restrictors.

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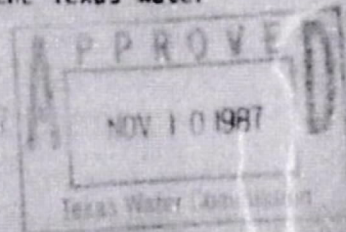
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MAY 26 1987

SYSTEM 200



STAGE II (Moderate Rationing Conditions): All outdoor water usage is prohibited; however, usage for livestock is exempt.

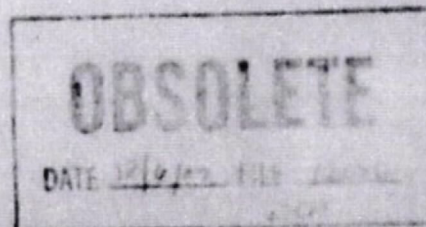
STAGE III (Severe Rationing Conditions): All outdoor water usage is prohibited; livestock may be exempted by the utility. All consumption shall be limited to each customer in one of the following ways:

- A. A fixed percentage of each customer's average use in the prior month, the percentage to be uniformly applied on a system-wide basis, each customer being notified of this percentage amount, OR,
 - B. A maximum number of gallons per meter (customer) per week, with notice to each customer of this number.
4. Violation of Emergency Rationing Rules:
- A. First Violation - the utility may install a flow restricter in the line to limit the amount of water which will pass through the meter in a twenty-four (24) hour period. The cost to be charged to the customer's account shall be the actual installed cost to the utility, not to exceed \$50.00.
 - B. Subsequent Violations - the utility may terminate service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is less. The normal reconnect fee of the utility shall apply for restoration of service.
5. Exemptions or Variances From Rationing Rules. The utility may grant any customer an exemption or variance from the uniform rationing program, for good cause. In such event, the utility shall notify the Texas Water Commission within twenty-four (24) hours of such exemption or variance, stating the name, address and cause for the affected customer.

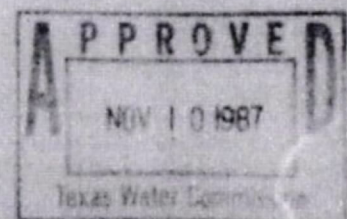
A customer who is refused an exemption or variance may appeal such action to the utility by written appeal to the Texas Water Commission. The utility shall treat all customers equally concerning exemptions and variances, and shall not employ discrimination in such grants.

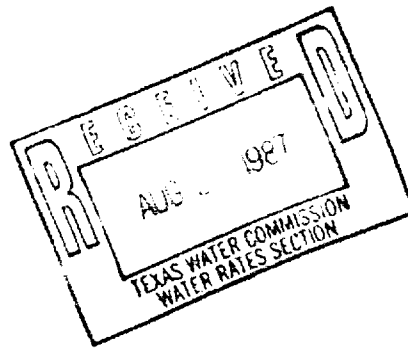
6. Rates. All existing rate schedules shall remain in effect during the rationing period, and no charges may be levied against a customer which are not contained in the approved tariff of the utility as filed with the Commission.

The purpose of this Emergency Rationing Program is to conserve the total amount of water demanded from the utility until supply can be restored to normal levels. This rationing program shall not exceed sixty (60) days without written approval of the Texas Water Commission.



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MAY 26 1985
SYSTEM 200

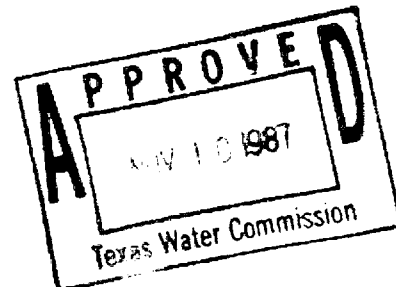


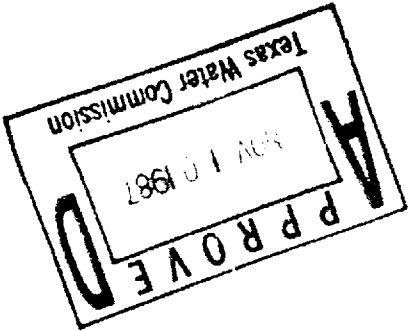


TARIFF

Edward Jarzombek, Jr., O/B/O
SHADY OAKS WATER COMPANY, INC.
921 4TH STREET
FLORESVILLE, TEXAS 78114

