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**WATER UTILITY TARIFF
FOR**

Kerr County Water Systems, LLC
(Utility Name)

1270 Highway 39
(Business Address)

Hunt, Texas 78024
(City, State, Zip Code)

(830) 238-3619
(AreaCode/Telephone)

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

13166

This tariff is effective in the following counties:

Kerr

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

None

This tariff is effective in the following subdivisions or systems:

Bumblebee Hills (PWS #1330092) and Stablewood Springs Resort

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TEXAS COMM. ON ENVIRONMENTAL QUALITY
36128-S, CCN 13166, OCTOBER 30/2009
APPROVED TARIFF BY SP/SP

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4" gallons	<u>\$21.75</u> (Includes 2,000 gallons)	<u>\$3.00</u> per 1000 gallons for all additional
1"	<u>\$45.38</u>	
1 1/2"	<u>\$84.75</u>	
2"	<u>\$132.00</u>	
3"	<u>\$242.25</u>	
4"	<u>\$399.75</u>	

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

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

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

REGULATORY ASSESSMENT.....1.0%

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

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$500.00

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

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

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

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

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

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

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE.....\$25.00

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

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

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

TRANSFER FEE.....\$25.00

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

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

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

RETURNED CHECK CHARGE.....\$25.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$0.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

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

SECTION 2.0 -- SERVICE RULES AND POLICIES

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

Section 2.01 - Application for Water Service

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

Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the 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 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) Customer Deposits

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

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

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the 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.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 30 TAC 291.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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

Section 2.06 - Customer Service Inspections

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

Section 2.07 - Back Flow Prevention Devices

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

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

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in Section 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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

Section 2.08 - Access to Customer's Premises

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

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

Section 2.09 - Meter Requirements, Readings, and Testing

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

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

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.10 - Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill

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

(D) Prorated Bills

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

Section 2.11- Payments

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

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.12 - Service Disconnection(A) With Notice

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

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

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

B) Without Notice

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

Section 2.13 - Reconnection of Service

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

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

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.16 - Customer Complaints and Disputes

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

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

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

Section 2.17 - Customer Liability

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

SECTION 3.0 -- EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

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

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

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

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

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

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

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

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

Exceptions may be granted by the TCEQ Executive Director if:

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

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

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

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

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

Section 3.03 - Contributions in Aid of Construction

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

SECTION 3.0 -- 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 Texas Commission on Environmental Quality minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 291.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the Texas Commission on Environmental Quality minimum design criteria. As provided by 30 TAC 291.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

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

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, 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 given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the 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.

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United

SECTION 3.0 -- EXTENSION POLICY (Continued)

States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

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

Section 3.06 - Qualified Service Applicant

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

The Utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by 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 by TCEQ rules.

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, 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.

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



FRITZ, BYRNE, HEAD & HARRISON
Attorneys at Law

RECEIVED
TCEQ
WATER SUPPLY DIV.

2009 MAY 14 AM 11 45

May 13, 2009

Ms. Stacy Leigh Foster
Water Supply Division (MC-153)
Utilities & Districts Section
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Re: Kerr County Water Systems, LLC
Application No. 36128-S

Dear Ms. Foster:

Pursuant to your request, Kerr County Water Systems, LLC has updated the existing drought contingency plan for Bumble Bee Water System (PWS No. 1330092) in Kerr County, Texas. Please include the enclosed plan among the papers reviewed and considered in Kerr Water's pending Certificate of Convenience and Necessity (CCN) application. Upon issuance of the CCN, Kerr Water will include its new CCN number on the face of the plan and incorporate it into its tariff.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely yours,

FRITZ, BYRNE, HEAD & HARRISON, PLLC

By: Bob Renbarger
Bob Renbarger

ROR/amd
Enclosure

cc: Mr. Ray Berry (w/encl)

