



Filing Receipt

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ItemNumber - 66

WATER UTILITY TARIFF FOR

C & R Water Supply, Inc.
(Utility Name)

P. O. Box 187
(Business Address)

Willis, Texas 77378
(City, State, Zip Code)

(936) 856-4199
(Area Code/Telephone)

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

13098

This tariff is effective in the following county:

Montgomery

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

Town of Cut and Shoot

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

This tariff is effective in the following subdivisions or systems:

See attached list.

TABLE OF CONTENTS

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

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APPENDIX A -- SAMPLE SERVICE AGREEMENT (Chapter 290.47 Appendix B)
APPENDIX B -- APPLICATION FOR SERVICE

LIST OF SUBDIVISIONS OR SYSTEMS

SUBDIVISION	PWS ID NUMBER	COUNTY
Bee Creek Estates	1700685	Montgomery
Bridgepoint Subdivision	1700316	Montgomery
Clear Water Cove Inc. Clearwater Point Hard Times Boating Club Shiloh Marina	1700480	Montgomery
Creekside Acres Water System	1700680	Montgomery
Emerson Estates Crockett Trace Kellyon Oaks The Villages	1700683	Montgomery
Mt. Pleasant Village Water System	1700423	Montgomery
Rogers Road Water System Oak Hills Subdivision The Oaks of Willis	1700590	Montgomery
Timberline Estates	1700728	Montgomery
Timber Oaks Crossing	1700697	Montgomery

**Bee Creek Estates, Rogers Road Water System,
The Oaks of Willis, Oak Hills Subdivision,
Creekside Acres Water System, Timberline Estates,
and Timber Oaks Crossing**

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$46.29 (Includes 0 gallons)	\$2.00 per 1000 gallons
1"	\$115.72	Plus
12"	\$231.45	*\$0.07 per 1000 gallons for LSGCD
2"	\$370.32	**\$1.47 per 1000 gallons for SJRA
3"	\$694.35	
4"	\$925.80	
6"	\$1,018.38	

Pass Through Fees, In addition to the gallonge charge:

*Lone Star Groundwater Conservation District (LSGCD) Fee: \$0.07 per 1,000 gallons of water used for systems and ratepayers under this LSGCD, adjusted for water loss.

**San Jacinto River Authority (SJRA) Groundwater Reduction Plan (GRP) fee: \$1.47 per 1,000 gallons of water used, which is \$1.25 adjusted for 15% water loss, will be charged to all ratepayers for Rogers Road Water System (PWS 1700590) and Timberline Estates (PWS 1700728). Bee Creek Estates, Creekside Acres and Timber Oaks Crossing are excluded from the pass through fee.

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

Cash X , Check X , Money Order X , Credit Card _____, 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.

RATES LISTED ARE EFFECTIVE ONLY
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**Bee Creek Estates, Rogers Road Water System,
The Oaks of Willis, Oak Hills Subdivision,
Creskide Acres Water System, Timberline Estates,
and Timber Oaks Crossing**

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE.....\$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY=S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

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

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

RETURNED CHECK CHARGE (Maximum)..... \$30.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY=S DOCUMENTABLE COST.

TRANSFER FEE.....\$35.00
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. SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

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
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**Bee Creek Estates, Rogers Road Water System,
The Oaks of Willis, Oak Hills Subdivision,
Creekside Acres Water System, Timberline Estates,
and Timber Oaks Crossing**

PASS THROUGH ADJUSTMENT CLAUSE:

The utility's cost attributable to annual fee, pumpage fee and/or consumption-based fee from the Lone Star Ground Water Conservation District Authority and/or other such governmental authority shall be passed through to all customers affected by such fees using the following calculations:

Annual Fee:

Monthly minimum charge + (Annual fee / Number of Customers affected) /
12months

Volume Charge:

Monthly gallonage charge per 1,000 gallons + (Increase or decrease in pumpage fee *
1.15)

To implement or modify the Pass Through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 291.21 (h).

Example of a Pass Through Provision:

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

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

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

**RATES LISTED ARE EFFECTIVE ONLY
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SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$33.89 (Includes 0 gallons)	\$2.00 per 1000 gallons
1"	\$84.73	Plus
12"	\$169.45	*\$0.07 per 1000 gallons for LSGCD
2"	\$271.12	**\$1.47 per 1000 gallons for SJRA
3"	\$508.35	
4"	\$847.25	
6"	\$1,694.50	

Pass Through Fees, In addition to the gallonge charge:

*Lone Star Groundwater Conservation District (LSGCD) Fee: \$0.07 per 1,000 gallons of water used for systems and ratepayers under the LSGCD, as adjusted for water loss.

**San Jacinto River Authority (SJRA) Groundwater Reduction Plan (GRP) fee: \$1.47 per 1,000 gallons of water used, which is \$1.25 adjusted for 15% water loss, will be charged to all ratepayers for Bridgepoint Subdivision (PWS 1700316) and Clear Water Cove Inc. (PWS 1700840).

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

Cash X, Check X, Money Order X, Credit Card _____, 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.

RATES LISTED ARE EFFECTIVE ONLY
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**Bridgepoint Subdivision, Clear Water Cove Inc.,
Clearwater Point, Hard Times Boating Club,
and Shiloh Marina**

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE.....\$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY=S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

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

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

RETURNED CHECK CHARGE (Maximum)..... \$30.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY=S DOCUMENTABLE COST.

TRANSFER FEE.....\$35.00
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. SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

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.

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**Bridgepoint Subdivision, Clear Water Cove Inc.,
Clearwater Point, Hard Times Boating Club,
and Shiloh Marina**

PASS THROUGH ADJUSTMENT CLAUSE:

The utility's cost attributable to annual fee, pumpage fee and/or consumption-based fee from the Lone Star Ground Water Conservation District Authority and/or other such governmental authority shall be passed through to all customers affected by such fees using the following calculations:

Annual Fee:

Monthly minimum charge + (Annual fee / Number of Customers affected) /
12months

Volume Charge:

Monthly gallonage charge per 1,000 gallons + (Increase or decrease in pumpage fee *
1.15)

To implement or modify the Pass Through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 291.21 (h).

Example of a Pass Through Provision:

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

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

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

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SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	\$39.09 (Includes 0 gallons)	\$2.00 per 1000 gallons for all usage
1"	\$97.73	Plus
12"	\$195.45	*\$0.07 per 1000 gallons for LSGCD
2"	\$312.72	**\$1.47 per 1000 gallons for SJRA
3"	\$586.35	
4"	\$781.80	

Pass Through Fees, In addition to the gallage charge:

*Lone Star Groundwater Conservation District (LSGCD) Fee: \$0.07 per 1,000 gallons of water used for systems under this LSGCD, adjusted for water loss.

**San Jacinto River Authority (SJRA) Groundwater Reduction Plan (GRP) fee: \$1.47 per 1,000 gallons of water used, which is \$1.25 adjusted for 15% water loss, will be charged to all ratepayers for Emerson Estates (PWS 1700683).

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

Cash X, Check X, Money Order X, Credit Card _____, 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.

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SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE.....\$25.00

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

RECONNECTION FEE

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

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

RETURNED CHECK CHARGE (Maximum).....\$30.00

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

TRANSFER FEE.....\$35.00

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. SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

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.

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PASS THROUGH ADJUSTMENT CLAUSE:

The utility's cost attributable to annual fee, pumpage fee and/or consumption-based fee from the Lone Star Ground Water Conservation District Authority and/or other such governmental authority shall be passed through to all customers affected by such fees using the following calculations:

Annual Fee:

Monthly minimum charge + (Annual fee / Number of Customers affected) / 12months

Volume Charge:

Monthly gallonage charge per 1,000 gallons + (Increase or decrease in pumpage fee *
1.15)

To implement or modify the Pass Through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 291.21 (h).