WATER UTILITY





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6 AND REGULATIONS

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ORIGINAL
SHEET
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SECTION A: APPLICATION OF TARIFF

1. The rules and regulations specified herein apply to the water services furnished by Shady Oaks Water Co., Inc., also referred to as utility, company, or Shady Oaks Water Co., Inc.
2. Failure on the part of the customer to observe these rules and regulations of the utility, after due notice of such failure, automatically gives the utility the authority to discontinue the furnishing of service as provided in the following rules.
3. This tariff cancels and supersedes all other tariffs issued and effective prior to the effective date shown on the individual sheets of this tariff.
4. Should there be any conflict between this Tariff and the Rules and Regulations of the Texas Water Commission, the Rules and Regulations of the Texas Water Commission shall apply unless otherwise established by a court of law.
5. The water service provided by Shady Oaks Water Company, Inc. is in an unincorporated area of Wilson County.
6. Shady Oaks Water Company, Inc. does not accept liability for damages caused by service interruptions for events beyond its control and for normal failures of the system. The limit of the liability of Shady Oaks Water Company, Inc. is the extent of the cost for the service provided.

A P P R O V E D
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Texas Water Commission

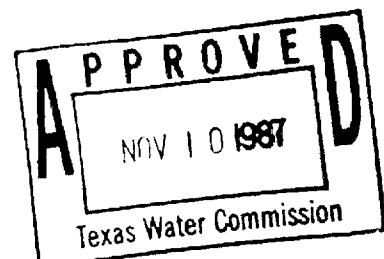
SECTION B: RATE SCHEDULES FOR WATER SERVICE

1. Metered Service. The monthly minimum charge for water service including the first 3,000 gallons is based on meter size and is as follows:

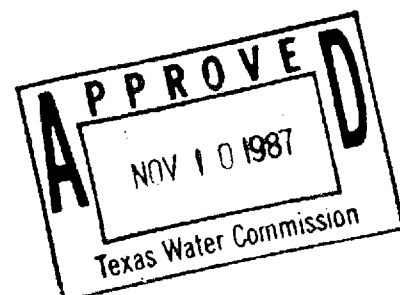
(1) 5/8", 3/4" meter	-	\$25.00
(2) 1" meter	-	\$39.00
(3) 1 1/2" meter	-	\$85.00
(4) 2" meter	-	\$146.00
(5) 3" meter	-	\$328.00
(6) 4" meter	-	\$570.00
(7) 6" meter	-	\$1,298.00

The charge will include \$1.60 per 1,000 gallons for any gallonage over 3,000 gallons used in any one (1) billing period. The monthly minimum shall be charged when service has been established.

2. Late Payment Penalty. A one-time penalty of \$1.00 or 5 % which ever is larger will be made on delinquent bills. This late payment penalty will not be applied to any balance to which the penalty was applied in a previous billing.
3. Reconnect Fee. If a customer's meter is disconnected by the company, a reconnect fee of \$35.00 will be charged before the customer will be reconnected. This fee does not apply to customers who request that their account be terminated with the company.
4. Returned Check Charge. A charge of \$15.00 will be made for any check returned by the bank for insufficient funds or other similar reasons.
5. Deposit. An applicant for service will be charged a deposit, unless the applicant is able to establish credit to the satisfaction of the company as established in Section C of these rules. The deposit for a residential applicant is \$50.00.
6. Tap Fee. A tap fee in the amount of the actual cost of such tap and not to exceed \$450.00 will be charged for initial 5/8" - 3/4" meter service. This tap fee includes the meter and installation of same. Tap fees for larger size meters will be the actual cost of such installation. The tap fee is to cover all work performed by the utility in establishing service.
7. Capital Contribution Fee. A contribution in aid of construction may be charged to developers of subdivisions or land developments, or to commercial, industrial, or wholesale customers for providing the development with facilities for storage, treatment, or transmission facilities.