TEXAS COM. ON ENVIRONMENTAL QUALITY

2009 CCN 12166 OCT 30 '09

APPROVED TARIFF BY SP/SP

KADIR15V15210001LETTERS&FOSTER-2.wpd

Value Driven...Client Oriented



DROUGHT CONTINGENCY PLAN

For

**KERR COUNTY WATER SYSTEMS, LLC
(Bumble Bee Hills Water System, PWS #: 1330092)**

CCN # _____

May 3, 2009

Section I: Declaration of Policy, Purpose, and Intent

In order to provide for an adequate supply of potable water during conditions of drought, high usage, contamination or other emergency conditions, Kerr County Water Systems, LLC hereby adopts the following regulations and restrictions on the delivery and use of potable water. The reuse of water or grey water is unregulated and not limited by this plan.

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 conditions are unauthorized and may subject the violator(s) to increase water use restrictions and possibly discontinuance of service.

This plan must not conflict with TCEQ's minimum water system capacity requirements of 30 TAC Chapter 290.45 under normal conditions. Additionally, these water restrictions do not apply, if the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

Section II: PUBLIC INVOLVEMENT

Kerr County Water Systems, LLC will encourage and provide opportunity for the public to provide input into the preparation and subsequent revisions of this Plan by mailing a notice to all customers and presenting any proposed plans during one or more public meeting(s) at a location in Kerr County, Texas. On February 14, 2000 at the Kerrville Municipal Auditorium, a draft of this plan was discussed with customers, and this proposal was mailed to each customer. Kerr County Water Systems, LLC will notify by mail each customer of any revisions to this plan.

Section III: CONTINUING PUBLIC EDUCATION AND ANNUAL CONSERVATION

Kerr County Water Systems, LLC will, as necessary, mail or provide at the annual customer (public) meeting, a copy of this plan and any information that may or will affect this plan; to include 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.

Section IV: COORDINATION WITH REGIONAL WATER PLANNING GROUPS

Our Water System provides retail public water supply services in the following Regional Planning Groups of Texas:

- Region "J", the PLATEAU REGION, includes the systems located in Kerr County

Our Water System will provide a copy of this Plan to:

Region "J": c/o Kerr County Commissioners Court, 700 Main St., Suite 101, Kerrville, TX 78028

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Our Water System will provide a copy of this plan to the regulatory authority (S).

Section V: AUTHORIZATION AND APPLICATION TO IMPLEMENT THE PLAN

The PRESIDENT of Our Water System, or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that normal use patterns are causing water supply shortages and that such implementation is necessary to protect public health, safety, and welfare.

The provisions of this Plan shall apply to all persons, customers, and property utilizing potable water provided by the Kerr County Water Systems, LLC. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnership, association and all other legal entities that use water supplied by Kerr County Water Systems, LLC.

Section VI: DEFINITIONS

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

Applicable regulatory authority: to include, but not limited to the HWGCD (Headwaters Ground Water Conservation District) and the TCEQ (Texas Commission on Environmental Quality).

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.

Essential water use: the nondiscretionary use of potable water; a) for the protection of public and personal health, safety, and welfare, such as drinking, bathing, heating, cooking, sanitizing, and cleaning; or b) for the production of an industrial or commercial operation; or c) domestic or livestock use.

GPD: Gallons per Day

HWGCD: Headwaters Ground Water Conservation District, a groundwater district created by Texas Legislature and having authority to manage the use of groundwater in Kerr County.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms of 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 right-of-way and medians.

Non-essential water use: discretionary uses of potable water that are not essential for the protection of personal and public health, safety, and welfare. Non-essential water use includes:

- (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 structured 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 polls;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;

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- (h) failure to repair a controllable leak (s) within 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.

Potable water: water-having quality that meets or exceeds TCEQ Public Drinking Water Standards, (30 TAC Chapter 290)

Section VII: NOTICE REQUIREMENTS

Written notice will be provided to each customer prior to implementation or termination of each stage of the water restriction program. Notice will be mailed to each customer 72 hours prior to the start of water restriction. Notice (Appendix "A") will include the e following information:

- A) the date restrictions will begin,
- B) the circumstances that triggered the restrictions,
- C) the stages of response and explanation of the consequences for violations.