Example of a Pass Through Provision:

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

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

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15
(15%)

RATES LISTED ARE EFFECTIVE ONLY
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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"	<u>\$25.00</u> (Includes 0 gallons)	<u>\$1.80</u> per 1000 gallons, 1 st 10,000 gallons
1"	<u>\$75.00</u>	<u>\$2.55</u> per 1000 gallons thereafter
1 1/2 "	<u>\$150.00</u>	
2"	<u>\$200.00</u>	
3"	<u>\$300.00</u>	
Other: 4"	<u>\$450.00</u>	

Lone Star Groundwater Conservation District Water Use Fee: \$.05 per 1000 gallons of water usage.

Commercial Customers are required to have minimum 1" meter connection.

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

Cash X, Check X, Money Order X, Credit Card _____, 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. IN ADDITION, GROUNDWATER DISTRICT REGULATORY FEES WILL BE CHARGED AT COST.

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$500.00 (Residential) \$1,000.00 (Commercial)

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.

RATES LISTED ARE EFFECTIVE ONLY
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SECTION 1.0 -- RATE SCHEDULE (Continued)

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.

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) 10%
TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

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

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

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

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.

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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"	<u>\$37.00</u> (Includes <u>0</u> gallons)	<u>\$3.50</u> per 1000 gallons, over the minimum

FORM OF PAYMENT: The utility will accept the following forms of payment:
 Cash X, Check X, Money Order X, Credit Card _____, 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.

RATES LISTED ARE EFFECTIVE ONLY
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SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE \$25.00

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

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 \$45.00

TRANSFER FEE \$45.00

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

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

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) \$50.00

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.

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SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Texas Commission on Environmental Quality Rules, Chapter 291, Water Utility Regulations, 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)

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.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Meter tests - The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.10 - Billing

(A) Regular Billing

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

(B) Late Fees

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

(C) Information on Bill

Each bill will provide all information required by the 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.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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

Section 2.12 - Service Disconnection

(A) With Notice

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

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

Notice of termination must be a separate mailing or hand delivery in accordance with the 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 2.0 – SERVICE RULES AND POLICIES (Continued)

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 2.16 - 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 T.A.C. 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

SECTION 3.0 -- EXTENSION POLICY (Continued)

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

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 copy of TCEQ approved Drought Contingency Plan)

APPENDIX A -- SAMPLE SERVICE AGREEMENT

From 30 TAC Chapter 290.47(b), Appendix B

SERVICE AGREEMENT

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

- II. RESTRICTIONS. The following unacceptable practices are prohibited by State regulations.
 - A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.

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

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

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

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

III. SERVICE AGREEMENT. The following are the terms of the service agreement between the NAME OF WATER SYSTEM (the Water System) and NAME OF CUSTOMER (the Customer).

- A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.
- B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.
- C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.
- D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
- E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.

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

CUSTOMER'S SIGNATURE: _____

DATE: _____

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

J:\RATES\TARIFFS\33482C Wagner tar.frm

**WATER UTILITY TARIFF
FOR**

Cindy Riley dba C & R Water Supply
(Utility Name)

P.O. Box 1278
(Business Address)

Willis, Texas 77378
(City, State, Zip Code)

713/875-3468
(Area Code/Telephone)

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

11019

This tariff is effective in the following county:

Harris and Liberty

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

N/A

This tariff is effective in the following subdivisions and public water systems:

See Attached List

TABLE OF CONTENTS

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

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APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

Cindy Riley dba C & R Water Supply

	Subdivision Name	County
1010112	Cedar Bayou Park	Harris
1010706	Fair Acres Subdivision	Harris
1011492	Glenwood Subdivision	Harris
1010640	Rollan Heights Subdivision	Harris
1012174	Cedar Bayou Estates Homeowners Association, Inc	Harris
1460086	Peterson Place Subdivision	Liberty

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"	\$43.00 (Includes 0 gallons)	*\$3.04 per 1000 gallons
1"	\$107.50	
1 1/2"	\$215.00	#PLUS
2"	\$344.00	BAWA fee for
3"	\$645.00	Cedar Bayou Park System only.
4"	\$1,075.00	

* Includes Baytown Area Water Authority fee (BAWA).....\$0.32 per 1,000 gallons
PLUS \$0.23 per 1,000 gallons Baytown Area Water Authority purchase water fee increase for the Cedar Bayou Park System only.

FORM OF PAYMENT: The utility will accept the following forms of payment:
 Cash X, Check X, Money Order X, Credit Card , 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 \$650.00
 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.

RATES LISTED ARE EFFECTIVE ONLY
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SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

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

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

TRANSFER FEE..... \$50.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

RETURNED CHECK CHARGE \$30.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE N/A
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
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SECTION 1.0 -- RATE SCHEDULE (Continued)

PASS THROUGH ADJUSTMENT CLAUSE:

The utility's cost attributable to annual fee, pumpage fee and/or consumption-based fee from the Baytown Area Water Authority and/or other such governmental authority shall be passed through to all customers affected by such fee using the following calculations:

Annual Fee:

Monthly minimum charge + (Annual Fee / Number of Customers affected) / 12 months

Volume Charge:

Monthly gallonage charge per 1,000 gallons + (Increase or decrease in pumpage fee X 1.15)

To implement or modify the Pass Through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 291.21(h).

Example of a Pass Through Provision:

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

- AG = adjusted gallonage charge, rounded to nearest one cent;
- G = approved gallonage charge, per 1,000 gallons;
- B = change in fee (per 1,000 gallons);
- L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

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SECTION 1.0 -- RATE SCHEDULE (Continued)

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RATES LISTED ARE EFFECTIVE ONLY
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SECTION 1.0 - RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$33.50</u> (Includes <u>0</u> gallons)	\$2.50 for each additional 1,000 gallons over the minimum
1"	<u>\$83.75</u>	
1 1/2"	<u>\$167.50</u>	
2"	<u>\$268.00</u>	
3"	<u>\$502.50</u>	

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

Cash , Check , Money Order , Credit Card , 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 \$750.00

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

TAP FEE (Unique costs) N/A

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

TAP FEE (Large Meter) N/A

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

METER RELOCATION FEE N/A

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
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APPROVED TARIFF BY 7/1EP

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 \$50.00

TRANSFER FEE \$50.00

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

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

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

RETURNED CHECK CHARGE \$50.00

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

CUSTOMER DEPOSIT (Maximum \$50) \$50.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY 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.

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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 customer who has paid 18 consecutive billings without being delinquent.

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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 T. A. C. 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 install a cutoff valve on their side of the meter and are encouraged to do so. All new customers shall maintain a cutoff valve on their side of the meter.

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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.

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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.

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SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

Section 2.10 - Billing

(A) Regular Billing

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

(B) Late Fees

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

(C) Information on Bill

Each bill will provide all information required by the 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

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SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Section 2.12 - Service Disconnection

(A) With Notice

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

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

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

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SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 2.16 - 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.

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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.

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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.

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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 T.A.C. 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.

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SECTION 3.0 -- EXTENSION POLICY (Continued)

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

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.

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SECTION 3.0 -- EXTENSION POLICY (Continued)

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.

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

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APPROVED TARIFF BY gler

APPENDIX A -- SAMPLE SERVICE AGREEMENT

From 30 TAC Chapter 290.47(b), Appendix B

SERVICE AGREEMENT

- I. **PURPOSE.** The NAME OF WATER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF WATER SYSTEM 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.