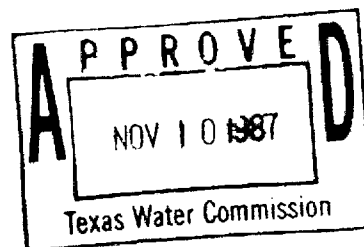


8. Equipment Damage Fee. If the utility's equipment has been damaged by tampering, bypassing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Utility actions shall be charged and paid before service is re-established. If the utility's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority. All components of this fee will be itemized, and an itemized statement will be provided to the customer.
9. Easement fee. When an applicant is so located that it is necessary to use a private right-of-way to furnish service, the applicant may be required to pay all costs incurred by the company in securing, clearing, and retaining such right-of-way in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs shall include all legal fees and expenses necessary to attempt to secure such right-of-way.



SECTION C: SERVICE RULES AND REGULATIONS

1. Application for Service. All applications for service will be made on the utility's standard application, will be completed in full, and will be signed by the applicant before service is supplied by the utility. A separate application or contract must be made for each service at each separate address. Applicants for service must also satisfy the requirements for deposits or establishment of credit contained in Section D. Service will not be established until all fees are paid, and a fully completed application is received at the utility's office in Floresville, Texas. In the event the utility's lines do not abut the service address, the application may be rejected unless satisfactory arrangements, as required by Section D of the Tariff, have been made to extend such lines with the approval of the utility.
2. New Service Location. When utility water lines are adjacent to applicant's property, the applicant must complete an application and pay all relevant fees including the tap fee prior to receiving service. The user or customer shall install the appropriate service lines before the utility makes the tap. Applicants for a new water tap and service must provide the utility with acceptable evidence that such tap and service is in compliance with the existing rules and regulations of all regulatory agencies and the company's planning and extension requirements.
3. Refusal of Service.
 - (A) Compliance by Applicant or Customer. The Utility may decline to serve an applicant until such applicant has complied with all governmental rules and regulations and the rules and regulations of the Utility on file with the state regulatory agency governing the service applied for and for the following reasons:
 - (1) Applicant's facilities are inadequate, that is if the applicant's installation or equipment is known to be inadequate, hazardous, or of such character that satisfactory service cannot be given; or,
 - (2) For indebtedness, that is if the applicant is indebted to any utility for the same kind of service as that applied for, provided, however, that in the event of indebtedness of the applicant for service is in dispute, the applicant shall be served by complying with the deposit requirement; or
 - (3) If the applicant refuses to make a deposit under these rules.



(B) Applicant's Recourse. In the event the Company shall refuse to serve an applicant under the provisions of these rules, the Company must inform the applicant of the basis of its refusal and the applicant may file a complaint with the Texas Water Commission.

(C) Insufficient Grounds for Refusal to Serve. The following shall not constitute sufficient cause for the refusal of service to a present customer or applicant:

(1) Delinquency in payment for service by a previous occupant of the premises to be served;

(2) Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six (6) months prior to the date of application;

(3) Violation of company's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interferes with the service of others, or other services such as communication services, unless the customer has first been notified and been afforded reasonable opportunity to comply with said rules;

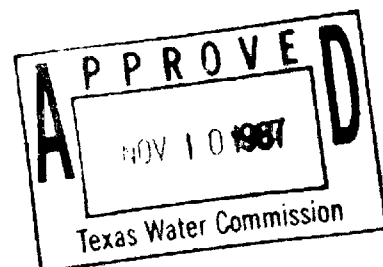
(4) Failure to pay a bill of another customer as guarantor thereof unless the guaranty was made in writing to the Utility as a condition precedent to service; and

(5) Failure to pay a bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

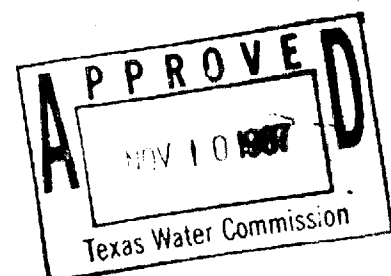
4. Applicant's Deposit. The following describes the deposit policy including the establishment of credit.

(A) Residential Applicants. If a residential applicant cannot establish credit to the satisfaction of the company, the residential applicant will be required to pay a deposit of \$50.