Kerr County Water Systems, LLC will notify the TCEQ by telephone or by electronic mail and the applicable regulatory authority prior to implementing mandatory water use restrictions and, within 5 days, send written notice that includes a copy of the notice calling for restrictions sent by Kerr County Water Systems, LLC to each customer to:

Texas Commission on Environmental Quality
 Public Drinking Water Section. MC-155
 POB 13087
 Austin, Texas 78711-3087.

Kerr County Water Systems, LLC will file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions (i.e. Stages III & IV).

Section VIII: TRIGGERING CRITERIA FOR INITIATION AND TERMINATION OF DROUGHT RESPONSE STAGES

The PRESIDENT or his 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. The triggering criteria described below are based on the combination of indicators that affect availability; supply (drought) and demand. A **point** system is utilized to indicate attainment of each supply limitation. One two or three points are accumulated upon attaining more than one (1) trigger condition.

Utility Trigger Mechanisms	1pt.	2pts.	3pts.	4pts.
Aquifer Elev. -Zone A*	<1380'	<1340'	<1300'	<1300'
Rainfall (% of 6-mo. avg.)	<100	<70	<50	<30
System supply (% of TCEQ reqmnts.)	>70%	>90%	100%	100%

* Kerr County: HGWCD monitor well, Donna Dr.-Kerrville South

Supply Limitation (Drought) Stages are attained by accumulating the following points:

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STAGE I	Customer Awareness	1pt.
STAGE II	Moderate Restrictions	2pt.
STAGE III	Mandatory Restrictions	3pt
STAGE IV	Critical Water Use Restrictions	4pt.

(a) STAGE I- Customer Awareness

Goals: Water customers will be requested to voluntarily conserve and use water efficiently.

Utility Measures: Kerr County Water Systems, LLC will mail an announcement and ideas for conserving water to each customer.

Initiation and Termination: Upon attaining 1 point, Kerr County Water Systems, LLC will declare Stage I AND INITIATE THE Utility Measures for Stage II. Notice of termination will occur when triggering events for Stage I have ceased for a reasonable period.

(b) STAGE II- Moderate Restrictions

Requirements for Initiation – The Utility and its' Customers will be notified by mail requesting compliance with Stage II requirements and restrictions on certain non-essential water uses (listed below);

- a. When 2 points have been attained, or
- b. When declared by any applicable regulatory authority.

Utility Management Measures:

Kerr County Water Systems, LLC will perform the following:

- a. discontinue flushing of water mains, except for dead-end mains
- b. postpone routine interior storage tank inspection and maintenance,
- c. inspect distribution water lines weekly for leaks,
- d. evaluate well production records on semi-monthly basis for effectiveness of plan,
- e. prepare any available wells,
- f. explore alternate water supplies,
- g. submit required report(s) to the applicable regulatory authority (ies), and
- h. eliminate any non-essential use of water.

Customer Water Use Restrictions:

- (a) 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 street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the evening and morning hours of 8 p.m. and 10:00 a.m. on these designated water
- (b) Customers are prohibited from wasting potable water,
- (c) Customers will be notified of common non-essential water uses,
- (d) Customers will be notified of mandatory restrictions that are provided in the next stage (Stage III) of this plan, if drought conditions worsen.

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Requirements for termination- Kerr County Water Systems, LLC will notify by mail of termination of Stage II, when all of the conditions listed as triggering events have ceased to exist for a period of 14 consecutive days or have ceased with a declaration by an applicable regulatory authority.

(c) STAGE III- Mandatory Water Restrictions

Requirements for initiation- Kerr County Water Systems, LLC will notify customers by mail to comply with Stage III mandatory requirements and restrictions on certain non-essential water as indicated below;

- a. **When 3 points have been attained or accumulated, or**
- b. **When declared by any applicable regulatory authority.**

Goals: Achieve approximately a 20% reduction (or that percent mandated by the applicable regulatory authority, whichever is greater) in the utility's total water production. To achieve this goal, the customers will be requested to limit usage to approximately **80 GPD/ person** and the utility will attempt to limit its usage equivalent to 7 GPD/ person.

