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**WATER UTILITY TARIFF
FOR**

Quadvest, L.P.
(Utility Name)

P.O. Box 409
(Business Address)

Tomball, Texas 77377
(City, State, Zip Code)

281/356-5347
(Area Code/Telephone)

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

11612

This tariff is effective in the following counties:

Aransas, Brazoria, Fort Bend, Harris, Jackson, Montgomery and Waller

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

Richmond (portion of Bridlewood Estates only - same rates)

This tariff is effective in the following subdivisions or systems:

See attached chart.

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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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SUBDIVISION	PWS ID NUMBER	COUNTY
Bauer Road		Harris
Bender's Landing I, II	1700678	Montgomery
Benders Landing Estates	1700678	Montgomery
Brazos Lakes	0790363	Fort Bend
Bridlewood Estates	0790350	Fort Bend
Campwood	1700624	Montgomery
Canterbury Ranch	1700624	Montgomery
Chenango Ranch		Brazoria
Clear Creek Forest (Section 13 North)	1700576	Montgomery
The Colony	1011806	Harris
Estates of Clear Creek	1700576	Montgomery
Creekside Village	1700742	Montgomery
Decker Oaks Subdivision	1700605	Montgomery
Indigo Lakes Estates	1700576	Montgomery
Intercontinental Mobile Home Estates	1010827	Harris
Lake Windcrest	1700624	Montgomery
Live Oak Landing	1610129	Matagorda
Lone Star Ranch	1700655	Montgomery
Magnolia Lakes	1700736	Montgomery
McCall Sound	1700763	Montgomery
Montgomery Trace	1700577	Montgomery
Mostyn Manor I, II, III	1700669	Montgomery
Northcrest Ranch Section I, II, III	1700623	Montgomery
Oaks of Sun creek	0200640	Brazoria
Red Oak Ranch	1700609	Montgomery
Rigas Meadows	1011805	Harris
Rocky Creek		Harris
Sawmill Estates	1700576	Montgomery
Sendera Ranch	1700577	Montgomery
Shaw Acres	1013468	Harris

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37098-S, CCN 11612, JUNE 18, 2012
APPROVED TARIFF BY 281SP

SUBDIVISION	PWS ID NUMBER	COUNTY
Sierra Woods	1700624	Montgomery
Sonoma Ridge	1700763	Montgomery
Stonecrest Ranch	1700611	Montgomery
Summerset Estates	1700655	Montgomery
Suncreek Estates	0200640	Brazoria
Suncreek Ranch	0200616	Brazoria
Sunrise Bay	1200037	Jackson
Sunset Bay	0040055	Aransas
Telge Terrace	1011805	Harris
Timberdale	1011810	Harris
Vaquero River Estates	1610129	Matagorda
Waterstone Estates	1013389	Harris
Westwood	2370042	Waller
Windcrest Farms	1700577	Montgomery
Yesterdays Crossing	1700758	Montgomery

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.

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"	\$28.75 (Includes 0 gallons)	\$1.75 per 1000 gallons for the first 10,999 gallons
1"	\$71.88	\$2.00 per 1,000 gallons from 11,000 to 20,999 gallons
1 1/2"	\$143.75	\$2.25 per 1,000 gallons from 21,000 to 30,999 gallons
2"	\$230.00	\$3.00 per 1,000 gallons thereafter
3"	\$460.00	*PLUS
4"	\$718.75	additional pass through
6"	\$1,437.50	fees listed below.

**Additional Pass Through Fees - apply to all gallonage used:*

San Jacinto River Authority: ~~\$1.30~~ ⁹³ per 1,000 gallons of water used, which is adjusted for water loss and applies to ratepayers in Montgomery County.

Lone Star Groundwater Conservation District: \$0.06 per 1,000 gallons of water used for ratepayers in Montgomery County.

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft
 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 \$790.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" x 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE \$870.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD 3/4" and 1" 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

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 \$45.00
OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

SEASONAL RECONNECTION FEE:

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

TRANSFER FEE \$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

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.

METER RELOCATION FEE Actual Cost to Relocate the existing Meter

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

METER CONVERSION FEE Actual Cost to Convert the existing Meter

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY 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)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

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

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

Where:

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

TEMPORARY WATER RATE:

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

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

Where:

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

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

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

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$ <u>17.98</u> (Includes 0 gallons)	\$ <u>2.29</u> per 1000 gallons
1"	\$ <u>44.95</u>	
1 1/2"	\$ <u>89.90</u>	
2"	\$ <u>143.84</u>	
3"	\$ <u>269.71</u>	
4"	\$ <u>449.51</u>	
6"	\$ <u>899.02</u>	
8"	\$ <u>1,438.43</u>	

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

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons)	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$20.00</u>	<u>\$2.00</u> per 1000 gallons for the first 10,000 gallons
3/4"	<u>\$30.00</u>	<u>\$3.00</u> per 1,000 gallons thereafter
1"	<u>\$50.00</u>	
1 1/2"	<u>\$100.00</u>	
2"	<u>\$160.00</u>	
3"	<u>\$300.00</u>	
4"	<u>\$600.00</u>	
6"	<u>\$1,200.00</u>	

MASTER METER GALLONAGE CHARGES: The monthly gallonage charge for a customer receiving service through a large size master meter for the benefit of multiple consuming facilities under his control, i.e., manufactured home lots, apartments, office buildings, etc., shall be calculated by multiplying the potential number of units served by the incremental gallonage blocks before the escalation of unit charges. For example, an apartment with ten units may consume 100,000 gallons during a month before its gallonage charge is escalated from \$2.00 per 1,000 gallons to \$3.00 per 1,000 gallons.

DEVELOPER OPERATING CHARGE: A developer requesting the construction of a new utility system who does not pay all of the cost of plant constructed to serve that development shall be billed each month for the incremental difference between the revenues collected for utility services rendered and \$2,500 or other amount mutually agreed to. This charge shall cease when utility service revenues collected from consumers in that new development exceed \$2,500 or other amount agreed to for three consecutive months excluding July through September or five consecutive months including July through September. This charge shall be implemented only where the developer voluntarily agrees to pay it in a service, construction or extension contract.

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.

RATES LISTED ARE EFFECTIVE ONLY
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TEXAS COMM. ON ENVIRONMENTAL QUALITY
36962-S, CCN 11612, APRIL 18, 2012
APPROVED TARIFF BY JJ/SP

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 - Miscellaneous Fees

TAP FEE (Standard Meter) \$750.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" x 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (AMR meter) \$900.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD 3/4" and 1" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Larger meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER INSTALLATION FEE \$150.00
FEE FOR INSTALLATION OF STANDARD 5/8" OR 3/4" METER AND RELATED FITTINGS WHERE TAP AND RISER WERE INSTALLED DURING INITIAL DISTRIBUTION SYSTEM CONSTRUCTION OR WHERE OTHERWISE NECESSARY FOR REASONS OTHER THAN ROUTINE DISCONNECTIONS FOR NON-PAYMENT OR TERMINATION UPON VACANCY OF PROPERTY.

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$45.00
OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

TRANSFER FEE \$45.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

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

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

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

COMMERCIAL DEPOSIT OTHER 1/6TH OF ESTIMATED ANNUAL BILL

SEASONAL RECONNECTION FEE:

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

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

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.