APPENDIX A -- SAMPLE SERVICE AGREEMENT (Continued)

- III. SERVICE AGREEMENT. The following are the terms of the service agreement between the NAME OF WATER SYSTEM (the Water System) and NAME OF CUSTOMER (the Customer).
- A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.
 - B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.
 - C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.
 - D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
 - E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.
- IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

**SEWER UTILITY TARIFF
FOR**

C & R Water Supply, Inc.
(Utility Name)

11972 Upland
(Business Address)

Willis, Texas 77318
(City, State, Zip Code)

(936) 856-4199
(Area Code/Telephone)

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

20987

This tariff is effective in the following county:

Montgomery

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

Town of Cut and Shoot

This tariff is effective in the following subdivisions or systems:

See attached list

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES.....	3
SECTION 3.0 -- EXTENSION POLICY	9

APPENDIX A -- SERVICE AGREEMENTS

**Pebble Glen/Lake Conroe RV Resort Subdivisions,
Portions of: Longmire on Lake Conroe, The Estates of Longmire**

SECTION 1.0 - RATE SCHEDULE

Monthly Charge - All Connections \$30.00 (includes 0 gallons)

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

Cash____, Check X, Money Order X, Credit Card____, 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 \$600.00

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

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

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

TAP FEE (Large Connection Tap) Actual Cost

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

TRANSFER FEE \$10.00

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

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

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

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

Clearwater Cove, Clearwater Point Subdivision,
Hard Times Boating Club, Shiloh Marina, and Emerson Estates

SECTION 1.0 - RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
All Connections	<u>\$39.35</u> (includes 0 gallons)	<u>\$2.75</u> for each 1,000 gallons

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

Cash____, Check X, Money Order X, Credit Card____, 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.....\$350.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TRANSFER FEE.....\$35.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

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

**Clearwater Cove, Clearwater Point Subdivision,
Hard Times Boating Club, Shiloh Marina, and Emerson Estates**

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.....\$35.00

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

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

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 (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 to cover unique costs not normally incurred as permitted by 30 T. A. C. 291.86(a)(1)(C) if they are listed on this approved tariff. For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

2.06 Access to Customer's Premises

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

Section 2.07 - Back Flow Prevention Devices

No water connection shall be made to any establishment where an actual or potential contamination or system hazard exists without an approved air gap or mechanical backflow prevention assembly. The air gap or backflow prevention assembly shall be installed in accordance with the American Water Works Association (AWWA) standards C510, C511 and AWWA Manual M14 or the University of Southern California Manual of Cross-Connection Control, current edition. The backflow assembly installation by a licensed plumber shall occur at the customer's expense.

The back flow assembly shall be tested upon installation by a recognized prevention assembly tester and certified to be operating within specifications. Back flow prevention assemblies which are installed to provide protection against high health hazards must be tested and certified to be operating within specifications at least annually by a recognized back flow prevention device tester. The maintenance and testing of the back flow assembly shall occur at the customer's expense.

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.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(D) Prorated Bills

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

Section 2.11- Payments

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

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

Section 2.12 - Service Disconnection

(A) With Notice

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

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

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Service will be reconnected within 24 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

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

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the 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 collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

Exceptions may be granted by the 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.

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

The utility will bear the full cost of any over-sizing of sewer mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional treatment facilities. Contributions in aid of construction 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, collection, transmission, pumping, or treatment of sewage 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 T.A.C. 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.

SECTION 3.0 -- EXTENSION POLICY

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

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.

APPENDIX A – SAMPLE SERVICE AGREEMENT
From 30 TAC Chapter 290.47(b), Appendix B

SERVICE AGREEMENT

- I. PURPOSE. The NAME OF SEWER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF SEWER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the sewer 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.

APPENDIX A -- SAMPLE SERVICE AGREEMENT (Continued)

III. SERVICE AGREEMENT. The following are the terms of the service agreement between the NAME OF SEWER SYSTEM (the Sewer System) and NAME OF CUSTOMER (the Customer).

- A. The Sewer System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Sewer 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 Sewer 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 Sewer System's normal business hours.
- C. The Sewer System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.
- D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
- E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Sewer System. Copies of all testing and maintenance records shall be provided to the Sewer System.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Sewer 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: _____

**WATER UTILITY TARIFF
FOR**

RECEIVED

C & R Water Supply, Inc.
(Utility Name)

2014 SEP 18 PM 2:41

P. O. Box 187
(Business Address)

Willis, Texas 77378
(City, State, Zip Code)

PUBLIC UTILITY COMMISSION
FILING CLERK

(936) 856-4199
(Area Code/Telephone)

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

13098

This tariff is effective in the following county:

Montgomery

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

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

This tariff is effective in the following subdivisions or systems:

See attached list.

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

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APPENDIX A -- SAMPLE SERVICE AGREEMENT (Chapter 290.47 Appendix B)
APPENDIX B -- APPLICATION FOR SERVICE

2

LIST OF SUBDIVISIONS OR SYSTEMS

SUBDIVISION	PWS ID NUMBER	COUNTY
Bee Creek Estates	1700685	Montgomery
Bridgepoint Subdivision	1700316	Montgomery
Clear Water Cove Inc. Clearwater Point Hard Times Boating Club Shiloh Marina	1700480	Montgomery
Creeside Acres Water System	1700680	Montgomery
Emerson Estates Crockett Trace Kellyon Oaks The Villages	1700683	Montgomery
Mt. Pleasant Village Water System	1700423	Montgomery
Rogers Road Water System Oak Hills Subdivision The Oaks of Willis	1700590	Montgomery
Timberline Estates	1700728	Montgomery
Timber Oaks Crossing	1700697	Montgomery

**Bee Creek Estates, Rogers Road Water System,
The Oaks of Willis, Oak Hills Subdivision,
Creekside Acres Water System, Timberline
Estates, and Timber Oaks Crossing**

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$46.29 (Includes 0 gallons)	* \$2.00 per 1000 gallons for all meter sizes
1"	\$115.72	
12"	\$231.45	
2"	\$370.32	
3"	\$694.35	
4"	\$925.80	
6"	\$1,018.38	

Pass Through Fees:

*In addition to the gallonage charge, the Lone Star Groundwater Conservation District (LSGCD) Pumpage fee of \$0.07 per 1,000 (Effective September 1, 2011) gallons used will be charged to all ratepayers within the boundaries of LSGCD.

*In addition to the gallonage charge, the San Jacinto River Authority (SJRA) Groundwater Reduction Plan fee of \$0.87 per 1,000 (Effective September 1, 2011) gallons used will be charged to all ratepayers affected by the SJRA Groundwater Reduction Plan. Bee Creek Estates, Creekside Acres and Timber Oaks Crossing are excluded from the pass through fee.

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

Cash X, Check X, Money Order X, Credit Card , Other (specify) Cashiers Check
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 (Large meter)..... Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

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

**Bee Creek Estates, Rogers Road Water System,
The Oaks of Willis, Oak Hills Subdivision,
Creekside Acres Water System, Timberline
Estates, and Timber Oaks Crossing**

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER RELOCATION FEE..... (ACTUAL COST TO RELOCATE METER 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.

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

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

RETURNED CHECK CHARGE (Maximum)..... \$30.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY=S DOCUMENTABLE COST.