Utility Management Measures:

Kerr County Water Systems, LLC will perform the following:

- a. will comply with Stage I, II, & III water use restrictions and Utility Management Measures, and
- b. will inspect the distribution system for leaks daily and repair immediately, and
- c. will record & evaluate well production on a weekly basis, and
- d. will initiate development of the alternate supply sources,
- e. customers will be notified of mandatory restrictions that are provided in the next stage (Stage III), if drought conditions worsen, and
- f. will evaluate effectiveness of the Plan on weekly basis.

Customer Water Use Restrictions: The following water restrictions shall apply to all persons:

- (a) Irrigation of landscaped areas shall be limited to vegetable gardens, shrubs and trees once a week between the hours of 8 p.m. and 8 a.m. and shall be by means of hand- held hoses, hand-held buckets, or drip irrigation. The use of hose-end sprinklers and permanently installed automatic sprinkler systems is prohibited.
- (b) Use of water defined as non-essential water use, except as noted in (a) above, are prohibited.

Requirements for termination- Kerr County Water Systems, LLC will notify customers by mail of the termination of Stage III and the subsequent initiation of Stage II of the Plan when all the conditions listed as triggering events have ceased to exist for a period of 14 consecutive days or have ceased by declaration of an applicable regulatory authority.

(d) STAGE IV- Critical Water Use Restrictions

Requirements for Initiation- Kerr County Water Systems, LLC will notify by mail customers of the mandatory requirements and restrictions on non-essential water uses for Stage IV of this Plan;

- a. **When 5 or more points have been attained or accumulated, or**
- b. **When declared by any applicable regulatory authority.**

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Goal: Achieve a 30% reduction (or that percent mandated by the applicable regulatory authority, whichever is greater) in the utility's total water production. Along with this rate of reduction, customers, will be requested to limit usage to approximately 70 GPD/person, while the utility will attempt to reduce its; usage equivalent to 5 GPD/person.

Utility Supply Management Measures:

Kerr County Water Systems, LLC Company will perform the following:

- a. continue to implement Stages I, II & III measures, and
- b. obtain the necessary approvals in preparation for Water Allocation and Emergency provisions.

Customer Water Use Restrictions: All requirements of Stages I, II & III shall remain in effect during Stage IV except:

- (a) 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 will be considered only if public health, safety, and welfare of the additional service doesn't jeopardized the public health, safety, and welfare of the existing customers.
- (b) Irrigation with potable water of landscaped areas is absolutely prohibited.

Requirements for termination- Kerr County Water Systems, LLC will notify customers by mail when all of the conditions listed as triggering events for Stage IV have ceased to exist for a period of 14 consecutive days or a declaration by an applicable regulatory authority has occurred. Upon termination of Stage IV, Stage III becomes operative.

Section IX: VIOLATIONS AND ENFORCEMENT MEASURES

- (a) No person shall knowingly or intentionally allow the use of water supplied by Kerr County Water Systems, LLC for any purpose 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 PRESIDENT (designated official), or his/her designee, in accordance with provisions of this Plan.
- (b) Upon determination by the PRESIDENT of being non-compliant with this plan, the person or violator will be notified by mail of one of the following enforcement actions:
 - i. First violation; customer(s) will receive notice of the non-compliant actions, the necessary corrective measure and consequences of future violation of this Plan.
 - ii. Second violation; customer(s) will receive a notice of the non-compliant actions, to include the date that Kerr County Water Systems, LLC will install a flow restricting device at the meter and invoice the violator for a meter service fee of \$50.00, or
 - iii. Third and subsequent violation(s); customer(s) will receive a notice within 5 days that water service will be discontinued for a period of seven (7) days.