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.

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

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

$AB = G + B/(1-L)$, Where:

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

G = approved per 1,000 gallon gallonage charge

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

L = system average line loss for the preceding 12 months not to exceed
0.15

To implement or modify the Purchased Water/Underground Water District Fee, the
utility must comply with all notice and other requirements of 30 TAC 291.21 (h)

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

TEMPORARY WATER RATE:

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

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

Where:

TGC = temporary gallonage charge

cgc = current gallonage charge

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

pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff pr shall equal 0.5

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

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"	<u>\$28.75</u> (Includes 0 gallons)	<u>\$1.75</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.

TAP FEE \$790.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
RESIDENTIAL 5/8" x 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED
IF LISTED ON THIS TARIFF.

TAP FEE Actual Cost
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
3/4" and 1" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON
THIS TARIFF.

TAP FEE (Larger meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE
INSTALLED.

Section 1.02 - Miscellaneous Fees

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

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$45.00
OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

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

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 DEPOSIT OTHER 1/6TH OF ESTIMATED ANNUAL BILL

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.

METER RELOCATION FEE Actual Cost to Relocate the existing Meter

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

METER CONVERSION FEE..... Actual Cost to Convert the existing Meter

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY 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 2.0--SERVICE RULES AND REGULATIONS

Section 2.01--Texas Commission on Environmental Quality Rules

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

Section 2.02--Application for and Provision of Sewer Service

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

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

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

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

Section 2.03--Refusal of Service

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

Section 2.04--Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant will be required to pay a deposit as provided for in Section 1.02 of this tariff. The utility will keep records of the deposit and credit interest in accordance with 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.

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

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.

Section 2.05--Meter Requirements, Readings, and Testing

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

Service meter 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 Test: 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 direction, 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 2.06--Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of the bills for utility service will be at least twenty (20) 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 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 work day after the due date.

A late penalty of \$5.00 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.

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

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 billing a telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

In the event of a dispute between a customer and 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 2.07--Service Disconnection

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

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 30 days from the date of issuance of a bill and if proper notice of termination has been given.

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

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

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

Section 2.08--Reconnection of Service

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

Section 2.09--Service Interruptions

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

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

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

Section 2.10--Quality of Service

The utility will plan, furnish, and maintain and operate a treatment and collection facility of sufficient size and capacity to provide a continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge the effluent at 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 2.11--Customer Complaints and Disputes

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

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

SECTION 2.20--SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

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

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

Customers shall not be allowed to use the utility's cutoff valve on the utility's side of meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers must install customer owned and maintained cutoff valves on their side of the meter.

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

Under these conditions, additional protection shall be required at the meter in the form of a backflow prevention device (in accordance with AWWA Standards C501 and C511, and AWWA Manual M14) on those establishments handling substances deleterious or hazardous to the public health. The water purveyor need not require backflow protection at the water service entrance when an adequate cross-connection control program is in effect that includes an annual inspection and testing by a certified backflow prevention device tester. It will be the responsibility of the water purveyor to ensure that these requirements are met.

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

Limitation on Product/Service Liability. - Public water utilities are required to deliver water to the customer's side of the meter or service connection that meets the potability and pressure standards of the TCEQ. The utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's side of the meter when the water delivered meets these state standards. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions or fluctuations in sewer service whatever the cause. The utility will not accept liability for injuries or damages to persons or property due to disruption of water service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the utility if the utility has undertaken such preventive measures as are required by TCEQ rules, (3) electrical power failures in water systems not required by TCEQ rule to have auxiliary power supplies, or (4) termination of sewer

SECTION 2.20--SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

service pursuant to the utility's tariff and the TCEQ's rules. The utility therefore does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. The utility will accept liability for any injury or damage to individuals or their property directly caused by defective utility plant (leaking water lines or meters) or the repairs to or construction of the utility's facilities.

If the services of a registered professional engineer are required as a result of an application for service received by the Utility for service to that applicant's service extension only, such engineer will be selected by the Utility and the applicant, and the applicant shall bear all expenses incurred therein.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection. Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by TCEQ rule) for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall have the right to 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.

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

The Utility adopts the Uniform Plumbing Code pursuant to TCEQ Rule 290.46(i). The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the TCEQ, the Uniform Plumbing Code and with the service rules and regulations of the Utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the Utility subject to such requirements as may exist by TCEQ rule. No water service line smaller than 5/8" will be connected. No pipe or pipe fitting which contains more than 8.0% lead can be used for the installation or repair of plumbing at any connection which provides water for human use. No solder or flux which contains more than 0.2% lead can be used at any connection which provides water for human use.

The utility will have the right of access to the customer's premises at all times reasonable for the purpose of installing, testing, inspecting or repairing sewer mains or other equipment used in connection with its provision of sewer service, or for the purpose of removing its property and

SECTION 2.20--SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

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 tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

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

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

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

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

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

Applicants for service at new consuming facilities or facilities which have undergone extensive plumbing modifications are required to deliver to the Utility a certificate that their facilities have been inspected by a state-licensed inspector and that they are in compliance with all applicable plumbing codes and are free of potential hazards to public health and safety. Service may be denied until the certificate is received or any identified violations or hazards are remedied. The utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer to locate and obtain the services of a licensed inspector in a timely manner.

SECTION 2.20--SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

When potential sources of contamination are identified which, in the opinion of the inspector or the utility, require the installation of a state-approved backflow prevention device, such back flow prevention device shall be installed on the customer's service line or other necessary plumbing facilities by an appropriately licensed plumber/ backflow prevention device specialist at the customer's expense. The backflow prevention device shall be maintained by the customer at his expense and inspected annually by a licensed inspector. Copies of the annual inspection report must be provided to the utility. Failure to comply with this requirement may constitute grounds for the termination of water service with notice.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply. Access to meters and cutoff valves shall be controlled by the provisions of 30 TAC 291.89(c).

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

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

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.

Quadvest's management conducts a staff meeting with the field crew every weekday morning, ending at approximately 8:30 a.m. Servicemen are given their daily work orders at this meeting, including lists of noticed accounts scheduled for disconnection and/or reconnection. Once these servicemen are dispatched from the meeting, they are under orders to terminate and/or reconnect delinquent customer accounts in the sequence of their work orders. They may not collect payments in the field from customers scheduled for disconnection. While customers are encouraged to contact Quadvest's business office to make payment arrangements as soon as possible, Quadvest cannot guarantee that a meter will not be disconnected if payment is made after the servicemen are dispatched from their meeting. If payments are made after dispatching and the meter is disconnected, that account will be placed on the next batch of reconnect work orders for the utility system segment contained for that service location.

SECTION 3.0--EXTENSION POLICY

Section 3.01--Standard Extension Requirements

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

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

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

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

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

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

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

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest 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 full cost of extending service to and throughout their property, including the cost of all necessary treatment capacity necessary to meet the service demands anticipated to be created by that property.

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ's minimum design criteria for facilities used in collecting, treating, transmitting, and discharging of wastewater effluent. For purposes of this subsection, a developer is one who subdivides or requests more than two connections on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

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

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

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

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 291.86(d) and this tariff. When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge based upon the capacities of collection, transmission, storage, treatment and discharge facilities, compliant with the TCEQ minimum design criteria, which must be committed to such extension. As provided by 30 T.A.C. 291.86(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY (CONT.)

