



Filing Receipt

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Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239

Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
 - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
 - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
 - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.)

- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. **Application is not accepted for filing.**
 - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. **Application is accepted for filing.**

- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.

HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:
Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

Application Summary

Transferor: Southern Horizons Development, Inc.
(selling entity)

CCN No.s: 12863

Sale Transfer Merger Consolidation Lease/Rental

Transferee: Texas Water Utilities, L.P.
(acquiring entity)

CCN No.s: 12983

Water Sewer All CCN Portion CCN Facilities transfer

County(ies): Liberty & Montgomery

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Please mark the items included in this filing

<input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1 Attachment 2
<input checked="" type="checkbox"/> Tariff including Rate Schedule	Part B: Question 4 Attachments 3 and 4
<input type="checkbox"/> List of Customer Deposits	Part B: Question 5
<input checked="" type="checkbox"/> Partnership Agreement	Part C: Question 7 Attachment 5
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input checked="" type="checkbox"/> Certificate of Account Status	Part C: Question 7 Attachment 6
<input checked="" type="checkbox"/> Financial Audit	Part C: Question 10 Attachment 7
<input type="checkbox"/> Application Attachment A & B	Part C: Question 10
<input checked="" type="checkbox"/> Disclosure of Affiliated Interests	Part C: Question 10 Attachment 9
<input checked="" type="checkbox"/> Capital Improvement Plan	Part C: Question 10 Attachment 8
<input checked="" type="checkbox"/> List of Assets to be Transferred	Part D: 11.B Attachment 13
<input type="checkbox"/> Developer Contribution Contracts or Agreements	Part D: 11.D Attachment 13
<input checked="" type="checkbox"/> Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12) Attachment 10
<input checked="" type="checkbox"/> TCEQ Compliance Correspondence	Part F: Question 22 Attachment 11
<input type="checkbox"/> TCEQ Engineering Approvals	Part F: Question 24
<input type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part F: Question 26
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part G: Question 29 Attachment 12
<input checked="" type="checkbox"/> General Location (small scale) Map	Part G: Question 29 Attachment 12
<input type="checkbox"/> Digital Mapping Data	Part G: Question 29
<input checked="" type="checkbox"/> Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

Please see Attachments 1 and 2.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

For **Transferor** (Seller) CCN:

- Obtaining a NEW CCN for Purchaser
- Transfer all CCN into Purchaser's CCN (Merger)
- Transfer Portion of CCN into Purchaser's CCN
- Transfer all CCN to Purchaser and retain Seller CCN
- Uncertificated area added to Purchaser's CCN

- Cancellation of Seller's CCN
- Transfer of a Portion of Seller's CCN to Purchaser
- Only Transfer of Facilities, No CCN or Customers
- Only Transfer of Customers, No CCN or Facilities
- Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Southern Horizons Development, Inc.
(individual, corporation, or other legal entity)

Individual Corporation WSC Other: _____

B. Mailing Address: P.O. Box 1076 Splendora, TX 77372

Phone: (281) 540-1047 Email: steve@sullivanfuller.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Steve Sullivan Title: President

Mailing Address: 195 S. Mossy Brake Rd, Karnack, TX 75661

Phone: (832) 250-1797 Email: steve@sullivanfuller.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: October 24, 2020

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

No Yes Application or Docket Number: 51017

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

There are no customers that will be transferred

of customers without deposits held by the transferor 472

of customers with deposits held by the transferor* _____

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the transferee (purchaser or proposed service provider)

6. A. Name: Texas Water Utilities, L.P.

(individual, corporation, or other legal entity)

Individual Corporation WSC Other: Limited Partnership

B. Mailing Address: 12535 Reed Road, Sugar Land, TX 77478

Phone: (830) 207-5800 Email: swwc.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Brian Bahr Title: Director, Rates & Regulatory

Address: 1620 Grand Ave Pkwy, Ste 140, Pflugerville, TX 78660

Phone: (512) 219-2261 Email: bbahr@swwc.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

No Yes N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

No Yes N/A

7. The legal status of the transferee is:

Individual or sole proprietorship

Partnership or limited partnership (*attach* Partnership agreement) **See Att. 5**

Corporation

Charter number (as recorded with the Texas Secretary of State): _____

Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]

Charter number (as recorded with the Texas Secretary of State): _____

Articles of Incorporation and By-Laws established (*attach*)

Municipally-owned utility

District (MUD, SUD, WCID, FWSD, etc.)

- County
- Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- Other (please explain): _____

8. If the transferee operates under any d/b/a, provide the name below:

Name: n/a

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Jeffrey L. McIntyre

Position: President Ownership % (if applicable): 0.00%

Address: 12535 Reed Road, Sugar Land, TX 77478

Phone: (830) 207-5800 Email: swwc.com

Name: Alison Zimlich

Position: Treasurer/CFO Ownership % (if applicable): 0.00%

Address: 12535 Reed Road, Sugar Land, TX 77478

Phone: (830) 207-5800 Email: swwc.com

Name: Mark Wang

Position: Secretary Ownership % (if applicable): 0.00%

Address: 12535 Reed Road, Sugar Land, TX 77478

Phone: (830) 207-5800 Email: swwc.com

Name: Joseph Park

Position: Assistant Secretary Ownership % (if applicable): 0.00%

Address: 12535 Reed Road, Sugar Land, TX 77478

Phone: (830) 207-5800 Email: swwc.com

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
- ③ Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
- ③ A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: \$ _____ Please see Att. 1 and Att. 2

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

No Yes N/A

Total Original Cost of Plant in Service: \$ _____ Please see Att. 13

Accumulated Depreciation: \$ _____

Net Book Value: \$ _____

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

No Yes

Total Customer CIAC: \$ _____

Accumulated Amortization: \$ _____

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

No Yes

Total developer CIAC: \$ _____

Accumulated Amortization: \$ _____

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

No Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

N/A

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

N/A

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	\$ _____	Please see Att. 1 and Att. 13
Accumulated Depreciation of Plant:	\$ _____	
Cash:	\$ _____	
Notes Payable:	\$ _____	
Mortgage Payable:	\$ _____	
(Proposed) Acquisition Adjustment*:	\$ _____	
Other (NARUC account name & No.):	_____	
Other (NARUC account name & No.):	_____	

* Acquisition Adjustments will be subject to review under 16 TAC § 24.41(d) and (e)

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

Consistent with TWC 13.3011, TWU proposes to charge customers transferred from SHDI the rates in TWU's approved tariffs. Please see Attachment 1.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

TWU anticipates filings a request for a System Improvement Charge and true-ups for purchased water pass-throughs, but does not anticipate filing a general rate case within the next 12 months. TWU's anticipated filings are not a result of the transaction proposed in this application.

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

There are no anticipated negative impacts or changes in the quality of service in the requested area as a result of the proposed transaction; TWU will provide operations and customer service that meet or exceed the established standards of the Commission and the TCEQ.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

TWU has the necessary financial, managerial, and technical resources to continue providing quality services to the systems and customers to be transferred. TWU, through its predecessors and affiliates, has been successfully operating in Texas for over 50 years and is well known to this Commission. Besides TWU, a Class A utility, TWU's affiliates providing utility service in Texas include SWWC Utilities, Inc. and Midway Water Utilities, Inc. In addition to licensed operators, TWU's management and operations staff includes engineers, environmental health and safety managers, financials managers, and experienced customer service agents.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

No Yes Please see Att. 10

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

There is no anticipated adverse impact or disruption to the environmental integrity of the land as a result of the proposed transaction.

20. How will the proposed transaction serve the public interest?

Service to the customers will be improved by having an owner with substantial experience successfully operating water and wastewater utilities in Texas. TWU owns and operates systems nearby and intends to operate the system to be transferred out of its regional service center. Customer service will be provided by TWU's centralized Texas business center. In general, TWU will provide high-quality operations and customer service that meet or exceed PUC and TCEQ standards.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

City of Splendora (CCN No. 11727), South Cleveland WSC (CCN No. 12566), T & W Water Service Company (CCN No. 12892), City of Cleveland (CCN No. 13217), C & R Water Supply, Inc. (CCN No. 13098), Quadvest LP (CCN No. 11612), Aqua Texas (CCN No. 13203), Crystal Springs Water Company Inc. (CCN No. 11373), and Northwoods WSC (CCN No. 12879).