Section x: Variances

The PRESIDENT (designated official), 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

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variances 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 Plan shall file a written request for variance with Kerr County Water Systems, LLC within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall show good cause and be granted by the PRESIDENT (designated official), 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 the Plan.
- (e) Description of the relief requested.
- (f) Period of time for which the variance is sought.
- (g) Alternate 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 Kerr County Water Systems, LLC shall be subject to the following conditions, unless waived or modified by the PRESIDENT (designated official) 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.

Section XIII: Severability

It is hereby declared to be the intention of Kerr County Water Systems, LLC, that the sections, paragraphs, sentences, clauses, and phrases of this Plan are severable and, if any phrase, clause, sentence, paragraph, or section of this Plan shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Plan, since the same would not have been enacted by Kerr County Water Systems, LLC without the incorporation into this Plan of any such unconstitutional phrase, clause, sentence, paragraph, or section.

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APPENDIX A

Kerr County Water Systems, LLC
P. O. Box 555 Hunt, Texas 78024
830-238-3619

NOTICE OF WATER USE RESTRICTIONS
STAGE II

For

Customers of: Kerr County Water Systems, LLC PWS #330092

Due to declining water supplies, Kerr County Water Systems, LLC requests your sincere efforts, beginning on _____ to voluntarily limit water usage that will achieve a 10% reduction in your normal use.

RESTRICTIONS: Customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with street address ending in an odd number (1, 3, 5, 7, or 9), and to irrigate landscapes only between the evening and morning hours of 8 p.m. and 10:00 a.m. on these designated watering days.

Additionally, controlling the non-essential water use is requested, which is defines as the discretionary uses of potable water that are not essential for the protection of personal and public health, safety, and welfare. Non-essential water use includes:

- 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 structured 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 reasonable period after having been given notice directing the repair of such leak(s); and

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- i) use of water from hydrants for construction purposes or any other purposes other than fire fighting.

TERMINATION: You will be notified on a monthly bill of discontinuance of these restrictions when the conditions creating the limited water supplies have ceased to exist.

Thanks for the support and please contact us, if any questions arise.

**Kerr County Water Systems
P. O. Box 555 Hunt, Texas 78024
830-238-3619**

**NOTICE OF WATER USE RESTRICTIONS
STAGE III**

For

Customers of: Kerr County Water Systems, LLC PWS #1330092

Due to declining water supplies, Kerr County Water Systems, LLC requests your sincere efforts, beginning on _____ to voluntarily limit water usage that will achieve a 20% reduction in your normal use.

Restrictions: 1) Irrigation of landscaped areas shall be limited to vegetable gardens, shrubs, and trees once a week between the hours of 8 p.m. and 8 a.m. and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation. The use of hose-end sprinklers and permanently installed automatic sprinkler system is prohibited. 2) Uses of water defined as non-essential water use, except as noted in (a) above, are prohibited. Non-essential water use is defined as the discretionary uses of potable water that are not essential for the protection of personal and public health, safety, and welfare. Non-essential water use includes:

- 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 structured 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;

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- h) failure to repair a controllable leak (s) within 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.

TERMINATION Of Stage III: You will be notified on a monthly bill of discontinuance of these restrictions when the conditions creating the limited water supplies have ceased to exist or moderated to a lesser restrictive water use Stage.

ENFORCEMENT ACTIONS: Restricting service through the meter and discontinuing service are possible.

Thanks for your support and please contact us, if questions arise.

**Kerr County Water Systems
P. O. Box 555 Hunt, Texas 78024
830-238-3619**

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APPENDIX A -- SAMPLE SERVICE AGREEMENT

From 30 TAC Chapter 290.47(b), Appendix B

SERVICE AGREEMENT

- I. **PURPOSE.** Kerr County Water Systems, LLC 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 Kerr County Water Systems, LLC 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 Kerr County Water Systems, LLC (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 Kerr County Water Systems, LLC. 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: _____

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