(B) Non-Residential Applicants. If an applicant for non-residential service cannot establish credit to the satisfaction of the utility, the applicant will be required to pay a deposit. The deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual billings of a non-residential customer are at least twice the amount of the estimated billings, a new deposit requirement will be calculated, and an additional deposit shall be required to be made within 15 days after the issuance of written notice.



- (C) Applicants, 65 Years of Age or Older. All applicants for permanent residential service who are sixty-five (65) years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another water or sewer which accrued within the last two (2) years. No cash deposit shall be required of such an applicant under these conditions.
- (D) Reestablishment of Credit. Every applicant who previously has been a customer of the utility and whose service has been disconnected for non-payment of bills, meter tampering, bypassing of meter or failure to comply with applicable state and municipal regulations shall be required, before service is resumed, to pay all amounts due the utility or execute a deferred payment agreement, if offered, and pay a deposit, if requested.
5. Records of Deposits. The utility will keep records to show the name and addresses of each depositor, the amount and the date of deposit and each transaction concerning the deposit. The Utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby the depositor may establish a claim if the receipt is lost. A record of each unclaimed deposit must be maintained for at least four (4) years, during which time the utility shall make a reasonable effort to return the deposit. The utility shall maintain all funds received as customer deposits in a separate, federally insured, interest-bearing account, or accounts, and shall use such funds for no purpose other than application to unpaid bills guaranteed by such deposits, payment of interest to depositors, and refunds of deposits to depositors.
6. Interest on Deposits. It is the policy of the utility to refund deposits including any earned interest on deposits according to the rules of the Commission unless otherwise established by the courts. The interest paid on deposits is equal to the rate set each calendar year by the Public Utility Commission in accordance with the provisions of Tex. Rev. Civ. Stat. Ann., Art. 1440a. Payment of the interest to the customer will be annually if requested by the customer or at the time the deposit is returned or credited to the customer's account.

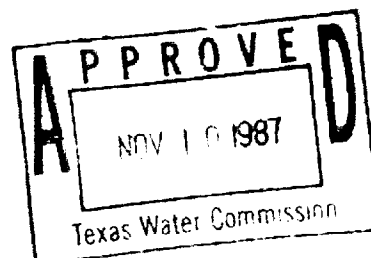


7. Refund of Deposit. If service is not connected or after disconnection of service, the Utility shall promptly and automatically refund the customer's deposit plus accrued interest or the balance, if any, in excess of unpaid bills for service furnished. A transfer of service from one premise to another within the service area of the Utility shall not be deemed a disconnection within the meaning of these rules and no additional deposit may be demanded unless permitted by these rules. When the customer has paid bills for service for twelve (12) consecutive residential billings or twenty four (24) commercial billings without having service disconnected for non-payment of bill, and without having more than two (2) occasions on which a bill was delinquent, and when the customer is not delinquent in the payment of current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's bill, or void the guarantee. If the customer does not meet these refund criteria, the deposit and interest may be retained, until the customer meets the refund criteria, or is no longer receiving service from the utility.

8. Deferred Payment Plan. The utility may offer a deferred payment plan to a customer who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments.

9. Due Dates and Delinquent Bills. The due date of the bill for water service is sixteen (16) days after issuance. A bill is delinquent if not received at the utility or at an authorized payment agency by the due date. The postmark, if any, on the envelope of the bill, or an issuance date on the bill if there is no postmark on the envelope, shall constitute proof of the date of issuance. If the due date falls on a holiday or weekend, the next due date for payment purposes shall be the next day after the due date. If the payment for any bill has not been received by the due date, the penalty, as described in section 10, shall be applied to any balance where the penalty has not previously charged.

10. Disconnection Dates. A customer's service may be disconnected by the company if the bill has not been paid or a deferred payment plan entered into within twenty-six (26) days after the date of issuance of a bill and appropriate notice has been given. Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to the stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. If mailed, the cut-off day may not fall on a holiday or weekend but shall be the next working day after the tenth (10th) day.