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1460158 (7 digit ID)

Name of PWS: Southern Crossing Water

Date of last TCEQ compliance inspection: August 12, 2022 (attach TCEQ letter) **Please see Att. 11**

Subdivisions served: Southern Crossing Development

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

Date of last TCEQ compliance inspection: _____ (attach TCEQ letter)

Subdivisions served: _____

Date of application to transfer permit *submitted* to TCEQ: _____

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
428	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			428	Total Sewer Connections:	

24. A. Are any improvements required to meet TCEQ or Commission standards?

No Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

No Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No Yes: _____ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: _____ Sewer: _____

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

No Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: _____

Water: _____

Sewer: _____

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

No Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

No Yes: N/A

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

No Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer
Dalton McNiel	B	WG0019092	Ground Water
Ellery Studivant	C	WG0006068	Ground Water
Adrian L. Rodriguez	C	WD0017159	Water Distribution
Chase Ferris	D	WO0045992	Water

Part G: Mapping & Affidavits

ALL applications require mapping information to be filed in conjunction with the STM application. Read question 29 A and B to determine what information is required for your application.

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
 - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
 - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1460150 (7 digit ID)

Name of PWS: Southern Oaks

Date of last TCEQ compliance inspection: August 12, 2022 (attach TCEQ letter)
Please see Att. 11

Subdivisions served: Southern Oaks

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

Date of last TCEQ compliance inspection: _____ (attach TCEQ letter)

Subdivisions served: _____

Date of application to transfer permit *submitted* to TCEQ: _____

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
44	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			44	Total Sewer Connections:	

24. A. Are any improvements required to meet TCEQ or Commission standards?

No Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

No Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No Yes: _____ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: _____ Sewer: _____

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

No Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: _____

Water: _____

Sewer: _____

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

No Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

No Yes: N/A

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

No Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer
Dalton McNiel	B	WG0019092	Ground Water
Ellery Studivant	C	WG0006068	Ground Water
Adrian L. Rodriguez	C	WD0017159	Water Distribution
Chase Ferris	D	WO0045992	Water

Part G: Mapping & Affidavits

ALL applications require mapping information to be filed in conjunction with the STM application. Read question 29 A and B to determine what information is required for your application.

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
 - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
 - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

- iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.

- 2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
 - i. The map must be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made or natural landmarks must be labeled and marked on the map as well.
 - ii. If the application requests an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
 - iv. The outer boundary of the requested area should not be covered by any labels, roads, city limits or extraterritorial jurisdiction (ETJ) boundaries.

B. For applications that are requesting to include area not currently within a CCN, or for applications that require a CCN amendment (any change in a CCN boundary), such as the transfer of only a portion of a certificated service area, provide the following mapping information with each of the seven (7) copies of the application:

- 1. A general location (small scale) map identifying the requested area with enough detail to locate the requested area in reference to the nearest county boundary, city, or town. Please refer to the mapping guidance in part A 1 (above).
- 2. A detailed (large scale) map identifying the requested area with enough detail to accurately locate the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, or railroads. Please refer to the mapping guidance in part A 2 (above).
- 3. One of the following identifying the requested area:
 - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part A 2 (above);
 - ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part A 2 (above); or
 - iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
 - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
 - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
 - c. The digital mapping data shall be filed on a data disk (CD or USB drive), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

Part H: Notice Information

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 884.00

Number of customer connections in the requested area: 452

Affected subdivision : Southern Oaks, Southern Crossing

The closest city or town: Cleveland

Approximate mileage to closest city or town center: 0.15

Direction to closest city or town: North

The requested area is generally bounded on the North by: County Road 377

on the East by: FM 101 Rd

on the South by: County Road 373

on the West by: US Highway 59

31. A copy of the proposed map will be available at: 1620 Grand Ave Pkwy, Ste 140, Pflugerville, TX 78665

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

All of the customers will be charged the same rates they were charged before the transaction.

All of the customers will be charged different rates than they were charged before the transaction.

higher monthly bill lower monthly bill

Some customers will be charged different rates than they were charged before (i.e. inside city limit customers)

higher monthly bill lower monthly bill

Oath for Transferor (Transferring Entity)

STATE OF Texas

COUNTY OF Harrison

I, Steve Sullivan, being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as President, SHDI

(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

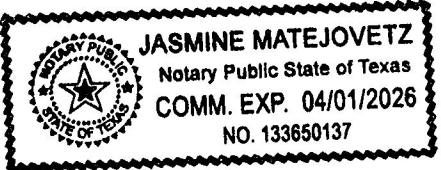
I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

[Signature]
AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas this day the 1 of Feb, 2023

SEAL



[Signature]
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS
Jasmine Matejovetz
PRINT OR TYPE NAME OF NOTARY

My commission expires: 4/1/24

Oath for Transferee (Acquiring Entity)

STATE OF Texas

COUNTY OF Fort Bend

I, Jeffrey L. McIntyre being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as President (owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

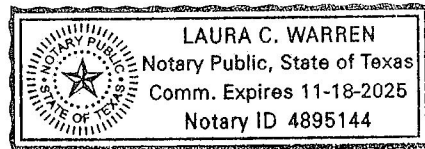
I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

[Signature]
AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas this day the 15th of February, 2023

SEAL



[Signature]
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS
Laura C. Warren
PRINT OR TYPE NAME OF NOTARY

My commission expires: 11-18-2025

ATTACHMENTS LIST

- **Attachment 1 - Transaction Summary (Q1 & Q14) (CONFIDENTIAL)**
- **Attachment 2 - Asset Purchase Agreement (Q1) (CONFIDENTIAL)**
- **Attachment 3 - Current Tariffs of Transferor (Q4)**
- **Attachment 4 - Current Tariffs of Transferee (Q4)**
- **Attachment 5 - Transferee Partnership Agreement (Q7)**
- **Attachment 6 - Transferee Certificate of Account Status (Q7)**
- **Attachment 7 - Transferee Financial Statements (Q10) (CONFIDENTIAL)**
- **Attachment 8 - Transferee Capital Improvement Plan (Q10) (CONFIDENTIAL)**
- **Attachment 9 - Disclosure of Transferee Affiliated Interests (Q10) (CONFIDENTIAL)**
- **Attachment 10 - Summary of Transferee Enforcement Action Status (Q18)**
- **Attachment 11 - Transferor TCEQ Compliance Inspection (Q22A)**
- **Attachment 12 - Large and Small Scale Maps (Q29)**
- **Attachment 13 - Fair Market Value Reports (Q11) (CONFIDENTIAL)**
- **Attachment 14 - Fair Market Value Invoices (Q11) (CONFIDENTIAL)**

Attachment 1 – Transaction Summary (REDACTED) (Q1 & Q14)

***unredacted attachment to be provided separately under
confidential seal***

Southern Horizons Development, Inc. (“SHDI”) is a retail public utility providing water utility services to customers in Liberty and Montgomery Counties under Certificate of Convenience and Necessity (“CCN”) No. 12863. Texas Water Utilities, L.P. (“TWU”) is an investor-owned, Class-A utility providing water and wastewater utility service to customers in multiple counties under water CCN No. 12983 and wastewater CCN No. 20899. TWU, through its predecessors and affiliates, has successfully operated in the State of Texas for over 50 years and is well known to the Public Utility Commission of Texas (“Commission”).

With this application, TWU is requesting approval from the Commission to consummate the transaction proposed by the Asset Purchase Agreement (“APA”) included with the Application as Confidential Attachment 2. The proposed transaction will result in the transfer of all certificated service area, utility assets, and customers from SHDI to TWU. SHDI’s CCN No. 12863 will be cancelled upon approval from the Commission.

Per TWC 13.305(g), TWU is requesting that rate base of the assets to be acquired from SHDI be determined using the fair market valuation process, which specifies that rate base may be set at the lower of the purchase price and fair market value (“FMV”). TWU filed on September 6, 2022, in Docket No. 49859, its Notice of Intent to Determine Fair Market Value for the SHDI assets. The Commission selected Bret Fenner of B&D Environmental, Anthony Festa of Marshall & Stevens, Inc., and Arthur L. Schwertz of Valbridge Property Advisors. Each expert conducted valuation analyses using the cost approach, income approach, and market approach; their valuation reports are provided as Confidential Attachment 13 and summarized in the table below. Per the APA, the negotiated purchase price [REDACTED]

[REDACTED]

FMV Expert	FMV
Bret Fenner (B&D Environmental)	[REDACTED]
Anthony Festa (Marshall & Stevens)	[REDACTED]
Arthur L. Schwertz (Valbridge)	[REDACTED]
AVERAGE	[REDACTED]

Per 16 TAC § 24.238(k), fees paid to utility valuation experts may be included in transaction and closing costs and are subject to review during a subsequent general rate case for recovery. The amount of fees TWU incurred are summarized in the table below, the invoices for which are included as Confidential Attachment 14.