TRANSFER FEE.....\$35.00
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. SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE
WHEN AUTHORIZED IN WRITING BY 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
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**Bee Creek Estates, Rogers Road Water System,
The Oaks of Willis, Oak Hills Subdivision,
Creekside Acres Water System, Timberline
Estates, and Timber Oaks Crossing**

SECTION 1.0 -- RATE SCHEDULE (Continued)

PASS THROUGH ADJUSTMENT CLAUSE:

The utility's cost attributable to annual fee, pumpage fee and/or consumption-based fee from the Lone Star Ground Water Conservation District Authority and/or other such governmental authority shall be passed through to all customers affected by such fees using the following calculations:

Annual Fee:

Monthly minimum charge + (Annual fee / Number of Customers affected) /
12months

Volume Charge:

Monthly gallonage charge per 1,000 gallons + (Increase or decrease in pumpage fee *
1.15)

To implement or modify the Pass Through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 291.21 (h).

Example of a Pass Through Provision:

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

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

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

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**Bridgepoint Subdivision, Clear Water Cove Inc.,
Clearwater Point, Hard Times Boating Club,
and Shiloh Marina**

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 -- Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$33.89 (Includes 0 gallons)	* \$2.00 per 1000 gallons for all meter sizes
1"	\$84.73	
12"	\$169.45	
2"	\$271.12	
3"	\$508.35	
4"	\$847.25	
6"	\$1,694.50	

Pass Through Fees:

*In addition to the gallonage charge, the Lone Star Groundwater Conservation District (LSGCD) Pumpage fee of \$0.07 per 1,000 (Effective September 1, 2011) gallons used will be charged to all ratepayers within the boundaries of LSGCD.

*In addition to the gallonage charge, the San Jacinto River Authority (SJRA) Groundwater Reduction Plan fee of \$0.87 per 1,000 (Effective September 1, 2011) gallons used will be charged to all ratepayers affected by the SJRA Groundwater Reduction Plan..

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

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

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REGULATORY ASSESSMENT1.0%

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

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**Bridgepoint Subdivision, Clear Water Cove Inc.,
Clearwater Point, Hard Times Boating Club,
and Shiloh Marina**

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE.....\$25.00
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- a) Non payment of bill (Maximum \$25.00) \$25.00
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RETURNED CHECK CHARGE (Maximum)..... \$30.00
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Monthly gallonage charge per 1,000 gallons + (Increase or decrease in pumpage
fee * 1.15)

To implement or modify the Pass Through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 291.21 (h).

Example of a Pass Through Provision:

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

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SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$39.09 (Includes 0 gallons)	* \$2.00 per 1000 gallons for all meter sizes
1"	\$97.73	
12"	\$195.45	
2"	\$312.72	
3"	\$586.35	
4"	\$781.80	
6"	\$859.98	

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**Emerson Estates, Crockett Trace,
Kellyon Oaks and The Villages Subdivisions**

SECTION 1.0 -- RATE SCHEDULE (Continued)

PASS THROUGH ADJUSTMENT CLAUSE:

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L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

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Texas Commission On Environmental Quality

By These Presents Be It Known To All That

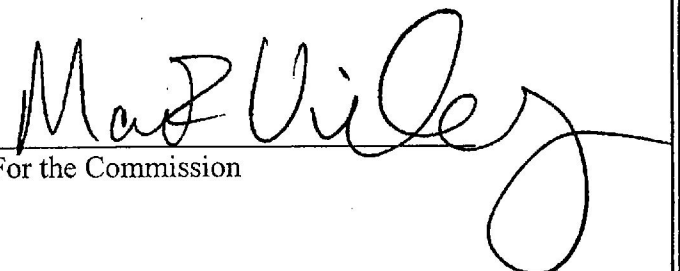
C & R Water Supply, Inc.

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

Certificate of Convenience and Necessity No. 20987

to provide continuous and adequate sewer utility service to that service area or those service areas in Montgomery County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 36205-S are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of C & R Water Supply, Inc., to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this FEB 19 2010


For the Commission



Texas Commission On Environmental Quality

By These Presents Be It Known To All That

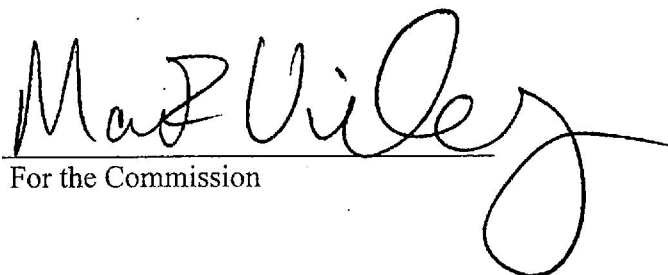
C & R Water Supply, Inc.

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

Certificate of Convenience and Necessity No. 13098

to provide continuous and adequate water utility service to that service area or those service areas in Montgomery County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 36204-S are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of C & R Water Supply, Inc., to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this FEB 19 2010


For the Commission



Texas Commission On Environmental Quality

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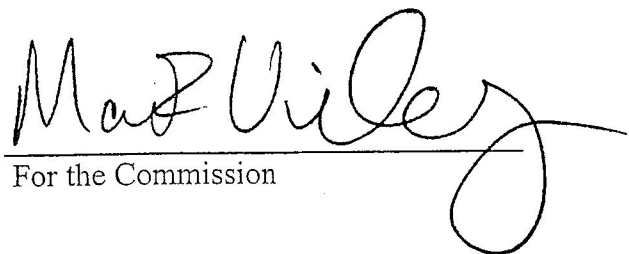
C & R Water Supply, Inc.

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Certificate of Convenience and Necessity No. 13098

to provide continuous and adequate water utility service to that service area or those service areas in Montgomery County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 35778-S are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of C & R Water Supply, Inc., to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this OCT 28 2008


For the Commission

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



~~42907~~
42907

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 14, 2014

RECEIVED
2014 SEP 10 PM 4:10
PUBLIC UTILITY COMMISSION
FILING CLERK

TO: Persons on the attached mailing list.

RE: C & R Water Supply, Inc.
TCEQ Docket No. 2011-0470-UCR; SOAH Docket No. 582-11-5775
Certificate of Convenience and Necessity No. 13098

This letter is your notice that the Texas Commission on Environmental Quality (TCEQ) executive director (ED) has issued final approval of the above-named application. According to 30 Texas Administrative Code (TAC) Section 50.135 the approval became effective on the date the ED signed the approval. A copy of the final approval is enclosed and cites the effective date.

You may file a **motion to overturn** with the chief clerk. A motion to overturn is a request for the commission to review the TCEQ ED's approval of the application. Any motion must explain why the commission should review the TCEQ executive director's action. According to 30 TAC Section 50.139 an action by the ED is not affected by a motion to overturn filed under this section unless expressly ordered by the commission.

A motion to overturn must be received by the chief clerk within 23 days after the date of this letter. An original and 7 copies of a motion must be filed with the chief clerk in person, or by mail to the chief clerk's address on the attached mailing list. On the same day the motion is transmitted to the chief clerk, please provide copies to the applicant, the ED's attorney, and the Public Interest Counsel at the addresses listed on the attached mailing list. If a motion to overturn is not acted on by the commission within 45 days after the date of this letter, then the motion shall be deemed overruled.

You may also request **judicial review** of the ED's approval. According to Texas Water Code Section 5.351 a person affected by the ED's approval must file a petition appealing the ED's approval in Travis County district court within 30 days after the effective date of the approval. Even if you request judicial review, you still must exhaust your administrative remedies, which includes filing a motion to overturn in accordance with the previous paragraphs.

Individual members of the public may seek further information by calling the TCEQ Public Education Program, toll free, at 1-800-687-4040.

Sincerely,

A handwritten signature in cursive script that reads "Bridget C. Bohac".