11. Rules for Disconnection of Service. The following describes the rules and conditions for disconnection of service.

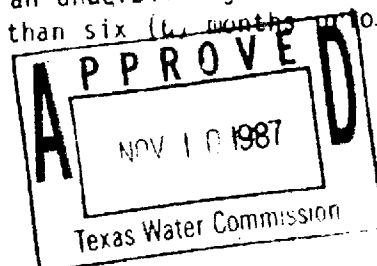
(A) Disconnection With Notice. Utility service may be disconnected for any of the following reasons:

- (1) Failure to pay a delinquent account for utility service or failure to comply with the terms of a deferred payment agreement;
- (2) Violation of the Utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;
- (3) Failure to comply with deposit or guaranty arrangements where required herein;

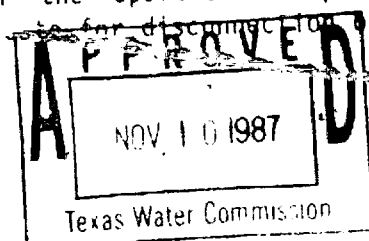
(B) Disconnection Without Notice. Utility service may be disconnected without notice where a known dangerous condition exists for as long as the condition exists, or where service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment or in instances of tampering with the utility company's meter or equipment, bypassing the meter or equipment, or other diversion of service. Where reasonable, given the nature of the hazardous condition, a written statement providing notice of disconnection and the reason therefor shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.

(C) Disconnection Prohibited. Utility service shall not be disconnected for any of the following reasons:

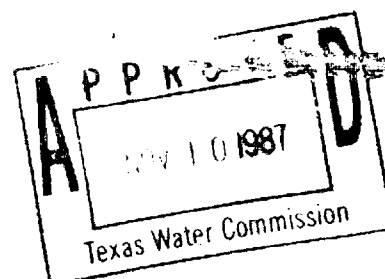
- (1) Delinquency in payment for service by a previous occupant of the premises;
- (2) Failure to pay for merchandise or charges for non-utility service provided by the Utility;
- (3) Failure to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
- (4) Failure to pay the account of another customer as guarantor thereof, unless the Company has in writing the guarantee as a condition precedent to service;
- (5) Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billing;



- (6) Failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due to meter error;
- (7) Failure to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Utility is unable to read the meter due to circumstances beyond its control.
- (B) Disconnection on holidays and Weekends. Unless a dangerous condition exists or the customer requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the Company are not available to the public for the purpose of making collections and reconnecting service.
- (E) Disconnection Due to Utility Abandonment. The Company may not abandon a customer or a certified service area without written notice to its customers and all similar neighboring utilities and approval from the Commission.
- (F) Disconnection for Ill and Disabled. No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a customer seeks to avoid termination of service under this section, the customer must have the attending physician call or contact the utility within 16 days of issuance of the bill. A written statement must be received by the utility from the physician within 26 days of the issuance of the utility bill. The prohibition against service termination shall last 63 days from the issuance of the utility bill or such lesser period as may be agreed upon by the utility and the customer or physician. The customer shall enter into a deferred payment plan.
- Disconnection of Master-Metered Apartments. When a bill for utility service is delinquent for a master-metered apartment complex (defined as a building where one meter serves five or more residential dwelling units), the following shall apply:
- (1) The utility shall send a notice to the customer as required. This notice shall also inform the customer that notice of possible disconnection will be provided to the tenants of the apartment complex in six days if payment is not rendered before that time.
- (2) At least six days after providing notice to the customer and at least four days prior to disconnect, the utility will post at least five notices in public areas of the apartment complex notifying the residents of the scheduled date for disconnection of service.



12. Billing Cycle Changes. The Utility reserves the right to change its billing cycles if the work load requires such practice. After a billing period has been changed, the billings will be sent on the new change date unless otherwise determined by the Utility.
13. Backbilling. The Company can backbill a customer for up to four years (~~78~~ months) for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a customer's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service and the re-establishment of credit. If the meter fails to register usage for any period, except as a result of bypassing or tampering, the backbilling will be limited to a maximum of three (3) months, based on usage under similar conditions and corresponding periods.
14. Disputed Bills. In the event of a dispute between the customer and the Utility regarding any bill, the Utility shall forthwith make and conduct an investigation as shall be required by the particular case, and report the results thereof to the customer.
15. Inoperative Meters. Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless bypassed or tampered with, the utility shall make a charge for units used, but not metered, for a period not to exceed three months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.
16. bill Adjustment Due to Meter Error. If any meter is found to be outside of the accuracy standards established by the American National Standards Institute, Inc., or the American Waterworks Association, proper correction shall be made of previous readings for the period six(6) months immediately preceding the removal of such meter from service since last tested, but not exceeding six (6) months, as the meter shall have been shown to be in error by such tests, and adjusted except to the customer last served by the meter prior to the testing. If a meter is found not to register for any period, unless bypassed or tampered with, the utility shall make a charge for units used, but not metered, for a period not to exceed three (3) months based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