Amount*	Date	Vendor
[REDACTED]	1/20/2023	Valbridge
[REDACTED]	1/24/2023	B&D Environmental
[REDACTED]	1/26/2023	Marshall & Stevens
[REDACTED]	TOTAL	

*Includes amounts totaling the [REDACTED] engineering fee

Per 16 TAC § 24.238(k)(2)(A), the amount of utility valuation expert fees allowable for inclusion in rate base is limited to five percent of the FMV. Five percent of [REDACTED] is [REDACTED], which is [REDACTED]

than the actual amount of FMV expert fees of [REDACTED]; therefore, TWU is requesting only [REDACTED] be added to the purchase price to determine rate base of the acquired assets, as summarized below.

a	[REDACTED]	Average FMV
b	5%	% allowable fees
c=a*b	[REDACTED]	FMV fees allowed
d	[REDACTED]	Actual FMV fees
e	[REDACTED]	Purchase Price
f=d+e	[REDACTED]	Total Requested Rate Base

The proposed accounting entries to record this transaction would be as follows:

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Per TWC 13.3011, TWU also proposes to charge customers transferred from SHDI to TWU the rates that are in TWU's approved tariffs on the date the application is filed. TWU's most recently approved water tariffs as of the application filing date were approved in Docket No. 52201 and may be found as Attachment 4 of the Application. Below is a comparison of SHDI's current residential base rates to TWU's.

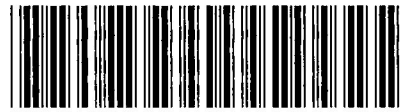
Rate Type	SHDI rate	TWU rate
5/8" base	\$32.20	\$48.37
Usage (0-2 kgal)	\$0.00	\$6.48
Usage (2-5 kgal)	\$3.18	\$7.98
Usage (5-10 kgal)	\$3.18	\$7.98
Usage (10-20 kgal)	\$3.18	\$9.05
Usage (>20 kgal)	\$3.18	\$9.64

Further details of the transaction are provided in the Application and its attachments.

Attachment 2 – Asset Purchase Agreement (Q1)

to be provided separately under confidential seal

Attachment 3 – Current Tariffs of Transferor (Q4)



Control Number: 51017



Item Number: 9

Addendum StartPage: 0

2020 SEP -3 AM 9:55
FILED
PUBLIC UTILITY COMMISSION

Public Utility Commission of Texas

Memorandum

TO: Central Records

FROM: Kathryn Eiland, Rate Regulation Division
Daniel Moore, Legal Division

DATE: September 3, 2020

RE: **Docket No. 51017** — Application of Southern Horizons Development, Inc. for a Class D Rate Adjustment

CC: Ron Payne

In response to Ordering Paragraph 5 in the Notice of Approval issued on August 24, 2020, please find a clean copy of the water tariff for certificate of convenience and necessity (CCN) no. 12863 for Southern Horizons Development, Inc. This copy is provided to be stamped *Approved* and placed in the Commission's tariff book. The effective date for the attached tariff is October 24, 2020, and the attached tariff supersedes the water tariff for CCN no. 12863, which may be removed from the tariff book.

All parties to Docket No. 51017 have been copied on this memorandum.



**WATER UTILITY TARIFF
Docket No. 51017**

Southern Horizons Development, Inc.
(Utility Name)

15055 Fairfield Meadow Dr. #130-97
(Business Address)

Cypress, Texas 77433
(City, State, Zip Code)

(832)250-1797
(Area Code/Telephone)

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

12863

This tariff is effective in the following county:

Liberty, Montgomery

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

None.

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

Southern Oaks Subdivision: (PWS #1460150)
Southern Crossing Water System Phase 2: (PWS #1460158)

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	4
SECTION 3.0 -- EXTENSION POLICY	11

APPENDIX A -- DROUGHT CONTINGENCY PLAN
APPENDIX B -- APPLICATION FOR SERVICE

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Rate</u>	<u>Gallonage Charge</u>
5/8" x 3/4"	<u>\$32.20</u> (Includes 2,000 gallons)	<u>\$3.18</u> per 1,000 gallons

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

Cash , Check , Money Order , Credit Card , Other (specify) _____
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$550.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

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

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

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

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

(Utility Name)

SECTION 1.0 -- RATE SCHEDULE (CONT.)

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..... \$15.00
or other reasons listed under Section 2.0 of this tariff.

TRANSFER FEE \$50.00

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

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

PUC 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.

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING [16 TAC § 24 25(b)(2)(G)].

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

SECTION 2.0 – SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or commission) rules relating to Water and Wastewater Utility regulations, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

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

Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC 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 PUC 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 (CONT.)

(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 PUC 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 16 TAC § 24.163(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, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

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

Section 2.05 - Customer Responsibility

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

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

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

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

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, 30 TAC § 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

All non-residential customers requiring a greater than 1" meter or any customer with irrigation or fire fighting systems, must install back flow prevention devices which have been approved by the utility or its consulting engineers on each of their customer service lines.

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.

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.

Section 2.08 - Access to Customer's Premises

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

SECTION 2.0 – SERVICE RULES AND POLICIES (CONT.)

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

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

Section 2.09 – Meter Requirements, Readings, and Testing

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

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

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

Section 2.10 – Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

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

(D) Prorated Bills

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

Section 2.11- Payments

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

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

Section 2.12 - 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

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

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 PUC Rules.

(B) Without Notice

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

Section 2.13 - Reconnection of Service

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

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

Section 2.16 - Customer Complaints and Disputes

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

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

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 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.

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

Exceptions may be granted by the TCEQ 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.

The utility shall bear the cost of any over-sizing of water distribution lines or wastewater collection lines necessary to serve other potential service applicants for customers in the immediate area.

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.

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

SECTION 3.0 - EXTENSION POLICY (CONT.)

providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

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

Section 3.02 - Costs Utilities Shall Bear

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

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

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

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, transmission, pumping, or treatment of water or TCEQ 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 (CONT.)

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 16 TAC § 24.163(c). 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 TCEQ minimum design criteria. As provided by 16 TAC § 24.163(c)(4), 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, PUC 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 PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

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

SECTION 3.0 - EXTENSION POLICY (CONT.)

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. The tap request must be accompanied with 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. 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 PUC 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, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all necessary easements and rights-of-way necessary 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 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 PUC 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 PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

SECTION 3.0 - EXTENSION POLICY (CONT.)

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

APPENDIX A - DROUGHT CONTINGENCY PLAN

(This page incorporates by reference the utility's Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.)

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

Attachment 4 – Current Tariffs of Transferee (Q4)



Control Number: 52201



Item Number: 54

STAMPED APPROVED
COPY

ENTERED BY CENTRAL
RECORDS



Filing Receipt

Received - 2022-09-06 09:47:02 AM
Control Number - 52201
ItemNumber - 53

Public Utility Commission of Texas

Memorandum

TO: Central Records

FROM: Kathryn Eiland, Regulatory Accountant, Rate Regulation Division
Anthony Kanalas, Attorney, Legal Division

DATE: September 6, 2022

RE: Docket No 52201–*Application of Utilities Investment Company, Inc. and UIC 13 LLC and Monarch Utilities I L.P. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris, Liberty, and Chambers Counties*

CC: Brian Bahr

As required by the Amended Notice of Approval filed in Docket No 52201 on August 26, 2022, please find attached a clean copy of the water tariff for Certificate of Convenience and Necessity (CCN) number 12983 and sewer tariff for CCN number 20899. These copies are provided to be stamped *Approved* and placed in the Commission's tariff book. The attached tariffs supersede the current water tariff for CCN number 12983 and sewer tariff for CCN number 20899, which may be removed from the tariff book.

All parties to Docket No 52201 have been copied on this memo.