Bridget C. Bohac
Chief Clerk

BCB/ms

MAILING LIST

for

C & R Water Supply, Inc.

TCEQ Docket No. 2011-0470-UCR; SOAH Docket No. 582-11-5775

Certificate of Convenience and Necessity No. 13098

FOR THE APPLICANT:

Bret W. Fenner, P.E.
B & D Environmental, Inc.
P.O. Box 500264
Austin, Texas 78750

David Gottfried
The Law Office of David Gottfried
1505 West 6th Street
Austin, Texas 78703

INTERESTED PERSONS:

Sam Bath
14067 Teel Road
Montgomery, Texas 77356

FOR THE EXECUTIVE DIRECTOR
via electronic mail:

Ruth Takeda, Staff Attorney
Texas Commission on Environmental Quality
Environmental Law Division MC-173
P.O. Box 13087
Austin, Texas 78711-3087

Lisa Fuentes, Technical Staff
Texas Commission on Environmental Quality
Water Supply Division MC-153
P.O. Box 13087
Austin, Texas 78711-3087

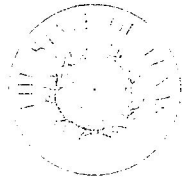
FOR PUBLIC INTEREST COUNSEL
via electronic mail:

Garrett Arthur, Attorney
Texas Commission on Environmental Quality
Public Interest Counsel MC-103
P.O. Box 13087
Austin, Texas 78711-3087

FOR THE CHIEF CLERK
via electronic mail:

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality
Office of Chief Clerk MC-105
P.O. Box 13087
Austin, Texas 78711-3087

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 14, 2014

Mr. Bret W. Fenner, P.E.
B & D Environmental, Inc.
P.O. Box 500264
Austin, TX 78750

Re: Water Rate/Tariff Change Application of C & R Water Supply, Inc., Certificate of Convenience and Necessity No. 13098 in Montgomery County; Application No. 36834-R

CN: 600581672; RN: 104709787

Dear Mr. Fenner:

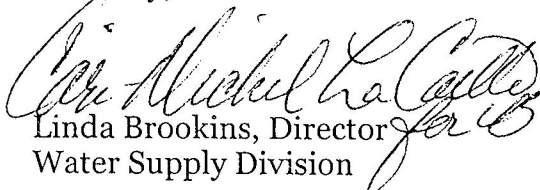
Enclosed are the following documents issued by the Commission in the above referenced application:

- certified copy of an order; and
- approved tariff.

This action is taken under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

If you have any questions, please contact Ms. Lisa Fuentes at (512) 239-6117 or if contacting our office by correspondence, please include MC 153 in the letterhead address.

Sincerely,


Linda Brookins, Director
Water Supply Division

LB/BDD/mmg

Enclosures

DO NOT SEND TO APPLICANT

Bcc: TCEQ:
Region 12 Office
Data Entry, Business Support Section, Water Supply Division, MC 157
Via email: brian.dickey@tceq.texas.gov

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



SOAH DOCKET NO. 582-11-5775
TCEQ DOCKET NO. 2011-0470-UCR
APPLICATION NO. 36834-R

APPLICATION OF C&R WATER	§	BEFORE THE
SUPPLY, INC., TO CHANGE ITS	§	
WATER RATES/ TARIFF UNDER	§	TEXAS COMMISSION ON
CERTIFICATE OF CONVENIENCE AND	§	
NECESSITY NO. 13098 IN	§	ENVIRONMENTAL QUALITY
MONTGOMERY COUNTY, TEXAS	§	

ORDER

An application from C&R Water Supply, Inc. ("Applicant") for an increase in retail water rates was presented to the Executive Director of the Texas Commission on Environmental Quality ("Commission") for approval pursuant to section 5.122 of the Texas Water Code.

Applicant provides water service in Montgomery County, Texas, and is a public utility as defined in section 13.002(23) of the Water Code.

On October 4, 2010, Applicant filed an application with the Commission for an increase in retail water rates charged to Applicant's customers in Montgomery County. The application was assigned Application No. 36834-R.

Notice of the rate change with a proposed effective date of December 1, 2011, was provided to affected customers on September 30, 2010. The notice of the rate increase complied with the notice requirements of section 13.187 of the Water Code and 30 Texas Administrative Code ("TAC") section 291.22 and was sufficient to place affected persons

on notice regarding the proposed rate increase. Upon receipt of the requisite number of customer protests regarding the rates, Commission staff referred the application to the State Office of Administrative Hearings ("SOAH") on April 11, 2011.

On July 6, 2011, Administrative Law Judge ("ALJ") Howard S. Seitzman at the SOAH conducted a preliminary hearing in the matter. ALJ Seitzman assumed jurisdiction and designated the following parties: the Applicant, the Commission's Office of Public Interest Counsel, the Commission's Executive Director, and customer Sam Bath (Protestant). Prior to the preliminary hearing, the parties began settlement discussions. At the preliminary hearing, the Executive Director moved that the matter be abated to allow the parties to continue settlement discussions. ALJ Seitzman granted the motion. The abatement was subsequently extended.

On August 8, 2011, Laurence Daspit, on behalf of himself and several other customers, filed a request to be recognized as parties.

On November 21, 2011, the Applicant filed a motion to dismiss and remand because Applicant and Protestant had reached a settlement agreement regarding the Applicant's water rates.

On November 29, 2011, ALJ Seitzman lifted the abatement, denied Laurence Daspit's request for himself and other ratepayers to intervene as parties, granted the Applicant's motion to dismiss, and remanded the case to the Executive Director.

The rate structure proposed by Applicant is just, reasonable, and adequate to allow the utility to recover costs of providing service, as required by section 13.182 and section 13.183 of the Water Code. Attached is a tariff reflecting the agreed upon rates, in accord with the written settlement agreement reached between the Applicant and the Protestant.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY that:

1. A water rate increase for the Applicant be approved for its customers in Montgomery County, Texas, as listed on the attached rate tariff, which reflects the agreed upon rates in the written settlement agreement reached between the Applicant and the Protestant.
2. Unless previously provided, the Applicant shall provide written notice of the final rate structure approved in this proceeding to all affected customers with the next billing cycle after issuance of this Order.
3. The Chief Clerk of the Commission shall forward a copy of this Order to the parties.
4. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: August 6, 2014

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



For the Commission

**WATER UTILITY TARIFF
FOR**

C & R Water Supply, Inc.
(Utility Name)

P. O. Box 187
(Business Address)

Willis, Texas 77378
(City, State, Zip Code)

(936) 856-4199
(Area Code/Telephone)

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

13098

This tariff is effective in the following county:

Montgomery

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

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

This tariff is effective in the following subdivisions or systems:

See attached list.