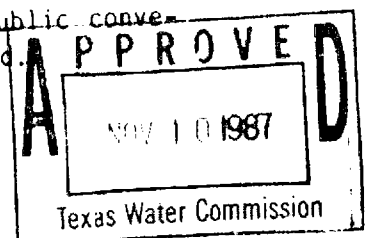


17. Meter Tampering and Diversion. For purposes of these Sections, meter-tampering, bypass or diversion shall all be defined as tampering with the utility company's meter or equipment, bypassing the same, or other instances of diversion, such as physically disorienting the meter; objects attached to the meter to divert service or to bypass, insertion of objects into the meter, and other electrical and mechanical means of tampering with, bypassing, or diverting service. The burden of proof of meter-tampering, bypass, or diversion is on the utility. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence must be accompanied by a sworn affidavit by the utility when any action regarding meter-tampering as provided for in these Sections is initiated. A court finding of meter-tampering may be used instead of photographic or other evidence, if applicable.

APPROVED
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Texas Water Commission

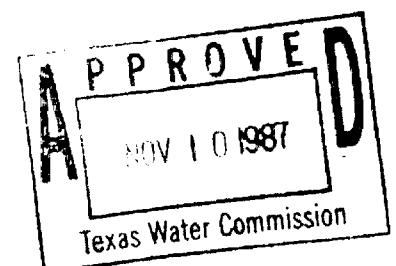
SECTION D: EXTENSION POLICY

1. Extension Policy. Applicants for a new water tap and service must provide the utility with acceptable evidence that such tap and service is in compliance with the existing rules and regulations of all regulatory agencies and the company's plumbing requirements.
- (A) Utility Lines Adjacent to Applicant's Property. After proper application is made by an applicant and receipt of the tap fees by the utility, the user or customer shall install the appropriate service lines before the utility makes the tap. Such service line installation shall be in compliance with all regulations and rules of all regulatory agencies and the standards of the utility.
- (B) Utility Lines Not Adjacent to Applicant's Property. In the event an applicant desires water service on a lot which does not currently have water mains adjacent to the lot, the company will provide an extension of a two (2) inch water main for a distance not to exceed two hundred (200) feet. The applicant will be required to pay the tap fee, the actual cost of extending a two inch water line any distance beyond two hundred (200) feet, and any cost for paving cuts or road bores. Such additional water system extensions shall become the property of the utility. The two hundred (200) foot extension limit is not applicable for subdivisions and land developments, and applicants who make sequential requests for service to avoid the conditions for subdivisions and land developments in Paragraph 2(D) of this section will be required to pay the actual costs for all line extensions beyond an initial two hundred (200) foot allowance. The applicant must provide suitable easements or right-of-way for water service on the applicant's lot.
- (C) Service to Applicants Outside of Certificated Service Area. Consistent with all other provisions of this Tariff, service may be provided to applicants outside of Shady Oaks Water Company, Inc. certificated service area of public convenience and necessity if the following three (3) requirements are met:
- (1) The service location is contiguous to Shady Oaks Water Company, Inc.'s certificated service area of public convenience and necessity, and
 - (2) The service location is not in an area receiving similar service from another public utility, and
 - (3) The service location is not within the area of public convenience and necessity of another utility of the same kind.