COUNTY	UTILITY SYSTEM	TCEQ WQ No.	SUBDIVISIONS
Chambers	Tower Terrace	WQ 12478-001	Houston Raceway Park, Tower Terrace, West Chambers County Estates
Grayson	Tanglewood-on Texoma	collection only	Eagle Chase, Fairway Hollow, Greenway Bend, Highport, Sunrise Circle, Tanglewood Hills, Tanglewood Resort
Harris	Aldine Village	WQ 12382-001	Aldine Village
	Orchard Crossing WWTP	WQ 12863-001	Orchard Crossing
	Spring Cypress Shopping Center WWTP	WQ 14172-001	Spring Cypress Shopping Center
	Villas of Willowbrook	collection only	Villas of Willowbrook Homeowners
	LH Ranch WWTP-1, Ltd.	WQ 15830-001	Los Pinos Estates
Henderson	Beachwood Estates	WQ 11282-001	Beachwood Estates, Brentwood Estates, Deep Water Estates, Forest Shores, Greenwood Cove, Hidden Harbor, Indian Oaks, Oak Forest Estates, Pebble Beach, Seis Hombres, Three-Way View, Treasure Isle, Waterboard, Key Ranch Estates
	Cherokee Shores	WQ 13879-001	Cherokee Shores, Deep Water Bay, Deer Island, Diamond Oaks, Glenn Road, Grandview Terrace, Moon Waters, Nee Toni Jo, Robinson Tract/Country Estates, Spillview Estates II Taylor Tract, Timber Bay, Waterfront Shores, Wood Canyon Waters
	Pinnacle Club	WQ 11506-001	Pinnacle Club
Liberty	LH Ranch WWTP-1, Ltd.	WQ 15830-001	Los Pinos Estates
Medina	Holiday Villages of Medina Lake	WQ 14167-001	Holiday Villages of Medina
Montgomery	Decker Hills	WQ 12587-001	Champions Glen, Decker Hills, Hidden Lake Estates, Inverness Crossing
Polk	Beacon Bay Marina Wastewater Treatment Facility	WQ 13637-001	Beacon Bay Marina and RV Park, Beacon Bay Subdivision
San Jacinto	Blue Water Cove	WQ 14179-001	Blue Water Cove, Livingston Lakeside RV Park

Docket No. 52201

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

AUG 26 2022

DOCKET

52201

	Holiday Villages of Lake Livingston	WQ 14056-001	Holiday Villages of Livingston, Somerset Shores
Trinity	Harbor Point	WQ 13547-001	Harbor Point
Wood	Lake Fork Estates	WQ 14055-001	Holiday Villages of Fork

Docket No. 52201

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

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SECTION 1 0 RATES

Section 1.01 - Rates

Monarch - RATES Effective 06-01-2021

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$68.52	\$2.39 per 1,000 gallons Purchased Wastewater Treatment Passthrough \$1.44 per 1,000 gallons
5/8"x3/4"	\$68.52	
3/4"	\$102.78	
1"	\$171.30	
1½"	\$342.60	
2"	\$548.16	
3"	\$1,027.80	
4"	\$1,713.00	
6"	\$3,426.00	
8"	\$5,481.60	
10"	\$7,879.80	
12"	\$14,731.80	

PUBLIC UTILITY COMMISSION HAS APPROVED

AUG 26 2022 5 22 01

DOCKET

SECTION 1 0 RATES (Continued)

Monarch (Villas of Willowbrook) - RATES Effective 06-01-2021 (Phase 1 of 7)

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$18.36	\$0.34 per 1,000 gallons Purchased Wastewater Treatment Passthrough \$1.44 per 1,000 gallons
5/8"x3/4"	\$18.36	
3/4"	\$27.54	
1"	\$45.90	
1½"	\$91.80	
2"	\$146.88	
3"	\$275.40	
4"	\$459.00	
6"	\$918.00	
8"	\$1,468.80	
10"	\$2,111.40	
12"	\$3,947.40	

Monarch (Villas of Willowbrook) - RATES Effective 06-01-2022 (Phase 2 of 7)

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$26.72	\$0.68 per 1,000 gallons Purchased Wastewater Treatment Pass-through \$1.44 per 1,000 gallons
5/8"x3/4"	\$26.72	
3/4"	\$40.08	
1"	\$66.80	
1½"	\$133.60	
2"	\$213.76	
3"	\$400.80	
4"	\$668.00	
6"	\$1,336.00	
8"	\$2,137.60	
10"	\$3,072.80	
12"	\$5,744.80	

SECTION 1 0 RATES (Continued)

Monarch (Villas of Willowbrook) - RATES Effective 06-01-2023 (Phase 3 of 7)

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$35.08	\$1.02 per 1,000 gallons Purchased Wastewater Treatment Pass-through \$1.44 per 1,000 gallons
5/8"x3/4"	\$35.08	
3/4"	\$52.62	
1"	\$87.70	
1½"	\$175.40	
2"	\$280.64	
3"	\$526.20	
4"	\$877.00	
6"	\$1,754.00	
8"	\$2,806.40	
10"	\$4,034.20	
12"	\$7,542.20	

Monarch (Villas of Willowbrook) - RATES Effective 06-01-2024 (Phase 4 of 7)

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$43.44	\$1.37 per 1,000 gallons Purchased Wastewater Treatment Passthrough \$1.44 per 1,000 gallons
5/8"x3/4"	\$43.44	
3/4"	\$65.16	
1"	\$108.60	
1½"	\$217.20	
2"	\$347.52	
3"	\$651.60	
4"	\$1,086.00	
6"	\$2,172.00	
8"	\$3,475.20	
10"	\$4,995.60	
12"	\$9,339.60	

SECTION 1 0 RATES (Continued)

Monarch (Villas of Willowbrook) - RATES Effective 06-01-2025 (Phase 5 of 7)

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$51.80	\$1.71 per 1,000 gallons Purchased Wastewater Treatment Passthrough \$1.44 per 1,000 gallons
5/8"x3/4"	\$51.80	
3/4"	\$77.70	
1"	\$129.50	
1½"	\$259.00	
2"	\$414.40	
3"	\$777.00	
4"	\$1,295.00	
6"	\$2,590.00	
8"	\$4,144.00	
10"	\$5,957.00	
12"	\$11,137.00	

Monarch (Villas of Willowbrook) - RATES Effective 06-01-2026 (Phase 6 of 7)

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$60.16	\$2.05 per 1,000 gallons Purchased Wastewater Treatment Passthrough \$1.44 per 1,000 gallons
5/8"x3/4"	\$60.16	
3/4"	\$90.24	
1"	\$150.40	
1½"	\$300.80	
2"	\$481.28	
3"	\$902.40	
4"	\$1,504.00	
6"	\$3,008.00	
8"	\$4,812.80	
10"	\$6,918.40	
12"	\$12,934.40	

SECTION 1 0 RATES (Continued)

Monarch (Villas of Willowbrook) - RATES Effective 06-01-2027 (Phase 7 of 7)

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$68.52	\$2.39 per 1,000 gallons Purchased Wastewater Treatment Passthrough \$1.44 per 1,000 gallons
5/8"x3/4"	\$68.52	
3/4"	\$102.78	
1"	\$171.30	
1½"	\$342.60	
2"	\$548.16	
3"	\$1,027.80	
4"	\$1,713.00	
6"	\$3,426.00	
8"	\$5,481.60	
10"	\$7,879.80	
12"	\$14,731.80	

Monarch (Beacon Bay Marina Wastewater Treatment Facility)

METER SIZE	MONTHLY MINIMUM RATE (Residential meters include 1,000 gallons)	GALLONAGE CHARGE
Residential 5/8" Meters with water Service	\$36.50	\$3.30 per 1,000 gallons
Wastewater Service Only	\$54.45	
Beacon Bay Marina	\$146.00	
West Livingston RV Park	\$18.50 per space, restroom	
Gas Station	\$212.00	

Residential wastewater service will be billed year round using that service connection's average winter water consumption during December, January and February. Single family residential service connections without a historic average will have an imputed average of 4,000 gallons until they have established an average. Multi-family residential service connections without a historic winter average will have an imputed average of 4,000 gallons per residential unit until they have established an average.

Non-residential service connections will be billed on actual monthly water consumption without the use of winter averaging.

SECTION 1.0 RATES (Continued)

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

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

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

REGULATORY ASSESSMENT 1.0%

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

Section 1.02 – Miscellaneous Fees

TAP FEE Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST IN ACCORDANCE WITH COMMISSION RULES

ACCOUNT SET UP FEE \$25.00
FEE TO SET UP ACCOUNT FOR NEW CUSTOMER APPLYING FOR WASTEWATER SERVICE ONLY

RECONNECTION FEE
THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS
a) Non-payment of bill (Maximum \$25.00). \$25.00
b) Customer's request \$50.00
or other reasons listed under section 2.0 of this tariff

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

LATE CHARGE 10%
A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING

RETURNED CHECK CHARGE \$25.00

SECTION 1 0 RATES (Continued)

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)\$50 00

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

SERVICE RELOCATION FEE Actual cost to relocate that service connection
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING SERVICE CONNECTION

SEASONAL RECONNECTION FEE
BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A 12-MONTH PERIOD

LINE EXTENSION AND CONSTRUCTION CHARGES
REFER TO SECTION 2 12 SPECIFIC UTILITY SERVICE RULES AND SECTION 3 02 UTILITY SPECIFIC EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE
INCREASE IN INSPECTION FEES AND WATER TESTING COSTS IMPOSED BY STATE OR FEDERAL LAW MAY BE PASSED THROUGH AS AN ADJUSTMENT TO THE MONTHLY BASE RATE CHARGE UNDER THE TERMS AND CONDITIONS OF 16 TAC §24 25(b)(2)(G) AFTER NOTICE TO CUSTOMERS AND UPON WRITTEN APPROVAL BY THE TCEQ

DAMAGE OR SERVICE DIVERSION FEE Actual Cost
ONE-TIME CHARGE, PER OCCURRENCE, FOR ALL LABOR, MATERIAL, EQUIPMENT, AND ALL OTHER ACTUAL COSTS NECESSARY TO REPAIR OR REPLACE ALL EQUIPMENT DAMAGED DUE TO NEGLIGENCE, METER TAMPERING OR BYPASSING, OR SERVICE DIVERSION

SECTION 10 RATES

FRANCHISE FEE PASS THROUGH CLAUSE.