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	4
SECTION 3.0 -- EXTENSION POLICY	11
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN	15
APPENDIX A -- SAMPLE SERVICE AGREEMENT (Chapter 290.47 Appendix B)	
APPENDIX B -- APPLICATION FOR SERVICE	

TEXAS COMM. ON ENVIRONMENTAL QUALITY
36834-R, CCN 13098, NOVEMBER 1, 2011
APPROVED TARIFF BY gg / RD

LIST OF SUBDIVISIONS OR SYSTEMS

SUBDIVISION	PWS ID NUMBER	COUNTY
Bee Creek Estates	1700685	Montgomery
Bridgepoint Subdivision	1700316	Montgomery
Clear Water Cove Inc. Clearwater Point Hard Times Boating Club Shiloh Marina	1700480	Montgomery
Creekside Acres Water System	1700680	Montgomery
Emerson Estates Crockett Trace Kellyon Oaks The Villages	1700683	Montgomery
Mt. Pleasant Village Water System	1700423	Montgomery
Rogers Road Water System Oak Hills Subdivision The Oaks of Willis	1700590	Montgomery
Timberline Estates	1700728	Montgomery
Timber Oaks Crossing	1700697	Montgomery

TEXAS COMM. ON ENVIRONMENTAL QUALITY
36834-R, CCN 13098, NOVEMBER 1, 2011
APPROVED TARIFF BY gg/BD

**Bridgepoint Subdivision, Clear Water Cove Inc.,
Clearwater Point, Hard Times Boating Club,
and Shiloh Marina**

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$33.89 (Includes 0 gallons)	* \$2.00 per 1000 gallons for all meter sizes
1"	\$84.73	
12"	\$169.45	
2"	\$271.12	
3"	\$508.35	
4"	\$847.25	
6"	\$1,694.50	

Pass Through Fees:

*In addition to the gallonage charge, the Lone Star Groundwater Conservation District (LSGCD) Pumpage fee of \$0.07 per 1,000 gallons used will be charged to all ratepayers within the boundaries of LSGCD.

*In addition to the gallonage charge, the San Jacinto River Authority (SJRA) Groundwater Reduction Plan fee of \$0.58 per 1,000 gallons used will be charged to all ratepayers affected by the SJRA Groundwater Reduction Plan..

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

Cash X , Check X , Money Order X , Credit Card _____, 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 ASSESSMENT1.0%
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.

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

**Bridgepoint Subdivision, Clear Water Cove Inc.,
Clearwater Point, Hard Times Boating Club,
and Shiloh Marina**

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE.....\$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY=S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

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

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

RETURNED CHECK CHARGE (Maximum)..... \$30.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY=S DOCUMENTABLE COST.

TRANSFER FEE.....\$35.00
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. SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

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

**Bridgepoint Subdivision, Clear Water Cove Inc.,
Clearwater Point, Hard Times Boating Club,
and Shiloh Marina**

SECTION 1.0 -- RATE SCHEDULE (Continued)

PASS THROUGH ADJUSTMENT CLAUSE:

The utility's cost attributable to annual fee, pumpage fee and/or consumption-based fee from the Lone Star Ground Water Conservation District Authority and/or other such governmental authority shall be passed through to all customers affected by such fees using the following calculations:

Annual Fee:

Monthly minimum charge + (Annual fee / Number of Customers affected) /
12months

Volume Charge:

Monthly gallonage charge per 1,000 gallons + (Increase or decrease in pumpage
fee * 1.15)

To implement or modify the Pass Through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 291.21 (h).

Example of a Pass Through Provision:

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

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

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

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

TCEQ Interoffice Memorandum

To: Marisa Weber
Offices of the Chief Clerk

76729

From: Brian Dickey
Utilities Technical Review Team
Water Supply Division

Date: July 31, 2014

Subject: Item for the Executive Director's Signature

C&R Water Supply, Inc.,

Application No. 36834-R

CCN No.: 13098

CN: 600581672

RN: 104709787

SOAH Docket No. 582-11-5775

TCEQ Docket No. 2011-0470-UCR

County: Montgomery

TCEQ Region: 12

The item listed above is for the Executive Director's Signature. Please present this to Marisa Weber.

Contact Name: Brian Dickey

Date Stamp This Page One

CHIEF CLERKS OFFICE

2014 JUL 31 AM 9:12

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

TCEQ Interoffice Memorandum

TO: Minnette McCormick
Business Support Section

THRU: *CML* Cari-Michel La Caille, Assistant Director
Water Supply Division
Texas Commission on Environmental Quality

HL
7-25-14 Lisa Fuentes, Work Leader
Utilities Financial Review Team
Water Supply Division

VP
7-25-14 Vera Poe, P.E., Team Leader
Utilities Technical Review Team
Water Supply Division

FROM: *BD* Brian Dickey
7-25 Utilities Technical Review Team
Water Supply Division

DATE: July 28, 2014

SUBJECT: Docket No. 2011-0470-UCR; Water Rate/Tariff Change Application of C&R Water Supply, Inc., Certificate of Convenience and Necessity No. 13098 in Montgomery County; Application No. 36834-R

CN: 600581672; RN: 104709787

Rate/tariff change application filed by the above referenced utility was referred to the State Office of Administrative Hearings (SOAH). A preliminary hearing was held on July 6, 2011. Administrative Law Judge (ALJ) Howard S. Seitzman took jurisdiction and named parties. The case was abated to allow parties to discuss settlement. On November 21, 2011, the Applicant filed a motion to dismiss and remand because Applicant and Protestant had reached a settlement agreement regarding the case. On November 29, 2011, ALJ Seitzman granted the Applicant's motion to dismiss the matter from SOAH and remand it to the Executive Director for processing.

To complete the closure of this application, please do the following:

- Forward the original application to central records
- Forward the attached letter and enclosure to the applicant
- Update the database to reflect the completion and closure of the application as of the date of the signed order.

Case Status: C

BD

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



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2014 SEP 18 PM 2:41

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

PUBLIC UTILITY COMMISSION
FILING CLERK

Protecting Texas by Reducing and Preventing Pollution

August 8, 2014

Mr. Bret W. Fenner, P.E.
B & D Environmental, Inc.
P.O. Box 500264
Austin, TX 78750

Re: Pass Through Rate Change Application of C & R Water Supply, Inc., for the Bridgepoint Subdivision (PWS No. 1700316), Clearwater Cove (PWS No. 1700480), Emerson Estates (PWS No. 1700683), Rogers Road (PWS No. 1700590) and Timberline Estates (PWS No. 1700728), Certificate of Convenience and Necessity (CCN) No. 13098 in Montgomery County; Application No. 37086-R

CN: 600581672; RN: 104709787

Dear Mr. Fenner:

The technical review of the above referenced pass through rate change application to recover the cost of fees imposed by the San Jacinto River Authority (SJRA) is complete. The approved rate is shown on the enclosed tariff. This letter serves as authorization to implement the pass through adjustment and should be attached to your approved tariff.

Effective September 1, 2014, responsibility for regulating water and wastewater rates and CCNs will transfer to the Public Utility Commission of Texas (PUC). If responding before September 1, 2014, please submit your information to the TCEQ at the address shown on the letterhead. After September 1, 2014, please submit your written response to the address below:

Public Utility Commission
Water Utilities Division
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326

If you have any questions, please contact Ms. Lisa Fuentes at (512) 239-6117 or by email at Lisa.fuentes@tceq.texas.gov. Ms. Fuentes will be your contact for this application at the PUC after September 1, 2014.

Sincerely,

Cari-Michel La Caille, Assistant Director
Water Supply Division
Texas Commission on Environmental Quality

CML/BDD/mmg

Enclosure

3

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY PUBLIC UTILITY COMMISSION
FILING CLERK

Protecting Texas by Reducing and Preventing Pollution

July 26, 2011

Mr. Bret W. Fenner, P.E.
B & D Environmental, Inc.
P.O. Box 500264
Austin, TX 78750

Re: Pass Through Rate Change Application of C & R Water Supply, Inc., for the Bridgepoint Subdivision (PWS No. 1700316), Clearwater Cove (PWS No. 1700480), Emerson Estates (PWS No. 1700683), Rogers Road (PWS No. 1700590) and Timberline Estates (PWS No. 1700728), Certificate of Convenience and Necessity (CCN) No. 13098 in Montgomery County; Application No. 37086-R

CN: 600581672; RN: 104709787

Dear Mr. Fenner:

On July 18, 2011, the Texas Commission on Environmental Quality (TCEQ) received your application for a pass through rate change for the San Jacinto River Authority (SJRA) Groundwater Reduction Plan (GRP) Fee. Your application has been accepted for filing and assigned Application No. 37086-R. Please refer to this number in future correspondence.