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

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

The imposition of additional extension costs or charges as provided by Sections 2.20 and 3.20 of this tariff shall be subject to appeal as provided in this tariff, TCEQ rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall have the right to appeal such costs to the TCEQ or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located. Unless the TCEQ or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

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

The Utility shall serve each qualified service applicant within its certificated service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by TCEQ rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The TCEQ service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a "qualified service applicant" as defined herein or by TCEQ rules.

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

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY (CONT.)

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements of service contained in this tariff, TCEQ rules and/or TCEQ order, (2) has made all payments for tap fees and extension charges, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary, and (4) has executed a customer service application for each location to which service is being requested.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. The tap request must be accompanied with a plat, map, diagram or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the connection is to be installed, along the applicant's property line. The actual point of connection must be readily accessible to Utility personnel for inspection, servicing and testing 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. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, applicant may refer the matter to the TCEQ for resolution. Unless otherwise ordered by the TCEQ, the tap or service connection will not be made until the location dispute is resolved.

The Utility shall require a developer (as defined by TCEQ rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property. The Developer shall be required to obtain all necessary easements and rights-of-way required to extend the Utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by TCEQ rules and local service conditions) to and throughout the Developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, sewage treatment, holding tank sites, and lift station sites shall convey with all permanent easements and buffers required by TCEQ rules. Unless otherwise agreed to by the Utility, pipe line right-of-way easements must be at least 15 feet wide to allow adequate room to facilitate backhoe and other heavy equipment operation and meters. Easements must be provided for all storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by TCEQ rules. All easements shall be evidenced, at Developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

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

- (a) The Developer shall make a written request for service to property that is to be subdivided and developed. The Developer shall submit to the Utility a proposed plat on a scale of one inch (1") to two hundred feet (200') for review and determination of required

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY (CONT.)

easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the Utility may be required to cover preliminary engineering, legal and copy costs to be incurred by the Utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers, and/or the environment.

(b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the Utility to the Developer for final plat preparation.

(c) Copies of all proposed plats and plans must be submitted to the Utility prior to their submission to the county for approval to insure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the Utility so that necessary changes may be incorporated into the Developer's final submitted plat(s) and plans.

(d) The Utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the Utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the Utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the Developer will be so notified. Plat amendments must be obtained by the Developer. The Developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the Utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.

(e) The Developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.

(f) At the sole option of the Utility, the Developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions-in-aid of construction and developer reimbursements, if any.

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY (CONT.)

(g) The Utility may require the Developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the Utility may abate its construction activities until full development construction begins. If the Developer stops construction of subdivision improvements for any purpose, the Utility may abate its construction for a similar period.

(h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The Developer must notify the Utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the Utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The Developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.

(i) The Developer, not the Utility, shall insure that Developer's employees, agents, contractors and others under its control coordinate their work or construction throughout the property with the Utility to insure the orderly and timely construction of all utility plant necessary to serve the public.

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

(a) that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the Utility's approved extension policy after receiving a written request from the Utility; or,

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

(c) that the residential service applicant purchased the property from the Developer after the Developer was notified of the need to provide facilities to the utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main or wastewater collection line, whether or not that line has adequate capacity to serve that residential service applicant. The following criteria shall be considered to determine the residential service applicant's cost for extending service.

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

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY (CONT.)

- (2) Exceptions may be granted by the TCEQ Executive Director if:
- (A) 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;
 - (B) larger minimum line sizes are required under subdivision platting requirements or applicable building codes.
- (3) If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated area, industrial, and wholesale customers shall be treated as developers.

A service applicant requesting a one-inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

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

**DROUGHT CONTINGENCY PLAN
FOR THE
INVESTOR OWNED UTILITY**

Quadvest, Inc.) CCN 11612

January 1, 2005

Section 1 Declaration of Policy, Purpose, and Intent

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

Please note: Water restriction is not a legitimate alternative if water system does not meet the Texas Commission on Environmental Quality's (TCEQ) capacity requirements under normal conditions or if the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

Section 2 Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by POA (Home Owners Association Meetings)

Section 3 Public Education

Quadvest, Inc. will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. Drought plan information will be provided by:

Utility bill memos and Delivered Flyers and Posted Signs at Subdivision entrances

Section 4 Coordination with Regional Water Planning Groups

The service area of Quadvest, Inc. is located within: Regional Water Planning Group (RWPG)
San Jacinto River Authority. TEXAS COMM. ON ENVIRONMENTAL QUALITY

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Quadvest, Inc. has mailed a copy of this Plan to the RWPG

Section 5 Notice Requirements

Written notice will be provided to each customer **prior to implementation or termination of each stage of the water restriction program**. Mailed notice must be given to each customer 72 hours prior to the start of water restriction. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided. The written notice to customers will contain the following information:

1. the date restrictions will begin,
2. the circumstances that triggered the restrictions,
3. the stages of response and explanation of the restrictions to be implemented, and,
4. an explanation of the consequences for violations.

The utility must notify the TCEQ by telephone at (512) 239- 6020, or electronic mail at watermon@TCEQ.state.tx.us prior to implementing the program and must notify in writing the Public Drinking Water Section at MC - 155, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days of implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ every 30 days that restriction continues.

Section 6 Violations

1. First violation - The customer will be notified by written notice of their specific violation.
2. Subsequent violations:
 1. After written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24 hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed \$50.00.
 2. After written notice, the utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the utility will apply for restoration of service.

Section 7 Exemptions or Variances

The utility may grant any customer an exemption or variance from the drought contingency plan for good cause **upon written request**. A customer who is refused an exemption or variance may appeal such action of the utility in writing to the Texas Commission on Environmental Quality. The utility

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will treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances. No exemption or variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

Section 8 Response Stages

Unless there is an immediate and extreme reduction in water production, or other absolute necessity to declare an emergency or severe condition, the utility will initially declare Stage I restrictions. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, reduce the risk of outages, or comply with restrictions required by a court, government agency or other authority, Stage II may be implemented with Stage III to follow if necessary.

Voluntary Water Use Restrictions:

Water customers are requested to voluntarily limit the use of water for non-essential purposes and to practice water conservation at all times, but especially during the peak period of April 1 to September 30,

STAGE I - VOLUNTARY WATER USE RESTRICTIONS:

Stage 1 will begin:

Demand- or Capacity-Based Triggers

Total daily demand=> than 66.6% of Production

Upon initiation and termination of Stage 1, the utility will mail a public announcement to its customers and the TCEQ.

Requirements for termination

Stage 1 of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days.

Utility Measures:

Visually inspect lines and repair leaks on a daily basis.

Voluntary Water Use Restrictions:

Restricted Days/Hours: Water customers are requested to voluntarily limit the irrigation of landscaped areas to odd and even numbered days. For customers with a street address ending in an even number (0, 2, 4, 6 or 8), outside watering will be permitted on even days of the month and for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), outside watering will be permitted on odd number days and to irrigate landscapes only between the

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hours of midnight and 10:00 a.m. and 8:00 p.m to midnight on designated watering days. **No irrigation of landscaped areas on Sunday.**

STAGE II - MILD WATER USE RESTRICTIONS:

Stage 2 will begin:

Demand- or Capacity-Based Triggers

Total Daily Usage => 650 gal. Per meter X # Active meters on System Well(s)

Upon initiation and termination of Stage 2, the utility will mail a public announcement to its customers and the TCEQ.