Charges a municipality makes for use of streets and alleys pursuant to tax code §182.025 or other applicable state law not to exceed 2% or the actual amount charged by the municipality shall be passed through utility-wide as an adjustment to the wastewater gallonage charge according to the following formula:

$$AG = G + B$$

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent:
- G = approved gallonage charge (per 1,000 gallons) and
- B = projected franchise fees payable (per 1,000 gallons)

WASTEWATER TREATMENT PASS-THROUGH CHARGE ADJUSTMENT

CHANGES IN FEES IMPOSED BY ANY NON-AFFILIATED THIRD-PARTY WASTEWATER TREATMENT PROVIDER SHALL BE CHARGED THROUGH THE WASTEWATER PASS-THROUGH GALLONAGE CHARGE ADJUSTED ANNUALLY ACCORDING TO THE FOLLOWING TRUE-UP FORMULA INTENDED TO BALANCE REVENUE FROM THE CHARGE AGAINST ACTUAL PAYMENTS AND COLLECTIONS FROM THE PRIOR YEAR:

$$WTPC = ((TAC - BAC) + TUC) / TWWS$$

Where.

- WTPC = Wastewater Treatment Pass-Through Charge per Month
- TAC = Total Annual Costs for 12-month calendar year period
- BAC = Baseline Annual Wastewater Treatment Costs from Most Recent Rate Application
- TUC = True-up Costs either Over Collections or Under Collections from prior period
- TWWS = Total Wastewater Sales for 12-month calendar year period

The WTPC must be trued up and adjusted annually

To implement, all notice requirements must be met. The utility may begin to charge the new filed WTPC on the proposed effective date in the notice. Implementation of this WTPC adjustment provision shall be governed by 16 TAC § 24.25(b)(2)(F).

SURCHARGE FOR RATE-CASE EXPENSE (Docket No. 50944)

To be collected from all ratepayers subject to Commission Docket No. 50944. It will be collected through a monthly surcharge of \$0.65 per water connection and \$0.65 per wastewater connection. The monthly surcharge shall cease when \$525,000 has been recovered in total from both Monarch's water and wastewater customers. If the full amount of \$525,000 has not been recovered by June 1, 2023, bills rendered after June 1, 2023, shall continue to contain a surcharge not to exceed \$0.65 per water connection and \$0.65 per wastewater connection until the remaining balance per connection is collected.

PUBLIC UTILITY COMMISSION OF TEXAS
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SECTION 1.0 RATES

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	\$22 50 (Includes 0 gallons)	\$2.50 per 1000 gallons
1"	\$37 58	same for all meter sizes
1"	\$74 93	
2"	\$119 93	
3"	\$225 00	
4"	\$375 08	

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%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THE FEE TO THE TCEQ

Section 1.02 - Miscellaneous Fees

TAP FEE \$400 00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF

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

SECTION 1 0 RATES (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 \$40.00

SEASONAL RECONNECT FEE Monthly base rate for meters size for each month of disconnection not to exceed six months

TRANSFER FEE \$25.00

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

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

PUC 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 \$20.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE.

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING [16 TAC 24 25(b)(2)(G)]

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.

SECTION 1.0 RATES (Continued)

Section 1 01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$22.50 (Includes 0 gallons)	\$3.75 per 1000 gallons
1"	\$37.58	same for all meter sizes
1"	\$74.93	
2"	\$119.93	
3"	\$225.00	
4"	\$375.08	

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%

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

Section 1 02 - Miscellaneous Fees

TAP FEE \$400.00

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

TAP FEE (Large meter) Actual Cost

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

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SECTION 1.0 RATES (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 \$40.00

TRANSFER FEE \$25.00

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

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

PUC 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 \$20.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING [16 TAC 24.25(b)(2)(G)]

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

SECTION 2.0 SERVICE RULES AND REGULATIONS

Section 1 01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$ 25 00 (Includes 0 gallons)	\$1 50 per 1,000 gallons
School	\$425 00	same for all meter sizes
Park	\$ 40.00	
Trailer Park	\$275 00	

Volume charges are determined based on average consumption for winter period which includes the following months: December, January, and February.

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) _____
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1 00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1 0%
 PUC 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) \$500.00
 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 (Large Connection Tap) Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

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) \$5.00
 PUC 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.

SECTION 1 0 RATES (Continued)

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY THE COMMISSION AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES

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

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SECTION 2 0 SERVICE RULES AND REGULATIONS

Section 2.01 - Public Utility Commission of Texas

The Utility will have the most current Public Utility Commission of Texas (PUC or Commission) Chapter 24 Rules 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 Wastewater 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 wastewater 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 use.

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 PUC 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 PUC 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 wastewater 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.

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SECTION 2.0 SERVICE RULES AND REGULATIONS (Continued)

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

It is not a requirement that the utility use meters to measure the quantity of sewage disposed of by individual customers. One connection is required for each residential, commercial or industrial facility in accordance with the PUC Rules.

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. 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 charge penalty of 10% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the PUC 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 PUC Rules.

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

SECTION 2 0 SERVICE RULES AND REGULATIONS (Continued)

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

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

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 Texas Commission on Environmental Quality (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 PUC 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 the Utility regarding any bill for utility service, the Utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the Utility will inform the customer that a complaint may be filed with the Commission

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SECTION 2 0 SERVICE RULES AND REGULATIONS (Continued)

Section 2 12 - Customer Liability

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

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 PUC Rules to be effective

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

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

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment 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.

LIMITATION ON PRODUCT/SERVICE LIABILITY. - The utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's premises. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in wastewater service whatever the cause. The utility will not accept liability for injuries or damages to persons or property due to disruption of wastewater 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 PUC and or TCEQ rules, (3) electrical power failures in wastewater systems not required by TCEQ rule to have auxiliary power supplies, or (4) termination of wastewater service pursuant to the utility's tariff and the PUC's rules

NON-STANDARD SERVICE APPLICANTS 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 PUC rule) for the actual costs of any additional facilities required to maintain compliance.

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SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

with the TCEQ minimum design criteria for wastewater collection, treatment, pumping and discharge 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 PUC 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 16 TAC § 24.163 (a)(1)(C).

The Utility adopts the Uniform Plumbing Code pursuant to TCEQ Rule 290.46(i) The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the TCEQ, the Uniform Plumbing Code and with the service rules and regulations of the Utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the Utility subject to such requirements as may exist by PUC rule

RIGHT OF ACCESSThe 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 wastewater service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations The customer shall allow the utility and its personnel access to the customer's property to conduct any 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. Further, the utility may seek PUC approval to discontinue service.

EXCLUSIVITY OF SERVICE / OWNERSHIP OF FACILITIESExcept in cases where the customer has a contract with the utility for reserve or auxiliary service, no other wastewater 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 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

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SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

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

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

The disposal into the utility's wastewater collection system of bulk quantities of food or food scraps not previously processed by a grinder or similar garbage disposal unit and grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by wastewater utility customers engaged in the preparation and/or processing of food for other than domestic consumption for sale to the public shall be prohibited Specifically included in this prohibition are grease and oils from grease traps to other grease and/or oil storage containers. These substances are defined as "garbage" under Section 361 003 (12) of the Solid Waste Disposal Act, Texas Health and Safety Code, and are not "sewage" as defined by Section 26 001 (7) of the Texas Water Code The discharge of high temperature wastewater, blood, dye or other product, that could impact treatment or effluent color are prohibited

The utility only provides "sewage" collection and disposal service to the public This service is limited to the collection, treatment and disposal of waterborne human waste and waste from domestic activities such as washing, bathing, and food preparation This service does not include the collection, treatment or disposal of waste of such high BOD, TSS, TDS, Chlorides or metals characteristics that it cannot reasonably be processed by the utility's state-approved waste water treatment plant within the parameters of the utility's state and federal waste water discharge permits.