The SJRA's increase in GRP fees may go into effect on September 1, 2011, for your customers in Bridgepoint Subdivision, Clearwater Cove, Emerson Estates, Rogers Road, and Timberline Estate. This means that the increased pass through fees will be reflected on the October 2011, billing to your customers.

Please note the adjusted gallonage rate is subject to the review and re-calculation by the technical staff assigned to your application. After the technical review is complete, you will receive another letter informing you of the final rate along with a copy of the tariff. The letter will also notify you of any further instructions, if necessary.

If you have any further questions, please contact Ms. Elsie N. Pascua by phone at (512) 239-5367, or if by correspondence, include MC 153 in the address.

Sincerely,



Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/LG/cp

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • www.tceq.texas.gov

TCEQ Interoffice Memorandum

TO: Minnette McCormick
Business Support Section

THRU: Cari-Michel La Caille, Assistant Director
Water Supply Division
Texas Commission on Environmental Quality

CM
7-24-14

LFW
7-25-14

VP
7-25-14

Lisa Fuentes, Work Leader
Utilities Financial Review Team
Water Supply Division

Vera Poe, P.E., Team Leader
Utilities Technical Review Team
Water Supply Division

FROM: Brian Dickey
Utilities Technical Review Team
Water Supply Division

BD
7-23

DATE: July 28, 2014

Re: Implementation of a Water Pass Through Provision Rate Increase from C & R Water Supply, Inc., for the San Jacinto River Authority (SJRA) Ground Water Reduction Plan (GRP) Fee, Certificate of Convenience and Necessity (CCN) No. 13098 in Montgomery County; Application No. 37086-R
CN: 600581672; RN: 104709787

The above referenced pass through rate change application to recover the cost of fees imposed by the San Jacinto River Authority (SJRA), was received on July 18, 2011, with an effective date of September 1, 2011. This is an implementation of the pass through provision clause previously approved in the tariff. Staff has completed their technical review and the proposed rate is approved.

To complete the closure of this application, please do the following:

- Forward the original application to central records
- Forward the attached letter and enclosure to the applicant
- Update the database to reflect the completion and closure of the application as of the date of this memo.

Case Status - C

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2014 SEP 18 PM 2:41

PUBLIC UTILITY COMMISSION
FILING CLERK

B & D ENVIRONMENTAL, INC.

P.O. BOX 500264
AUSTIN, TEXAS 78750
PHONE NO: (512) 264-9124
FAX NO: (512) 692-1967

EMAIL: bretfenner@yahoo.com

July 14, 2011

Ms. Tammy Benter, Manager
Texas Commission on Environmental Quality
Utilities & Districts Section, MC 153
Water Supply Division
P.O. Box 13087
Austin, Texas 78711-3087

Re: Implementation of a Water Pass Through Provision Rate Increase from C & R Water Supply, Inc. for the San Jacinto River Authority (SJRA) Groundwater Reduction Plan (GRP) Fee in Montgomery County, Certificate of Convenience and Necessity No. 13098

Dear Ms. Benter:

We are requesting to implement a pass through gallonage rate increase to reflect a \$ 0.25 per 1000 gallon fee increase being charged by the San Jacinto River Authority (SJRA). This fee increase will take affect September 1, 2011. The increase will only affect customers in the following systems: **Bridgepoint Subdivision** (PWS#1700316), **Clearwater Cove** (PWS#1700480), **Emerson Estates**(PWS#1700683), **Rogers Road** (PWS#1700590) and **Timberline Estates** (PWS#1700728). Enclosed please find a copy of the notices we are mailing to all affected customers along with a letter from the SJRA notifying us of the increase. Please revise our approved water tariffs to reflect this gallonage rate increase for the affected systems.

Should you have any further questions concerning this application, please do not hesitate to contact me at (512) 264-9124.

Sincerely,



Bret W. Fenner, P.E.
B & D Environmental, Inc.

Enclosures

#37086-R

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TCEQ
WATER SUPPLY DIV.
2011 JUL 18 AM 7 28

NOTICE OF PASS THROUGH RATE PROVISION INCREASE

C & R Water Supply, Inc.
Company Name

13098
CCN Number

is increasing the gallon rate by \$0.29 per 1000 gallons for your subdivision. This tariff change is being implemented in accordance with the utility's approved purchased water and/or district fee pass through adjustment clause to recognize a pumpage fee increase charge by the San Jacinto River Authority for this subdivision's required participation in its Groundwater Reduction Plan Program. The cost to customers will not exceed the increased cost of the groundwater reduction plan program fee.

Bridgepoint Subdivision PWS # 1700316	Clearwater Cove PWS # 1700480		
---	---	--	--

Subdivisions /Systems Affected by Pass Through Provision

77356	77318				
--------------	--------------	--	--	--	--

Zip Codes Affected by Pass Through Provision

P.O. Box 187	Willis	TX	77378	936-856-4199
Company Address	City	State	Zip	Phone #

July 31, 2011	September 1, 2011
Date Customer Notice Mailed	Effective Date of the Increase

Various dates through the month
Date Meters Typically Read

Calculation of Gallonage Rate Adjustment:

Adjusted Gallonage Rate (AG) = G + [B/(1 - L)], Where:

- AG = adjusted gallonage charge, rounded to nearest one cent;
- G = approved gallonage charge, per 1,000 gallons;
- B = change in fee (per 1,000 gallons);
- L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

$$(AG) = \$ 2.58 + [\$ 0.25 / (1 - 0.15)]$$

$$AG = \$ 2.58 + [\$ 0.29]$$

$$AG = \$ 2.87$$

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 WATER SUPPLY DIV.
 2011 JUL 18 AM 7 28

Pass Through Rate Provision For The Clearwater & Bridgepoint Systems:

\$ 0.87 per 1000 gallon additional fee will be added as a Pass Through charge for participation in the San Jacinto River Authority's Groundwater Reduction Plan (GRP) for all customers in the Clearwater and Bridgepoint systems.

NOTICE OF PASS THROUGH RATE PROVISION INCREASE

C & R Water Supply, Inc.
Company Name

13098
CCN Number

is increasing the gallon rate by \$0.29 per 1000 gallons for your subdivision. This tariff change is being implemented in accordance with the utility's approved purchased water and/or district fee pass through adjustment clause to recognize a pumpage fee increase charge by the San Jacinto River Authority for this subdivision's required participation in its Groundwater Reduction Plan Program. The cost to customers will not exceed the increased cost of the groundwater reduction plan program fee.

Emerson Estates
PWS # 1700683

Subdivisions /Systems Affected by Pass Through Provision

77306 **77303**

Zip Codes Affected by Pass Through Provision

P.O. Box 187
Company Address

Willis
City

TX
State

77378
Zip

936-856-4199
Phone #

July 31, 2011

Date Customer Notice Mailed

September 1, 2011

Effective Date of the Increase

Various dates through the month

Date Meters Typically Read

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FOR
WATER SUPPLY DIV.
2011 JUL 18 AM 7 28

Calculation of Gallonage Rate Adjustment:

Adjusted Gallonage Rate (AG) = $G + [B / (1 - L)]$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

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

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

$$(AG) = \$ 2.58 + [\$ 0.25 / (1 - 0.15)]$$

$$AG = \$ 2.58 + [\$ 0.29]$$

$$AG = \$ 2.87$$

Pass Through Rate Provision For the Emerson Estates System:

\$ 0.87 per 1000 gallon additional fee will be added as a Pass Through charge for participation in the San Jacinto River Authority's Groundwater Reduction Plan (GRP) for all customers in Emerson Estates System.