Requirements for termination

Stage 2 of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a daily basis.

Mandatory Water Use Restrictions: The following water use restrictions shall apply to all customers.

1. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to odd and even numbered days. For customers with a street address ending in an even number (0, 2, 4, 6 or 8), outside watering will be permitted on even days of the month and for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), outside watering will be permitted on odd number days and to irrigate landscapes only between the hours of midnight and 10:00 a.m. and 8:00 p.m to midnight on designated watering days. **No irrigation of landscaped areas on Sunday.** However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

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STAGE III - MODERATE WATER USE RESTRICTIONS:

Goal: reduce use by
200 gal./meter x active meters

Stage 3 will begin

Demand- or Capacity-Based Triggers

Total daily usage => 850 gal. Per meter X # Active Meters on System Well(s).

Upon initiation and termination of Stage 3, the utility will mail a public announcement to its customers and the TCEQ.

Requirements for termination :

Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a daily basis.
Flushing is prohibited except for dead end mains.

Mandatory Water Use Restrictions:

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Mondays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), outside watering will be permitted on Tuesdays and Fridays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9). Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m to midnight on designated watering days. **No irrigation of landscaped areas on Wednesday, Saturday and Sunday.** However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

TEXAS COMM. ON ENVIRONMENTAL QUALITY

- (c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from Quadvest, Inc.
- (f) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by Quadvest, Inc., the facility shall not be subject to these regulations.
- (g) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (h) The following uses of water are defined as non-essential and are prohibited:
1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 2. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 3. use of water for dust control;
 4. flushing gutters or permitting water to run or accumulate in any gutter or street; and
 5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

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APPROVED TARIFF BY LM

STAGE IV - SEVERE WATER USE RESTRICTIONS:

Goal: reduce use by
150 gal./meter x active meters

Stage 4 will begin:

Demand- or Capacity-Based Triggers

Total daily usage = > 1000 gal. Per meter X # Active Meters on System Well(s).

Upon initiation and termination of Stage 4, the utility will mail a public announcement to its customers and the TCEQ.

Requirements for termination :

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events . have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

Operational Measures:

The utility shall visually inspect lines and repair leaks on a daily basis. Flushing is prohibited except for dead end mains and only between the hours of 9:00 p.m. and 3:00 a.m.. All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers.

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

(a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 8 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.

(b) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by Quadvest, Inc.

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(c) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

STAGE V - CRITICAL WATER USE RESTRICTIONS:

Goal: reduce use by 100 gal./meter X active meters

Stage 5 will begin:

Demand- or Capacity-Based Triggers

Total daily usage => 1100 gal. Per meter X # Active Meters on System Well(s).

Upon initiation and termination of Stage 5, the utility will mail a public announcement to its customers and the TCEQ.

Requirements for termination :

Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 5, Stage 4 becomes operative.

Operational Measures:

The utility shall visually inspect lines and repair leaks on a daily basis. Flushing is prohibited except for dead end mains and only between the hours of 9:00 p.m. and 3:00 a.m.. . All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers.

Mandatory Water Use Restrictions

- 1. Irrigation of landscaped areas is absolutely prohibited.**
- 2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.**

Submitted to TCEQ as an amendment to existing tariff #11612

Quadvest, Inc.
PO Box 409
Tomball, Tx 77377-0409
Ph: 281-351-4380
Fax: 281-351-0286

TEXAS COMM. ON ENVIRONMENTAL QUALITY

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APPROVED TARIFF BY *[Signature]*

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**

Quadvest, L.P.
(Utility Name)

P.O. Box 409
(Business Address)

Tomball, Texas 77377
(City, State, Zip Code)

281/356-5347
(Area Code/Telephone)

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

20952

This tariff is effective in the following county:

Harris, Montgomery

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

None

This tariff is effective in the following subdivisions and water quality permit numbers:

Bauer Road: Permit No. 14675-001

Benders Landing: Permit No. 14755-001

Lonestar Ranch Section III, Lonestar Ranch Section IV and Somerset: Permit No. 14029-001

Creekside Village: Permit No. 14531-001

Magnolia Lakes: Permit No. 1452-001

Magnolia ISD, Mostyn Manor: Permit No. 14711-001

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.....	9

APPENDIX A -- SAMPLE SERVICE AGREEMENT

SECTION 1.0 - RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Flat Rate</u>
5/8" x 3/4"	<u>\$59.00</u> per connection
1"	<u>\$59.00</u> per connection
1½"	<u>\$295.00</u>
2"	<u>\$472.00</u>
3"	<u>\$944.00</u>
4"	<u>\$1,475.00</u>
6"	<u>\$2,950.00</u>

Volume charges are determined based on average consumption for winter period which includes the following months: N/A

FORM OF PAYMENT: The utility will accept the following forms of payment:
Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft
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 (Gravity Sewer) for 5/8 x 3/4-inch water meter..... \$790.00
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 \$870.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD 3/4" and 1" 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 TAP SIZE INSTALLED.

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

SECTION 1.0 - RATE SCHEDULE (Continued)

RECONNECTION FEE

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

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

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) 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

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

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Texas Commission on Environmental Quality (TCEQ) 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 Sewer 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.

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

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

(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

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 TCEQ complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

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

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.

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

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 TCEQ 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 TC EQ 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.

SECTION 3.0 -- EXTENSION POLICY (Continued)

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.

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: _____

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

April 29, 2005

TCEQ
Resource Protection Team
MC 160
P.O. Box 13087
Austin, TX 78711-3087

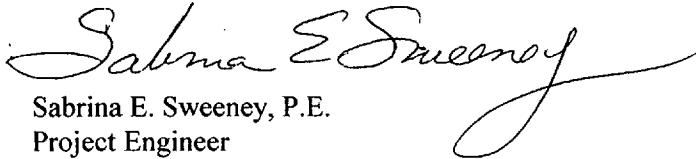
Re: Drought Contingency Plan for H.H.J. Inc. (PWS 170-0605)

Professional Compliance Associates (PCA) is submitting the enclosed Drought Contingency Plan on the behalf of H.H.J. Inc. (dba Decker Utilities) for your review and approval. A copy of the plan has been submitted to the San Jacinto River Authority – Houston Region. The minor tariff amendment has been incorporated into the plan (see page 1 of 8).

Questions regarding the plan may be directed to HHJ Inc. at 281-351-9928 and/or PCA at 713-266-3995.

Thank you.