Domestic sewage means wastewater, when analyzed, indicates that the concentration of Biochemical Oxygen Demand (BOD5) does not exceed 200 milligram per liter (mg/L), Total Suspended Solids (TSS) Chemical Oxygen Demand (COD) does not exceed 450 mg/L, Total Dissolved Solids (TDS) does not exceed 300 mg/L, Chlorides do not exceed 60 mg/L, and Metals do not exceed values that would be detrimental to the treatment process Commercial/Industrial sewage means waste which, when analyzed, exceeds the concentrations of BOD5, TSS, COD, TDS, Chlorides, and Metals as stated in the paragraph above Any sewage other than domestic sewage will require pretreatment by the discharger, which may be waived, such waiver or non/waiver will be determined by the Utility at its sole discretion

THIS SERVICE DOES NOT INCLUDE THE COLLECTION AND DISPOSAL OF STORM WATERS OR RUN OFF WATERS, WHICH MAY NOT BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM.

PRETREATMENT FOR NON-STANDARD SERVICE Any pretreatment required shall be at the sole cost and expense of the Applicant Pretreatment means the processes and actions taken that result in the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of the properties of pollutants in the sewage prior to introducing such pollutants into the Utility's sewage system. Sole costs and expenses are to be paid by Applicant for any pretreatment facilities and/or processes The pretreatment requirements shall be such requirements that may be required by the Rules for Commercial Wastewater Pretreatment as promulgated by the Texas Commission on Environmental

SECTION 2 20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

Quality (“TCEQ”), local or county authorities having appropriate jurisdiction, and any State and Federal laws, rules or regulations that may be adopted from time to time by the Utility. Applicant agrees to be responsible and liable for and agrees to pay for any costs of operation, maintenance, repair, compliance and fines and penalties that result from any misuse and/or any failure of any pretreatment facilities on any pretreatment facilities installed by Applicant and/or installed upon the Land Applicant agrees to acknowledge receipt of the documentation for all pretreatment requirements. When used in this Agreement, the terms sewage and wastewater have the same meaning.

ILLEGAL DISCHARGES TO SYSTEM, SERVICE DIVERSION, EQUIPMENT DAMAGE

Pursuant to TCEQ Rule 291.87(n), the utility may charge for all labor, material, equipment, and other costs necessary to repair or replace all equipment damaged due to service diversion or the discharge of wastes which the system cannot properly treat. This shall include all repair and cleanup costs associated with discharges of grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by wastewater utility customers engaged in the preparation and/or processing of food for other than domestic consumption or for sale to the public discharged from grease traps or other grease and/or oil storage containers. The utility may charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. The utility may not charge any additional penalty or charge other than actual costs unless such penalty has been expressly approved by the regulatory authority having rate/tariff jurisdiction and filed in the utility's tariff.

Pursuant to § 24.163(b)(3)(A) and (B), the customer's service line and appurtenances shall be construed in accordance with the laws and regulations of the State of Texas, local plumbing codes, or, in the absence of such local codes, the Uniform Plumbing Code. It shall be the customer's responsibility to maintain the service line and appurtenances in good operating condition, i.e., clear of obstruction, defects, or blockage. If the utility can provide evidence of excessive infiltration or inflow or failure to provide proper pretreatment, the utility may, with the written approval of the PUC, require the customer to repair the line or eliminate the infiltration or inflow or take such actions necessary to correct the problem. If the customer fails to correct the problem within a reasonable time, the utility may disconnect service after proper notice.

Non-residential customers requiring pretreatment for sewage with non-standard characteristics may be charged the costs to treat wastewater loadings in excess of the domestic waste characteristics shown above, and those costs set forth in the Utility's extension policy if such pretreatment fails or otherwise causes the Utility's facilities to violate their wastewater discharge permits.

RESIDENTIAL SINGLE FAMILY GRINDER / SEWAGE STATIONS

All grinder pumps, storage tanks, controls, and other appurtenances necessary to provide pressurized wastewater service shall conform to the Utility's specifications.

The Utility will install the grinder pumps, storage tanks, controls and other appurtenances necessary to provide pressurized wastewater service to a residential connection. The utility will have ownership of all Utility-installed grinder pumps, receiving tanks, lift stations or controls on the customer's property, and all maintenance, repairs, and replacement will be performed by the utility. Electric bills are the customer's responsibility. In some cases, the repairs may be performed by anyone selected by the

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SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

customer and approved by the utility, who is competent to perform such repairs. The Utility requires that parts and equipment meet the minimum standards approved by the TCEQ, to insure proper and efficient operation of the wastewater system

Customers are not permitted to flush materials that are known to clog grinder/sewage stations, as provided by the utility. At premises where repeated problems are due to violations of this requirement, the costs of repairs required due to customer flushing such materials shall be charged in full to said customer. Violations of this requirement will be considered as Tampering or Damaging to the Sewer Service Connection and will be subject to the additional Damage or Service Diversion Penalty.

In accordance with the requirements of Utility's Wastewater discharge Permit, any and all repairs and maintenance of Utility's lines, tanks, pumps and equipment located on Customer's premises shall be performed exclusively by the Utility. Copies of the utility's state and federal waste water discharge permits shall be available for public inspection and copying in the utility's business office during normal business hours

MULTI-FAMILY AND COMMERCIAL RECEIVING TANK / LIFT STATIONS

A commercial or multi-family service applicant will have the option to install the grinder pumps, storage tanks, controls, and other appurtenances necessary to provide pressurized wastewater service to a multi-family or commercial service connection. Prior to the installation of a grinder / sewage station, the utility must be given a complete listing of all materials and equipment that will be used, along with the storage for that development

In order to minimize inflow and infiltration into the collection system, the installation and materials must comply with standard specifications approved by the TCEQ.

After the utility has approved the proposed grinder / sewage station, the construction may begin. Once the work has been completed, the utility will do an inspection of the grinder / sewage station to ensure the complete installation was as specified

Prior to acceptance of an existing receiving tank or lift station that is being used as an interceptor tank for primary treatment, waste water storage or pump tanks prior to discharge into an alternative or conventional sewage system must be cleaned, inspected, repaired, modified, or replaced if necessary to minimize inflow and infiltration into the collection system

Existing pumps and tanks must be of adequate size to insure proper pumpage in the event of high flow or if one pump is out of service. If the existing pumps and receiving tanks or lift stations are of inadequate size the Utility will not accept liability for backups due to high flows, one pump out of service, rainfall causing inflow or infiltration, power outages, lack of proper storage capacity, etc

Regardless of who performs the initial installation, the utility shall hold title to and the responsibility to maintain and repair all equipment necessary to connect that service location to the Utility's collection line. The customer shall be responsible for the monthly electric bill.

If the collection system that discharges into the receiving tank / lift station has an inflow or infiltration problem and collects rainfall discharge, the owner or P.O.A. will correct it within 90 days of written

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SECTION 2 20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

notice from the utility. If no action is taken to correct the problem within 90 days, the utility may take the responsibility to make corrections at the owner's / P O A 's expense. The utility is not responsible for the collection system that discharges into the receiving tank / lift station.

The owner / P.O A shall be responsible for the monthly electric bill.

An adequate easement must encompass the receiving tank / lift station by a 15 foot radius and also a 15 foot access easement to the receiving tank / lift station site. If this easement does not exist, one must be created and filed of record.

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 PUC'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 PUC 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 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'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 PUC, 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

Non-residential customers generating sewage creating unique or non-standard treatment demands which might reasonably be expected to cause the utility's treatment facilities to operate outside their current waste-water discharge permit parameters may be charged the cost of all studies, engineering plans, permit costs, and collection treatment or discharge facilities construction or modification costs necessary to enable the utility to treat said sewage within permit limits acceptable to the TCEQ said sewage in such a manner to that it may not reasonably be expected to cause the utility's facilities to operate outside their permit parameters In such case, the customer shall be required to pay the utility's costs of evaluating such pretreatment processes and cost of obtaining regulatory approval of such pretreatment processes In the event of the pretreatment facilities of a customer making this election fail and cause the utility's facilities to operate outside their permit parameters, the customer shall indemnify the utility for all costs incurred for clean ups or environmental remediation and all fines, penalties, and costs imposed by regulatory or judicial enforcement actions relating to such permit violations.

Non-residential wastewater customers producing water borne waste significantly different from waste generated by residential customers (Domestic Wastewater) may be required to provide a suitable sampling point at the property line for testing the customer's waste for chemicals or substances, e.g., grease, oils, solvents, pesticides, etc , which can reasonably be believed to have an injurious effect on the Utility's plant and/or its ability to treat and dispose of such wastes within the parameters of the Utility's permit. Utility shall have reasonable access to the sampling point at all times For any wastewater loading in excess of Domestic Wastewater the Customer shall pay the prorated costs of treatment based on their wastewater load characteristics.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC §24.163(d) and this tariff.