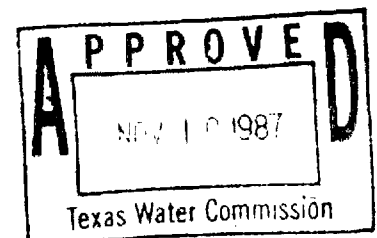


(D) Subdivisions and Land Developments or Non-Residential Service. When an application for extension of service into a proposed subdivision or land development is received, the company may require the applicant to pay the capital contribution fee, to install water production, storage, treatment, transmission, and distribution facilities to the company's specifications, and to donate such system, other suitable easements, and necessary documentation to the company as a condition for providing service to the proposed subdivision or development. Upon demand the applicant must provide satisfactory proof that all appropriate regulatory authority permits or licenses have been obtained.

2. Application Requiring Professional Services of Engineer. If the services of a registered professional engineer are required as a result of an application for service received by the utility, the engineer will be selected or approved by the utility and the applicant for service will bear all expenses incurred for these services.
3. Standard Service. The standard service will have one connection for each residence on each lot, otherwise such service shall be considered non-standard service.
4. Request for Non-Standard Service. If an applicant requires other than the standard service provided by the Utility, such applicant will be required to pay all expenses incurred by the Utility to cover the cost of such non-standard service.
5. Commercial, Industrial, or Wholesale Service. Commercial, industrial, and wholesale service applies to service of a non-residential nature. No mains will be replaced or enlarged at the Utility's expense to facilitate a commercial, industrial, or wholesale connection. The company may require the applicant to pay the capital contribution fee, to install water production, storage, treatment, transmission, and distribution facilities to the company's specifications, and to donate such system, other suitable easements, and necessary documentation to the company as a condition for providing commercial, industrial, or wholesale service. Upon demand the applicant must provide satisfactory proof that all appropriate regulatory authority permits or licenses have been obtained.
6. Provision for Easements. The applicant will provide suitable right-of-way for the water system on the applicant's property. If the applicant does not own the property or it is so located that it is necessary to secure a private right-of-way to furnish service, the applicant may be required to pay the easement fee in addition to tap fees otherwise required pursuant to the provisions of this Tariff.



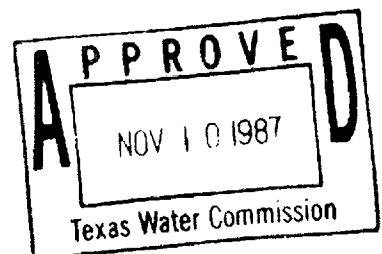
7. Paving Cuts. If because of geologic or other reasons, it is necessary to cut a paved street in order to facilitate a service connection and maintain standards required by governmental agencies, a charge equal to the actual cost of any permit or permits and such additional work will be paid by the customer or applicant in addition to the regular service connection charges.
8. Plumbing Requirements. In accordance with the policy of the regulatory agencies of the State of Texas, the Utility can prescribe acceptable plumbing practices prior to the installation of service to comply with the requirements of that agency on cross-connections or inter-connections of water supplies and other measures to protect the quality of the Utility's potable water supply. A copy of the acceptable plumbing practices can be reviewed at the Utility's offices.
9. Customer Maintenance. The customer shall furnish and install the water service line from the residence to the water meter and shall keep the service line in good repair.



SECTION E: POLICIES OF SHADY OAKS WATER COMPANY, INC.

1. No two (2) dwellings, homes, or lots will be connected to a single connection unless authorized by the utility.
2. Anyone who damages utility property is liable to the extent of the damage or loss, and the utility will seek compensation for such damage.
3. The utility will hold interruption of service to a minimum and typically for necessary maintenance. Inability or failure of the utility to deliver or the customer to receive service shall not be the basis of claims for damages sustained by either party when due to an act of God, the elements, accidents, breakage of equipment, or other causes or contingencies reasonably beyond the control of either party.
4. All notices and bills shall be considered properly made when mailed by the utility to the address given by the customer, and it is the duty of the customer to notify the utility of any changes of his address.
5. Re-installation of water meters removed for non-payment of bill shall be performed only between the hours of 8:00 A.M. and 4:30 P.M. Monday through Friday.
6. Office hours are between 8:00 A.M. and 4:30 P.M. daily, and the office is closed on Saturday, Sunday and Holidays. Emergency calls will be accepted. Non-emergency calls will not be accepted during non-office hours but will be accepted during office hours.
7. The word "construction" in the context of these rules shall mean all labor, materials, professional fees and incidental costs chargeable directly to any particular project.