Sincerely,



Sabrina E. Sweeney, P.E.
Project Engineer

cc: Decker Utilities, 617 W. Main, Tomball, TX 77375

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MAY 02 2005

WATER RIGHTS PERMITTING

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CCN 12841 JUL 19 '05

APPROVED TARIFF BY SPSP

**DROUGHT CONTINGENCY PLAN
FOR
DECKER OAKS SUBDIVISION
INVESTOR OWNED UTILITY**

Prepared for:

**H.H.J., Inc.
(dba DECKER UTILITIES)
617 West Main St
Tomball, TX 77375**

**CCN No. 12841
PWS No. 170-0605**

RECEIVED

MAY 02 2005

WATER RIGHTS PERMITTING

APRIL 2005

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CCN 12841-170-0605 19 05

APPROVED TARIFF BY

SP/SP

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

OCN 12842 JUL 19 '05

APPROVED TARIFF BY SP/SP

Section 1 Declaration of Policy, Purpose, and Intent

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

Please note: Water restriction is not a legitimate alternative if the water system does not meet the Texas Commission on Environmental Quality (TCEQ) capacity requirements under normal conditions or if the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

This plan is not designed to reduce water usage in non-drought conditions. The plan is an instrument to insure that the capacity of Decker Utility's water utility system is not exceeded under drought conditions.

HHJ Inc. (dba Decker Utilities) owns and operates the water utility for Decker Oaks subdivision located in Tomball, Texas. Ground water is supplied by 2 water wells operating at 175 gallons per minute (gpm) and 400 gpm. Ground storage is achieved with a 46,000 gallon tank and a 205,000 gallon tank. Two pressure tanks (5,000 gallon and 20,000 gallon) are also included in the system. Booster pumps are used to distribute the water through the system. Currently the utility is reporting 526 connections, with only 340 connections in use.

The total daily plant capacity was estimated by assuming water production over an 8 hour period. This provides a capacity of 276,000 gallons per day water production. Coincidentally, this is also the total storage capacity of the system. As a note, the average daily use in 2004 was approximately 66,000 gallons, with a average daily low of 38,700 gallons and a high of 107,200 gallons in August 2004.

Calculations for the triggering criteria are based on the total daily plant capacity. The triggers are set at daily demands that are 70%, 75%, and 80% of the total daily plant capacity of 276,000 gallons. Calculations of the plant capacity and the triggering criteria are provided in Appendix A.

Minor Tariff Amendment

I, **Robert Weedn**, being the responsible official for HHJ Inc. request a minor tariff amendment to include the enclosed Drought Contingency Plan.



(Signature)

4-27-2005

(Date)

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Section 2 Public Involvement

An invitation for each customer to provide input into the preparation of the Plan was provided with a letter from HHJ Inc. (See Appendix B).

Section 3 Public Education

HHJ Inc. will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage.

The Drought Contingency Plan will be provided to each customer upon request, and a copy will be retained at the HHJ Inc. – Decker Utilities office.

Section 4 Coordination with Regional Water Planning Groups

The service area of HHJ Inc. is located within Regional Water Planning Group H (RWPG-H), otherwise known as the **San Jacinto River Authority**.

HHJ Inc. has mailed a copy of this Plan to the RWPG-H.

Section 5 Notice Requirements

Written notice will be provided to each customer **prior to implementation or termination of each stage of the water restriction program**. Mailed notice must be given to each customer 72 hours prior to the start of water restriction. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided.

The written notice to customers will contain the following information:

1. the date restrictions will begin,
2. the circumstances that triggered the restrictions,
3. the stages of response and explanation of the restrictions to be implemented, and,
4. an explanation of the consequences for violations.

The utility must notify the TCEQ by telephone at (512) 239- 6020, or electronic mail at wras@tceq.state.tx.us. prior to implementing Stage 2 and must notify in writing the Public Drinking Water Section at MC - 155, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days of implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions (i.e. Stages 2 and 3).

Section 6 Violations/Enforcement (only applicable to mandatory use restrictions)

1. First violation - The customer will be notified by written notice of their specific violation.
2. Second violation - After written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24 hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device.
3. Subsequent violations - After written notice, the utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is less. The normal reconnect fee of the utility will apply for restoration of service.

Section 7 Exemptions or Variances

The utility may grant any customer an exemption or variance from the drought contingency plan for good cause **upon written request**. A customer who is refused an exemption or variance may appeal such action of the utility in writing to the Texas Natural Resource Conservation Commission.

The utility will treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances. No exemption or variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

Section 8 Response Stages

Unless there is an immediate and extreme reduction in water production, or other absolute necessity to declare an emergency or severe condition, the utility will initially declare Stage 1 restrictions. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, reduce the risk of outages, or comply with restrictions required by a court, government agency or other authority, Stage 2 may be implemented with Stage 3 to follow, if necessary.

STAGE 1 - VOLUNTARY WATER CONSERVATION:

The water utility will implement Stage 1 when one of the following triggers is reached:

Demand- or Capacity-Based Triggers

- √ Total daily demand is equal to or greater than 70% of plant capacity or **193,200 gallons per day.**
- √ Production or distribution limitations caused by natural disasters.

The goal of the Stage 1 voluntary restriction is to cause a demand reduction of water supply by 5% or 13,800 gallons.

Upon initiation and termination of Stage 1, the utility will mail a public announcement to its customers. **No notice to TCEQ required.**

Requirements for termination:

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

Utility Measures: Visually inspect lines and repair leaks on a monthly basis. Monthly review of customer use records and follow-up on any that have unusually high usage.

Voluntary Water Use Restrictions:

Restricted Days/Hours: Water customers are requested to voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems. Customers are requested to limit outdoor water use to **Mondays for water customers with a street address ending with the numbers 1, 2, or 3, Wednesdays for water customers with a street address ending with the numbers 4, 5, or 6, and Fridays for water customers with a street address ending with the numbers 7, 8, 9, or 0.** Irrigation of landscaped areas is further limited to the hours between 8 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

STAGE 2 - MANDATORY WATER USE RESTRICTIONS:

The water utility will implement Stage 2 when one of the following triggers is reached:

- √ Total daily demand is equal to or greater than 75% of plant capacity or **207,000 gallons per day.**
- √ Production or distribution limitations caused by natural disasters.

The goal of the Stage 2 mandatory restriction is to cause a demand reduction of water supply by 10% or 27,600 gallons.

Upon initiation and termination of Stage 2, the utility will mail a public announcement to its customers.

Notice to TCEQ required. The utility must notify the TCEQ by telephone at (512) 239-6020, or electronic mail at wras@tceq.state.tx.us prior to implementing Stage 2 and must notify in writing the Public Drinking Water Section at MC - 155, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days of implementation including a copy of the utility's restriction notice.

Requirements for termination: Stage 2 of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

Utility Measures: Visually inspect lines and repair leaks on a regular basis.

Mandatory Water Use Restrictions: The following water use restrictions shall apply to all customers.

1. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems **shall be limited to Mondays for water customers with a street address ending with the numbers 1, 2, or 3, Wednesdays for water customers with a street address ending with the numbers 4, 5, or 6, and Fridays for water customers with a street address ending with the numbers 7, 8, 9, or 0.** Irrigation of landscaped areas is further limited to the hours between 8 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours between 8 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
3. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or "jacuzzi" type pools is prohibited except on designated watering days between the hours between 8 p.m. and 12:00 midnight.
4. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.

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5. Use of water from hydrants or flush valves shall be limited to maintaining public health, safety, and welfare.
6. Use of water for the irrigation of golf courses, parks, and green belt areas is prohibited except by hand held hose and only on designated watering days between the hours between 8 p.m. and 12:00 midnight.
7. The following uses of water are defined as non-essential and are prohibited:
 - a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - c. use of water for dust control;
 - d. flushing gutters or permitting water to run or accumulate in any gutter or street;
 - e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
 - f. Any waste of water.