Docket No. 52201

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SECTION 3.20 SPECIFIC UTILITY EXTENSION POLICY (Continued)

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 16 TAC §24 163(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers

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, PUC 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 PUC 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 PUC 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 PUC 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 PUC 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 PUC 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 PUC. Service applicants may be required to bear the cost of the service area amendment.

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements of service contained in this tariff, PUC rules and/or PUC 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.

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SECTION 3.20 SPECIFIC UTILITY EXTENSION POLICY (Continued)

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 near service main with adequate capacity to service the applicant's full potential service demand. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, applicant may refer the matter to the PUC for resolution. Unless otherwise ordered by the PUC, the tap or service connection will not be made until the location dispute is resolved.

The Utility shall require a developer (as defined by PUC 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, 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 PUC rules) or new subdivisions, the Developer shall comply with the following:

- (a) The Developer shall make a written request for service to property that is to be subdivided and developed. The Developer shall submit to the Utility a proposed plat on a scale of one inch (1") to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If wastewater service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the Utility may be required to cover preliminary engineering, legal and copy cost to be incurred by the Utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers and/or the environment.

SECTION 3.20 SPECIFIC UTILITY EXTENSION POLICY (Continued)

(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 PUC, TCEQ and 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 wastewater 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.

(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.

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SECTION 3 20 SPECIFIC UTILITY EXTENSION POLICY (Continued)

Within its certificated area, the Utility shall bear the cost of the first 200 feet of any water main or wastewater 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 pressure wastewater collection lines and 6" in diameter for gravity wastewater lines

(2)Exceptions may be granted by the PUC 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



WATER UTILITY TARIFF
Docket No. 52201

Monarch Utilities I L P.
(Utility Name)

12535 Reed Road
(Business Address)

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

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

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

12983

This tariff is effective in the following counties:

Bandera, Bexar, Brazoria, Chambers, Comal, Cooke, Denton, Gillespie, Grayson, Guadalupe, Harris, Hays, Henderson, Hood, Johnson, Kendall, Kerr, Liberty, Marion, Matagorda, Medina, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Travis, Trinity, Tyler, Van Zandt, Wise, and Wood

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

This tariff is only effective in the portions of the subdivisions and public water systems in the environs, except for the cities of Aurora and Coffee City that have surrendered rate jurisdiction

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

See attached list

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- APPENDIX B – APPLICATION FOR SERVICE
- APPENDIX C – AGREEMENT FOR TEMPORARY WATER SERVICE

PUBLIC UTILITY COMMISSION OF TEXAS
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County	TCEQ Water Systems	PWS ID Number	Subdivisions
Bandera	Enchanted River Estates	0100039	Enchanted River Estates
	Lake Medina Shores	0100037	Lakeshore Beach, Wharton Dock, Lake Point, Holiday Villages of Medina, Lake Medina Shores (Medina County)
	River Bend Estates	0100042	River Bend Estates
Bexar	Bavarian Hills	0150235	Bavarian Hills
	Coolcrest Water System	0150046	Coolcrest
	Stagecoach Hills	0150096	Stagecoach Hills
	Oaks North Mobile Home Estates	0150135	Oak North Mobile Home Estates
	Country Springs Water Company	0150421	Country Bend
Brazoria	Holiday Shores	0200029	Holiday Shores
Chambers	Tower Terrace	0360069	Houston Raceway Park, West Chambers County Estates, Tower Terrace
	Greenbriar Estates	0360111	Greenbriar Estates
Comal	Oak Village North***	0460037	Oak Village North
	Rim Rock Ranch	0460211	Rim Rock Ranch
	Windmill Ranch Subdivision***	0460221	Kestrel Air Park, Windmill Ranch Subdivision
Cooke	Pleasant Ridge Addition	0490041	Pleasant Ridge Addition
	Timber Creek Addition	0490030	Timber Creek Addition
Denton	Denton Creek Estates	0610015	Denton Creek Estates, Aero Valley Airport
	Ponderosa Addition Utilities	0610175	Ponderosa Addition, Wild West Addition,
	Stonecrest Estates	0610059	Stonecrest Estates, Sunrise Circle Addition
	Wynnwood Haven Estates	0610037	Wynnwood Haven Estates, Snug Harbor
Gillespie	Oakview Water System	0860107	Oakview
Grayson	Ridgecrest	0910035	Ridgecrest, Glen Eden, Hiland Shores, Lakeview, Little Mineral MHP, Millers Estates, Oak Estates, Preston Cove, Preston Forest, Preston Oaks, Preston Point Bend, Ridgecrest, Van Antwerp, VFW Post
	Rocky Point Estates	0910038	Hanna Cove Estates, Rocky Point Estates "A", Rocky Point Estates "B", Hanna Ranchettes, Mainer Cay Estates, Tiny Home Vacation Resorts
	Sherwood Shores	0910040	Cedar Mills Estates, Hillcrest Shores, Wright Acres, Sherwood Shores

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County	TCEQ Water Systems	PWS ID Number	Subdivisions
	Tanglewood-on-Texoma	0910052	Angler's Estates, Cedar Oak Hills, Eagle Chase, Fairway Hollow, Greenway Bend, Lakecrest Village, Mill Creek Homesites, Oak Meadow Estates, Paradise Cove, Russwood-on-the-Lake, Simmons Shores, Sunrise Circle, Tanglewood Hills, Tanglewood Resort, Cambridge Shores, Highport, Mill Creek Meadows, Whispering Meadows, Pecan Valley Addition, The Woods of Fossil Ridge, Fossil Ridge on Lake Texoma, Tanglewood Crossing, Barnes Enterprises, Lakecrest Addition
Guadalupe	Garden Oaks	0940030	Garden Oaks
Harris	Aldine Village Subdivision	1010931	Aldine Village
	Azalea Estates	1011253	Azalea Estates
	Cedar Bayou Estates	1012174	Cedar Bayou Estates
	Cedar Bayou Park	1010112	Cedar Bayou Park West
	Cedar Oaks	1011556	Cedar Oaks
	Cottonwood Park	1010283	Airline Link Addition
	Cypress Hill	1011792	Cypress Hill
	Fairview Acres MHP	1010706	Fairacres Section 1
	Glenwood Mobile Home Subdivision	1011492	Fairacres Section 2
	Homestead Oaks	1011734	Homestead Oaks
	McGee Place	1012995	McGee Place
	Orchard Crossing	1012450	Orchard Crossing
	Rollan Heights	1010640	Rollan Heights
	Spring Cypress Center	1013172	Spring Cypress Shopping Center
	Target Center Water Plant	1013316	Spring Cypress Shopping Center
	Villas of Willowbrook	1013599	Villas of Willowbrook
Western Trails Subdivision	1010230	Western Trails	
	Huntington Estates	1050124	Huntington Estates
Hays	Plum Creek***	1050028	Amberwood, Bootstring Farms, Branch View Addition, Buda Business Park, Casey-Kyle, Double R, Dove Hill Estates, Goforth Estates, Green Pastures, Interstate Business, Kyle Crossing-Home Depot, Park South, Pinafore Park, Rolling Hills Estates, South Buda Business Park, Two Way, Village at Buda, Indian Paintbrush

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County	TCEQ Water Systems	PWS ID Number	Subdivisions
	River Oaks Ranch	1050099	River Oaks Ranch
Henderson	Beachwood Estates & North Trinidad	1070069	Brentwood Estates, Deep Water Estates, Forest Shores, Greenwood Cove, Hidden Harbor, Indian Oaks, Beachwood Estates, Oak Forest Estates, Pebble Beach, Seis Hombres, Spillview Acres, Three-Way View, Treasure Isle, Waterboard
	Briarwood Harbor	1070220	Briarwood Harbor, Camp Big Cedar
	Carolynn Estates	1070106	Bluffview, Brushy Creek, Bushwacker Estates, Carolynn Estates, Enclave, Esquire Estates II, Green Acres, Hidden Hills Harbor, Hillside Acres, Lynn Creek Cove, Payne Springs Estates, Forest Glen, The Highlands at Cedar Creek Lake, Michael's Cove, Pinnacle Club
	Cherokee Shores Water Supply	1070206	Allen Ranch, Carson Addition, Coleman Tract, La Martinique, Landmarck Passage, Manning Ranch, Robinson Tract (Country Estates), Taylor Tract, Waterfront Shores, Cherokee Shores
	Dal-High Water System	1070159	Dal-High Addition
	Highsaw	1070124	Brierwood Bay, Coffee City*, Diamond Head Bay, Coffee Landing Addition, Fincastle Farms, Highsaw, Hillside Estates, Hill-McCauley Tract
	Lollipop Water Works	1070039	Lollipop Landing
	Westwood Beach	1070085	Cooper Estates, Lakeway, Oak Trail Shores, Shiloh, Waterwood, Wildewood, Westwood Beach
Hood	Acton Water Royal Oaks	1110055	Acton Royal Oaks
	Comanche Cove & Heritage Heights	1110060	Heritage Heights, Scenic View, Comanche Cove
	Comanche Harbor & Port O'Call	1110022	Comanche Point, Island Village, Ports O'Call, Comanche Harbor
	Granbury Acres Water System	1110109	377 Sunset Strip, Granbury Acres
	Hideaway Bay Estates	1110002	Hideaway Bay
	Montego Bay Estates	1110044	Montego Bay