The customer agrees to grant to the utility an easement of right-of-way for the purpose of installing, maintaining and operating such pipelines, meters, valves and other equipment which may be deemed necessary for the utility on such forms as is requested by the utility. The utility shall have the right to locate a water service meter and the pipe necessary to connect the meter on the property of the customer at a point to be chosen by the utility and shall have access to its property and equipment located upon the customer's premises at all reasonable times for any purposes connected with or in the furtherance of the utility's operations, and upon discontinuance of service shall have the right to remove any of its property from the customer's premises.



SECTION F: EMERGENCY RATIONING PROGRAM

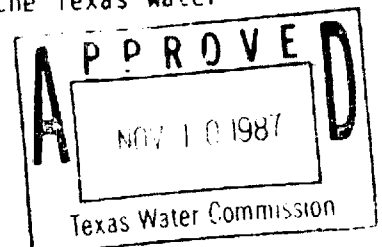
The following water rationing program is adopted for emergency use only during periods of acute water shortage.

1. Declaration of Emergency: When a system demand exceeds production or storage capability measured over a twenty-four (24) hour period, and refilling the storage facilities is rendered impossible, OR when the utility is notified by its wholesale supplier of a cutback in water to be delivered to such an extent that normal use patterns will no longer be possible, the utility may declare an emergency to exist, and thereafter ration water in the following manner.
2. Notice Requirements: Written notice of the proposed rationing shall be mailed or delivered to each customer seventy-two (72) hours before the utility actually starts the program, and shall also be placed in a local newspaper. The utility shall send a copy of the customer notice to the Texas Water Commission at the same time notice is sent to the customers. The customer notice shall contain the following information:
 - A. The date rationing shall begin,
 - B. The date rationing shall end,
 - C. The stage (level) of rationing to be employed, and
 - D. A copy of this rationing authority.
3. Stage levels of rationing:

STAGE I (Mild Rationing Conditions): Alternate day usage of water for outdoor purposes such as lawns, gardens, car washing, etc. Customers with even number addresses (north or west side of streets) shall use water outdoors only on even numbered days; odd number addresses (south or east side of streets) shall use water outdoors only on odd numbered days.

STAGE I-A (Limited Water Usage): The company may limit water usage to a gallonage determined by the water plant's mechanical capability to provide continuous service prorated over all customers served by the water plant.

Violation of Stage I-A: Water restrictors may be installed for customers that exceed the limited gallonage determined by the system's mechanical capability. A flow restrictor shall be installed at the customer's expense (not to exceed actual costs or \$50.00). Tampering with the flow restrictor will result in water service termination for seven (7) days. The normal reconnect fee of the utility shall apply for restoration of service. The maximum number of gallons per meter per month shall be contained in the notice to each customer. The utility shall notify the Texas Water Commission of the installation of such restrictors.



STAGE II (Moderate Rationing Conditions): All outdoor water usage is prohibited; however, usage for livestock is exempt.

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

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

4. Violation of Emergency Rationing Rules:

A. First Violation - the utility may install a flow restricter in the line to limit the amount of water which will pass through the meter in a twenty-four (24) hour period. The cost to be charged to the customer's account shall be the actual installed cost to the utility, not to exceed \$50.00.

B. Subsequent Violations - the utility may terminate service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is less. The normal reconnection fee of the utility shall apply for restoration of service.

5. Exemptions or Variances From Rationing Rules: The utility may grant any customer an exemption or variance from the uniform rationing program, for good cause. In such event, the utility shall notify the Texas Water Commission within twenty-four (24) hours of such exemption or variance, stating the name, address and cause for the affected customer.

A customer who is refused an exemption or variance may appeal such action to the utility by written appeal to the Texas Water Commission. The utility shall treat all customers equally concerning exemptions and variances, and shall not employ discrimination in such grants.

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

The purpose of this Emergency Rationing Program is to conserve the total amount of water demanded from the utility until supply can be restored to normal levels. This rationing program shall not exceed sixty (60) days without written approval of the Texas Water Commission.