STAGE 3 - CRITICAL WATER USE RESTRICTIONS:

The water utility will implement Stage 3 when one of the following triggers is reached:

Demand- or Capacity-Based Triggers

- √ Total daily demand is equal to or greater than 80% of plant capacity or **220,800 gallons per day.**
- √ Production or distribution limitations caused by natural disasters.
- √ Supply contamination
- √ System outage

The goal of the Stage 3 mandatory restriction is to cause a demand reduction of water supply by 15% or 41,400 gallons.

Upon initiation and termination of Stage 3, the utility will mail a public announcement to its customers.

Notice to TCEQ required. The utility must file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions (i.e. Stages 2 and 3).

Requirements for termination : Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

Utility Measures: The utility shall visually inspect lines and repair leaks on a regular. Emergency interconnects or alternative supply arrangements shall be initiated. All

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers.

Mandatory Water Use Restrictions: All outdoor use of water is prohibited.

1. Irrigation of landscaped areas is absolutely prohibited.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

Table 1. Summary of Drought Stages
Drought Contingency Plan
HHJ Inc. – Decker Utilities

Stage	Trigger	Utility Measures	Customer Measures
1	70% of plant capacity or 193,200 gallons per day and/or Production or distribution limitations caused by natural disasters	<ul style="list-style-type: none"> • Mail notice to customers • Keep copy of notice on file • Visually inspect lines & repair leaks on a monthly basis • Review customer use and follow-up on any that have high usage • goal to reduce water demand by 5% or 13,800 gallons 	<ul style="list-style-type: none"> • Voluntarily limit outdoor water use to one day a week based on house number • Voluntarily limit outdoor water use to between 8 p.m. and midnight on designated days. • goal to reduce water demand by 5% or 13,800 gallons
2	75% of plant capacity or 207,000 gallons per day and/or Production or distribution limitations caused by natural disasters	<ul style="list-style-type: none"> • Mail notice to customers • Notify TCEQ • Visually inspect lines & repair leaks on a regular basis. • goal to reduce water demand by 10% or 27,600 gallons 	<ul style="list-style-type: none"> • Mandatory water restrictions in place. • goal to reduce water demand by 10% or 26,700 gallons
3	80% of plant capacity or 220,800 gallons per day and/or Production or distribution limitations caused by natural disasters Supply contamination System outage	<ul style="list-style-type: none"> • Mail notice to customers • Notify TCEQ • Visually inspect lines & repair leaks on a regular basis. • Initiate alternative supply arrangements • Read customer meters to ensure compliance. • goal to reduce water demand by 15% or 41,400 gallons 	<ul style="list-style-type: none"> • All outdoor use of water prohibited. • goal to reduce water demand by 15% or 41,400 gallons

Appendix A. Calculations

HHJ Inc. water plant can provide a total daily capacity of:

$$PlantCapacity = \left(\frac{575 \text{ gal}}{\text{min}} \right) * \left(\frac{60 \text{ min}}{1 \text{ hr}} \right) * \left(\frac{8 \text{ hr}}{\text{day}} \right)$$

$$PlantCapacity = 276,000 \text{ gal / day}$$

(plant capacity based on well pump operating capacity and total storage capacity)

The Stage 1 triggering criterion is set at a daily demand that is 70% of the plant capacity.

$$Stage 1_{70\%} = \frac{276,000 \text{ gal}}{\text{day}} * .70$$

$$Stage 1_{70\%} = \frac{193,200 \text{ gal}}{\text{day}}$$

The Stage 2 triggering criterion is set at a daily demand that is 75% of the plant capacity.

$$Stage 2_{75\%} = \frac{276,000 \text{ gal}}{\text{day}} * .75$$

$$Stage 2_{75\%} = \frac{207,000 \text{ gal}}{\text{day}}$$

The Stage 3 triggering criterion is set at a daily demand that is 80% of the plant capacity.

$$Stage 3_{80\%} = \frac{276,000 \text{ gal}}{\text{day}} * 0.80$$

$$Stage 3_{80\%} = \frac{220,800 \text{ gal}}{\text{day}}$$

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CCN 12042-19

APPROVED TARIFF BY: SP/SP

Appendix B
Plan Preparation/Public Involvement Letter

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CON 12841 FEB 19 '05

APPROVED TARIFF BY: SP/SP

H.H.J.,INC./Decker Utilities
617 West Main Street
Tomball, Texas 77375
Bs Ph: 281-351-9928 Fax: 281-351-9934

Dear Homeowner:

H.H.J., Inc./Decker Utilities is submitting a revised drought contingency plan, as required by Texas Commission on Environmental Quality. The purpose of the drought contingency plan is to encourage customer conservation during drought conditions. Regulations require that the plan be resubmitted every 5 years.

You may address your questions or comments on the plan to Robert Weedn at 281-351-9928 or Sabrina Sweeney of Professional Compliance Associates at 713-266-3995.

Sincerely,

Decker Utilities
Management

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CCN 12041 JUL 19 '05

APPROVED TARGET BY SP/SP

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

Quadvest, Inc
POB 811
Cypress, Tx 77410
281-955-1066

CCN#11612	TNRCC ID#	County
Bridlewood Estates	0790350	Fort Bend
Brazos Lakes	0790363	Fort Bend
The Colony	1011806	Harris
Gemstone Estates	1700608	Montgomery
Indigo Lakes Estates	1700576	Montgomery
Lake Windcrest	1700624	Montgomery
Lone Star Ranch	1700655	Montgomery
Northcrest Ranch Section I	1700623	Montgomery
Northcrest Ranch Section II	1700668	Montgomery
Red Oak Ranch	1700609	Montgomery
Stonecrest Ranch	1700611	Montgomery
Sendera Ranch	1700577	Montgomery
Timberdale	1011810	Harris
Telge Terrace	1011805	Harris
Westwood	2370042	Waller

WATER RESOURCE CONSERVATION COMMISSION

534750 CCN 11612 APR 11 '02

APPROVED TARIFF BY Lufer



Texas Commission On Environmental Quality

By These Presents Be It Known To All That

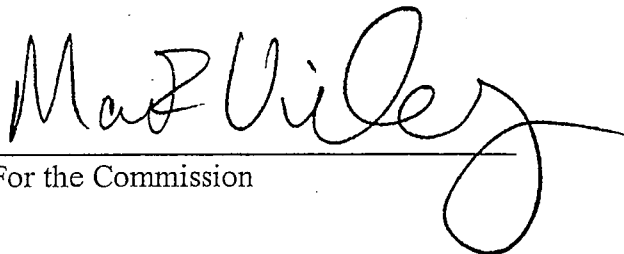
Quadvest, Inc.