NOTICE OF PASS THROUGH RATE PROVISION INCREASE

C & R Water Supply, Inc.

13098

Company Name

CCN Number

is increasing the gallon rate by \$0.29 per 1000 gallons for your subdivision. This tariff change is being implemented in accordance with the utility's approved purchased water and/or district fee pass through adjustment clause to recognize a pumpage fee increase charge by the San Jacinto River Authority for this subdivision's required participation in its Groundwater Reduction Plan Program. The cost to customers will not exceed the increased cost of the groundwater reduction plan program fee.

**Rogers Road
PWS # 1700590**

**Timberline Estates
PWS # 1700728**

Subdivisions /Systems Affected by Pass Through Provision

77378

77303

Zip Codes Affected by Pass Through Provision

P.O. Box 187
Company Address

Willis
City

TX
State

77378
Zip

936-856-4199
Phone #

July 31, 2011

Date Customer Notice Mailed

September 1, 2011

Effective Date of the Increase

Various dates through the month

Date Meters Typically Read

Calculation of Gallonage Rate Adjustment:

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

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

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

$$(AG) = \$ 2.58 + [\$ 0.25 / (1 - 0.15)]$$

$$AG = \$ 2.58 + [\$ 0.29]$$

$$AG = \$ 2.87$$

RECEIVED
 WATER SUPPLY DIV.
 2011 JUL 18 AM 7 28

Pass Through Rate Provision For the Rogers Road & Timberline Estates Systems:

\$ 0.87 per 1000 gallon additional fee will be added as a Pass Through charge for participation in the San Jacinto River Authority's Groundwater Reduction Plan (GRP) for customers in the Rogers Road and Timberline Systems only.



San Jacinto River Authority

ADMINISTRATIVE OFFICE
P.O. Box 329 • Conroe, Texas 77305
(T) 936.588.1111 • (F) 936.588.3043

June 14, 2011

C & R Water Supply
Richard Wagner
P. O. Box 187
Willis, TX 77378

Joint GRP Participants

On May 26, 2011, the SJRA Board approved a Rate Order setting the pumpage fee at \$0.75 per 1,000 gallons. This action increased the fee from its current rate of \$0.50 per 1,000 gallons and will become effective on September 1, 2011.

The GRP Review Committee, representing the GRP's participants, discussed this rate order on May 9th and recommended that the pumpage fee be increased. This increase is consistent with the fee schedule set forth in the GRP approved by the SJRA Board. The rate increase is necessary to provide revenues needed to meet debt requirements and other expenses for the design, permitting and construction of the surface water treatment plant and transmission lines that are integral to the plan for providing an alternative water supply required to comply with the groundwater reduction mandate of the Lone Star Groundwater Conservation District.

If you have any questions regarding the pumpage fee please contact me at msmith@sira.net

Sincerely

Mark Smith, P.E.
GRP Administrator

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WATER SUPPLY DIV.
2011 JUL 18 PM 7 28

Current -58¢

LAKE CONROE DIVISION
P.O. Box 329
Conroe, Texas 77305
(T) 936.588.1111
(F) 936.588.1114

GRP DIVISION
P.O. Box 329
Conroe, Texas 77305
(T) 936.588.1111
(F) 936.588.7182

WOODLANDS DIVISION
P.O. Box 7537
The Woodlands, Texas 77387
(T) 281.367.9511
(F) 281.362.4385

HIGHLANDS DIVISION
P.O. Box 861
Highlands, Texas 77562
(T) 281.843.3300
(F) 281.426.2877

Pass Through Clause Checklist

Application Number (s) 37086-R, _____

Review Number: R - 057 - 11

County(s) Montgomery

EP

Date TCEQ Received Application 7/18/11

Date Assigned to program area 7/19/11

Name on Application: C+R Water Supply, Inc.

Name in WUD: C+R Water Supply Inc.

CCN Number (s): 13098, _____

Account Fees Due Regulatory Assessment Fees Due

Three Copies of Application and Attachments

Completed application form. If an alternate method of calculating the adjusted rate is used, it must be accompanied by a written explanation.

Completed Affidavit Notice to Customers

Written documentation that the utility is being required to pay for an increase in purchased water/sewer or a groundwater conservation district water use fee.

Tariff reflecting the applicant's current rates (must be current and on file with the TCEQ).

Approved Drought Contingency Plan in Tariff (must be current and on file with the TCEQ).

Attach a copy of CN and RN from WUD

Not on file with Central Registry. Core Date Form needed.

TNET Resources for TCEQ Employees

T-Net Home Search Subject Index Help Home

[iWUD Main](#) [Districts](#) [Utilities](#) [PWS](#) [Reports](#) [Documents](#) [Maps](#)

? **Utility details for C & R WATER SUPPLY INC (13098)**

[Affiliations](#) [Documents](#) [Site Visits](#) [Schedules](#)

Properties

CR Regulated Entity Number: RN104709787
 CCEDS Status: NO ACTIVE NOE EXISTS
 Utility Type: WATER UTILITY
 Ownership Type: INVESTOR
 Primary County: MONTGOMERY
 County Code: 170

Customers

Reference Number	Name	Role
CN600581672	C & R WATER SUPPLY INC	RESPONSIBLE PARTY

Comments

Comment Date	Text	Staff Name
03/10/2009	Per Elsie Pascua's information on 3/10/09, Wagner Services/CCN No. 11981 transferred all systems to C & R Water Supply Inc./CCN No. 13098 in 2007. Both CCNs are owned by Richard Wagner. Wagner Services has no systems; but Wagner Services paid 2007 and 2008 TUYET RAFs. Since this acquisition, C & R Water Supply Inc. did not record any fees. Therefore, the 2007 and 2008 RAFs have been recorded under C & R Water Supply Inc. The 2009 RAF will be recorded under C & R Water Supply Inc.	TRUONG
02/11/2009	Appl 36204-S City of Conroe to purchase a portion of water CCN 13098 from Wagner Services in Montgomery County	ELSIE PASCUA

Occurrences retrieved.

Official Address / Phone

Address: PO BOX 187
 WILLIS, TEXAS 77378-0187
 Telephone: (936) 856-4199

PWS for this Utility

PWS Name	PWS ID	Status	District(Number)
BEE CREEK ESTATES	1700685	A	
BRIDGEPOINT SUBDIVISION	1700316	A	
CLEAR WATER COVE INC	1700480	A	
CREEKSIDE ACRES WATER SYSTEM	1700680	A	

<u>EMERSON ESTATES</u>	1700683	A
<u>LONGMIRE</u>	1700701	D
<u>MOUNT PLEASANT VILLAGE WATER SYSTEM</u>	1700423	A
<u>PEBBLE GLEN SUBDIVISON</u>	1700430	D
<u>ROGERS ROAD WATER SYSTEM</u>	1700590	A
<u>TIMBER LINE ESTATES</u>	1700728	A
<u>TIMBER OAKS CROSSING</u>	1700697	A

Water System occurrences retrieved.

Counties

Code	County Name	Primary
170	MONTGOMERY	Y

Activity

Activity Status: **ACTIVE**
 Start Date: **02/04/2002**
 Activity Date: **02/21/2007**
 Activity Reason: **DUAL CERTIFICATION**

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[Run Utility Summary Report](#)
[Show Map](#)

Utility successfully retrieved.

**For questions or comments regarding information on this page, contact the
[TCEQ iWUD Web Manager](#)**

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