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. 11612

to provide continuous and adequate water utility service to that service area or those service areas in Aransas, Brazoria, Fort Bend, Harris, Jackson, Montgomery and Waller Counties as by final as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 36081-C 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 Quadvest, 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 JAN 22 2009


For the Commission



Texas Commission On Environmental Quality

By These Presents Be It Known To All That

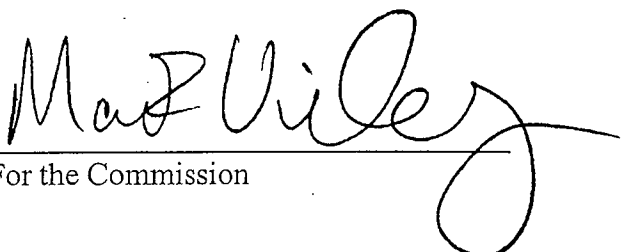
Quadvest, Inc.

having duly applied for certification to provide sewer 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. 20952

to provide continuous and adequate sewer utility service to that service area or those service areas in Harris and Montgomery Counties as by final as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 36082-C 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 Quadvest, 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 JAN 22 2009


For the Commission

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution
July 25, 2005

Ms. Tammy Sequeira
Quadvest, Inc.
P.O. Box 409
Tomball, Texas 77377

Re: Surcharge Request for Recovery of Sampling Fees for Quadvest, Inc., CCN No. 11612 in Fort Bend County; Application No. 34770-G

CN: 600701486; RN: 101272250

Dear Ms. Sequeira:

Your request for a sampling surcharge for Quadvest, Inc., and related documentation were received by the Texas Commission on Environmental Quality (Commission) on October 26, 2004. Your request for a surcharge is approved in the amount of **\$.23** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge for sampling and testing fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for sampling charges, \$830.00, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the sampling surcharge.

The first bill that you send out that includes the sampling surcharge should include a short statement such as **"The sampling surcharge has been approved by the TCEQ to cover sampling fees incurred by the utility and required by the Safe Drinking Water Act."** The sampling surcharge must be listed separately on each monthly bill.

If you have any questions, please contact Ms. Sheresia Perryman at (512) 239-3654, by email at sperryma@tceq.state.tx.us or if by correspondence, include MC 153 in the letterhead address below.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Abrams".

Michelle Abrams, Team Leader
Utilities & Districts Section
Water Supply Division

MA/SP/ac

cc: TCEQ Region 12

P.O. Box 13087 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address: www.tceq.state.tx.us

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 16, 2005

Ms. Tammy Sequeira
Quadvest, Inc.
P.O. Box 409
Tomball, Texas 77377

Re: Surcharge Request for Recovery of Sampling Fees for Quadvest, Inc., CCN No. 11612 in Fort Bend County; Application No. 35138-G

CN: 600701486; RN: 101272250

Dear Ms. Sequeira:

Your request for a sampling surcharge for Quadvest, Inc., and related documentation were received by the Texas Commission on Environmental Quality (Commission) on October 21, 2005. Your request for a surcharge is approved in the amount of **\$0.22** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge for sampling and testing fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for sampling charges, \$790.00, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the sampling surcharge.

The first bill that you send out that includes the sampling surcharge should include a short statement such as "**The sampling surcharge has been approved by the TCEQ to cover sampling fees incurred by the utility and required by the Safe Drinking Water Act.**" The sampling surcharge must be listed separately on each monthly bill.

If you have any questions, please contact Ms. Tuyet Truong at (512) 239-0605, by email at ttruong@tceq.state.tx.us or if by correspondence, include MC 153 in the letterhead address below.

Sincerely,

A handwritten signature in black ink that reads "Michelle Abrams".

Michelle Abrams, Team Leader
Utilities & Districts Section
Water Supply Division

MA/TT/ac

cc: TCEQ Region 12

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
Martin A. Hubert, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 17, 2006

Ms. Tammy Sequeira
Quadvest, Inc.
P.O. Box 409
Tomball, Texas 77377

Re: Surcharge Request for Recovery of Fees for Quadvest, Inc., Certificate of Convenience and Necessity (CCN) No. 11612 in Montgomery County; Application No. 35522-G

CN: 600701486; RN: 101272250

Dear Ms. Sequeira:

Your request for a Pass Through Provision Rate Application and related documentation were received by the Texas Commission on Environmental Quality (Commission) on October 30, 2006. After review, we are processing your request as a surcharge for Quadvest, Inc., since these costs have already been paid. The surcharge is approved in the amount of **\$0.49** for each customer per month for twelve months pursuant to §291.21(k)(2) of the Commission's Rules. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for charges, \$22,888.00, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the surcharge.

The first bill that you send out that includes the surcharge should include a short statement such as "**The surcharge has been approved by the TCEQ to cover fees incurred by the utility.**" The surcharge must be listed separately on each monthly bill.

If you have any questions, please contact Ms. Elizabeth Flores at (512) 239-6846, by email at eflores@tceq.state.tx.us or if by correspondence, include MC 153 in the letterhead address below.

Sincerely,

A handwritten signature in cursive script that reads "Tammy Benter".

Tammy Benter, Team Leader
Utilities & Districts Section
Water Supply Division

TB/EF/ac

cc: TCEQ Region 12

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 13, 2009

Ms. Tammy Sequeira
P.O. Box 409
Tomball, Texas 77377

Re: Surcharge Request for the Recovery of Fees for Quadvest, Inc., Certificate of Convenience and Necessity (CCN) No. 11612, in Brazoria, Fort Bend, Harris and Montgomery Counties; Application No. 35887-G

CN: 600701486; RN: 101272250

Dear Ms. Sequeira:

Your request for a surcharge for Quadvest, Inc., and related documentation were received by the Texas Commission on Environmental Quality (Commission) on November 13, 2007.

Your request for fees related to the Fort Bend Subsidence District (**Fort Bend County**) is approved in the amount of **\$.20** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for sampling charges, \$930.00, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the sampling surcharge.

Your request for fees related to the Harris –Galveston Subsidence District (**Harris County**) is approved in the amount of **\$.86** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for sampling charges, \$1,608.20, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the sampling surcharge.

Your request for fees related to the Lone Star Groundwater Conservation District (**Montgomery County**) is approved in the amount of **\$.85** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for sampling charges, \$47,024.57, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the sampling surcharge.

Your request for fees related to the Brazoria County Groundwater Conservation District (**Brazoria County**) is approved in the amount of **\$.55** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a

Ms. Tammy Sequeira
Page 2

January 13, 2009

twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for sampling charges, \$1,096.89, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the sampling surcharge.

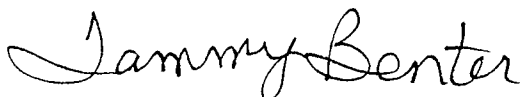
The first bill that you send out that includes the sampling surcharge should include a short statement such as the following:

"The sampling surcharge has been approved by the TCEQ to cover sampling fees incurred by the utility and required by the Safe Drinking Water Act."

The surcharge must be listed separately on each monthly bill.

If you have any questions, please contact Ms. Sheresia Perryman at (512)239-3654, by email at sperryma@tceq.state.tx.us or if by correspondence, include MC 153 in the letterhead address below.

Sincerely,



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

TB/SP/ln

cc: TCEQ Region 12

Elsie Pascua - RE: Affidavit for Pass Through Application

From: "Tammy Sequeira" <Tammy@quadvest.com>
To: "Elsie Pascua" <EPASCUA@tceq.state.tx.us>
Date: 12/23/2008 10:36 AM
Subject: RE: Affidavit for Pass Through Application

The affidavit was for the last one and we have only done one more rate change application which was in 2005 so I will address it specifically. Is this good? I think it is a more specific.

Thank You,

Tammy Sequeira
Phone:281-356-5347
Fax:281-356-5382

From: Elsie Pascua [mailto:EPASCUA@tceq.state.tx.us]
Sent: Tuesday, December 23, 2008 10:21 AM
To: Tammy Sequeira
Cc: Elizabeth Flores; Leila Guerrero-Gantioqui; Sheresia Perryman; Tammy Lee Holguin-Benter
Subject: Re: Affidavit for Pass Through Application

Please execute an affidavit that Quadvest has never included any of the fees for passthrough or surcharge in any rate change applications. Your tariff for passthrough provision was approved in 2005 rate change application #35205-R. There was a passthrough or surcharged application in Oct 2006, #35522-G for \$22,888. I want to make sure that none of the fees were included in 2005 rate application. If some of the \$22,888 fees were included in the application no. 35522-G, then subsequent passthrough applications can only passthrough the increased in gallonage fees because the cost should have been included in the previous rate design.

Also, why the City of Rosenberg is charging you a fee if the City is not providing service?

Thank you and Merry Christmas.

Elsie

>>> "Tammy Sequeira" <Tammy@quadvest.com> 12/22/2008 9:09 AM >>>
Please find attached the affidavit as requested. A hard copy is also mailed.

Thank You,


Tammy Sequeira
Phone:281-356-5347
Fax:281-356-5382



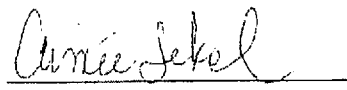
CONSULTATION - CONSTRUCTION - OPERATION
PO Box 409, Tomball, TX 77377
281-356-5347 www.quadvest.com

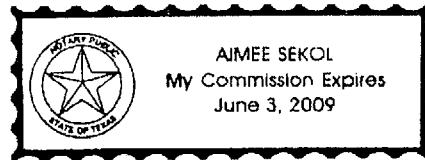
AFFIDAVIT

This is to certify that the rates for the any Pass Through application were not included in the 2005 Rate Increase.


Tammy Sequeira

Sworn to and subscribed before me, Aimee Sekol, by Tammy Sequeira on December 29, 2008.


Aimee Sekol
My commission expires 06-03-09



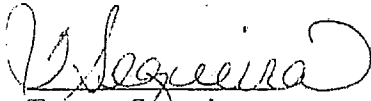


Water & Sewer Utility

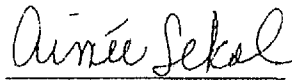
CONSULTATION - CONSTRUCTION - OPERATION
PO Box 409, Tomball, TX 77377
281-356-5347 www.quadvest.com

AFFIDAVIT

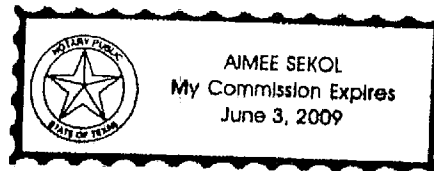
This is to certify that the rates for the 2008 Pass Through application were not included in the 2007 Rate Increase.


Tammy Sequeira

Sworn to before me, Aimee Sekol, by Tammy Sequeira on December 19, 2008.



Aimee Sekol
My commission expires 06-03-09



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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 24, 2010

Ms. Tammy Sequeira
P.O. Box 409
Tomball, Texas 77377

Re: **Amended:** Surcharge Request for the Recovery of Fees for Quadvest, Inc., Certificate of Convenience and Necessity (CCN) No. 11612, in Brazoria, Fort Bend, Harris and Montgomery and Waller Counties; Application No. 36566-R

CN: 600701486; RN: 101272250

Dear Ms. Sequeira:

Your request for a surcharge for Quadvest, Inc., and related documentation were received by the Texas Commission on Environmental Quality (Commission) on December 1, 2009. This amendment is to replace the previous letter dated February 26, 2010.

Your request for fees related to the Brazoria County Groundwater Conservation District (**Brazoria County**) is approved in the amount of **\$0.36** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for pumpage fee charges, \$678.81, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the pumpage fees surcharge.

Your request for fees related to the Fort Bend Subsidence District (**Fort Bend County**) is approved in the amount of **\$0.08** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for pumpage fee charges, \$370.00, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the pumpage fees surcharge.

Your request for fees related to the Harris-Galveston Coastal Subsidence District (**Harris County**) is approved in the amount of **\$0.33** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for pumpage fee charges, \$591.00, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the pumpage fees surcharge.

Your request for fees related to the Bluebonnet Groundwater Conservation District (**Waller County**) is approved in the amount of **\$.27** for each customer per month for twelve months. Pursuant to

§291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for pumpage fee charges, \$70.50, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the pumpage fees surcharge.

Your request for fees related to the Bridlewood Estates (**Fort Bend County**) is approved in the amount of **\$7.26** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for pumpage fee charges, \$27,192.45, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the pumpage fees surcharge.

Your request for fees related to the West Harris County Regional Water Authority (**Harris County**) is approved in the amount of **\$13.06** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for pumpage fee charges, \$627.05, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the pumpage fees surcharge.

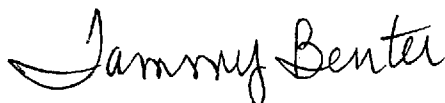
The first bill that you send out that includes the pumpage fees surcharge should include a short statement such as the following:

"The pumpage fees surcharge has been approved by the TCEQ to cover pumpage fees fees incurred by the utility and required by the Safe Drinking Water Act."

The surcharge must be listed separately on each monthly bill.

If you have any questions, please contact Ms. Sheresia Perryman at (512)239-3654, by email at sperryma@tceq.state.tx.us or if by correspondence, include MC 153 in the letterhead address below.

Sincerely,



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

TB/SP/ln

cc: TCEQ Region 12

§291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for pumpage fee charges, \$70.50, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the pumpage fees surcharge.

Your request for fees related to the Bridlewood Estates (**Fort Bend County**) is approved in the amount of **\$7.26** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for pumpage fee charges, \$27,192.45, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the pumpage fees surcharge.

Your request for fees related to the West Harris County Regional Water Authority (**Harris County**) is approved in the amount of **\$13.06** for each customer per month for twelve months. Pursuant to §291.21(k)(2) of the Commission's Rules, the requested surcharge fees is approved for a twelve (12) month period. The Utility may not charge this surcharge for more than twelve (12) months and should cease charging the surcharge if the outlay for pumpage fee charges, \$627.05, is recouped in a shorter period due to increases in customer connections. You should attach this letter to your approved tariff as authorization to charge the pumpage fees surcharge.

The first bill that you send out that includes the pumpage fees surcharge should include a short statement such as the following:

"The pumpage fees surcharge has been approved by the TCEQ to cover pumpage fees fees incurred by the utility and required by the Safe Drinking Water Act."

The surcharge must be listed separately on each monthly bill.

If you have any questions, please contact Ms. Sheresia Perryman at (512)239-3654, by email at sperryma@tceq.state.tx.us or if by correspondence, include MC 153 in the letterhead address below.

Sincerely,



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

TB/SP/ln

cc: TCEQ Region 12