County	TCEQ Water Systems	PWS ID Number	Subdivisions
	Oak Trail Shores	1110004	Lake Granbury Estates, Oak Trail Plaza, Oak Trail Shores, Arrowhead Shores, Lake Granbury Harbor
	Rancho Brazos Subdivision	1110036	Rancho Brazos
	Western Hills Harbor	1110005	Western Hills Harbor, Whisperview Village, Kings Plaza
Johnson	Crowley 1 Acre Sky Corp Water	1260011	Blue Grass Estates, Crowley One Acre, Highcrest Estates, Skyline Ranch, Lakeside Estates, Lakeview Ranchettes
	Falcon Crest Addition	1260076	Falcon Crest Addition
	Metroplex Homesteads Water Supply	1260074	Metroplex Homesteads, The Homesteads
	Nolan River Estates	1260099	Nolan River Estates
	Ridge Crest Addition & Misty Hollow	1260035	Misty Hollow, Ridgecrest Addition Estates
	Shaded Lane Estates	1260103	Shaded Lane Estates
	Southern Acres Water System	1260094	Southern Acres
	Sundance Addition	1260025	Space Acres North, Space Acres, X-Cell Ranch Estates, Sundance
	Tex-Rides Subdivision	1260037	Tex-Rides Fifth
	Triple H Estates	1260116	Triple H Estates
	Twin Creek Subdivision	1260038	Rolling Acres, North Hills Estates, Twin Creeks Addition
	West Meadow Subdivision	1260063	West Meadows
	West Park Village	1260077	West Park Village
Kendall	Cascade Mobile Home Park	1300005	Cascade Mobile Home Park
	Platten Creek Water System	1300035	Platten Creek
Kerr	Cedar Springs MHP	1330019	Cedar Springs MHP
	Center Point	1330007	Center Point
	Heritage Park Water System	1330080	Heritage Park
	Hills & Dales	1330030	Hills & Dales
	Oak Ridge Estates Water System	1330134	Oak Ridge Estates
	Southern Hills	1330128	Southern Hills, Montebello Estates, Silver Creek
Verde Park Estates	1330027	Verde Park Estates	

County	TCEQ Water Systems	PWS ID Number	Subdivisions
	Vista Hills	1330169	Vista Hills
	Westwood Water System	1330015	Westwood Park, Monarch Hills
	Windwood Oaks Water System	1330141	Windwood Oaks
	Woodhaven Mobile Home Park	1330024	Woodhaven MHP
Liberty	Los Pinos Water System	1013733	Los Pinos Subdivision
	Peterson Place	1460086	Stilson-Hill
	Raywood Water System	1460041	Raywood
Marion	Indian Hills Harbor	1580063	Indian Hills Harbor
	Pine Harbor Subdivision	1580023	Pine Harbor
Matagorda	Camelot Forest Water System	1610058	Camelot Forest
Medina	Rocky Creek Subdivision Water System	1630038	Rocky Creek
Montgomery	Crystal Springs Subdivision	1700331	Crystal Springs
	Decker Hills	1700386	Champions Glen, Decker Hills, Hidden Lake Estates, Inverness Crossing, Park Place, Dry Creek Business Center, Harden Store Marketplace
	Hulon Lakes Subdivision	1700014	Hilltop Village, Woodcreek Valley, Hulon Lakes
	Oakwood Water System	1700454	Oak Woods, North Forest
	Serenity Woods Subdivision	1700483	Pine Loch, Serenity Woods
Parker	Green Acres Water System	1840120	Green Acres, Robertson Village, The Fields of Peaster
	Spanish Park Subdivision	1840026	Spanish Park Estates
	Western Lake Estates	1840014	Cedar Ridge (Formerly Ruby Ridge), Brazos Ridge Estates, Western Lake Estates
	Westview Enterprises	1840105	Westview
Polk	Beacon Bay Marina and RV Park	1870016	Beacon Bay Marina and RV Park
	Chesswood Water System	1870088	Chesswood
	Country Wood Water System	1870138	Country Wood
	Garden Acres Subdivision Water System	1870160	Garden Acres

County	TCEQ Water Systems	PWS ID Number	Subdivisions
	Longhorn Valley	1870152	Longhorn Valley
	Oak Terrace Estates Water System	1870055	Oak Terrace Estates, Livingston Air Park
	Phillips Acres	1870146	Phillips Acres
	Pinwah Pines Estates	1870130	Pinwah Pines
San Jacinto	Blue Water Cove	2040059	Blue Water Cove, Livingston Lakeside RV Park
	Cedar Valley Subdivision	2040045	Cedar Valley
	Coldspring Terrace Water System	2040031	Coldspring Terrace
	Governors Point	2040008	Governors Point
	Holiday Villages of Livingston	2040067	Hidden Coves, Holiday Village of Livingston, Palmetto Point
	Shepherd Hill Estates	2040061	Shepherd Hills Estates, Shepherd Ranch Estates
Smith	Lakeway Harbor Subdivision	2120064	Lakeway Harbor
	Pine Trail Shores	2120035	Pine Trail Shores
Tarrant	Benbrook Hills	2200313	Benbrook Hills
	Markum Ranch Estates	2200281	Markum Ranch Estates
	Silver Saddle Acres	2200299	Silver Saddle Acres, W. 20 Business Park
	Westside Rural WSC	2200079	Gun Club, Cabot Estates, Willow Creek Additions, Westside Addition
Travis	Inverness Point Water System	2270102	Crosswind, Hidden Hills, Inverness Point, Lakehurst, The Summit at Lake Travis
Trinity	Harbor Point	2280035	Harbor Point
Tyler	Ivanhoe Land of Lakes***	2290010	Ivanhoe Land of Lakes
Van Zandt	Callender Lake	2340007	Callender Lake, Hickory Hills
Wise	Aurora Vista	2490051	Aurora Vista**
	Chisholm Hills Estates	2490044	Chisholm Hills
	Coyote Ridge Addition	2490053	Coyote Ridge
	Hills of Oliver Creek	2490046	Hills of Oliver Creek
	Las Brisas	n/a	Las Brisas Estates
	Sage Brush Estates	2490058	Sage Brush Estates
	Sky View Ranch Estates	2490061	Sky View Ranch
	Windmill Trail	2490050	Windmill Trail

County	TCEQ Water Systems	PWS ID Number	Subdivisions
Wood	Holiday Villages of Fork	2500058	Holiday Villages of Fork

- *This subdivision is within the corporate city limits of Coffee City, which has surrendered utility rate jurisdiction.
- **This subdivision is within the corporate limits of the City of Aurora, which has surrendered utility rate jurisdiction.
- ***Customers who are within city boundaries should refer to Monarch tariffs approved by respective city.

SECTION 1.0 - RATE SCHEDULE

Section 1.01 – Rates

Monarch - RATES effective 06-01-2021

METER SIZE	MONTHLY MINIMUM CHARGE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$48.37	0 to 2,000	\$6.48
5/8"x3/4"	\$48.37		
3/4"	\$72.56	2,001 to 10,000	\$7.98
1"	\$120.93		
1½"	\$241.85	10,001 to 20,000	\$9.05
2"	\$386.96		
3"	\$725.55	over 20,000	\$9.64
4"	\$1,209.25		
6"	\$2,418.50	Purchased Water Passthrough – all usage	\$2.34
8"	\$3,869.60		
10"	\$5,562.55		
12"	\$10,399.55		

Income Qualified Elderly Customers 65 years of age or older
Effective Date 06-01-2021

Meter Size	Monthly Minimum Charge (Includes 0 gallons)	Gallonage Charge
5/8"	\$28.37	\$6.48 per 1,000 gallons from 0 to 2,000 gallons \$7.98 per 1,000 gallons from 2,001 to 10,000 gallons \$9.05 per 1,000 gallons from 10,001 to 20,000 gallons \$9.64 per 1,000 from 20,001 and thereafter

SECTION 10 RATE SCHEDULE (Continued)

Monarch (Villas of Willowbrook) - RATES effective 06-01-2021 (Phase 1 of 7)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$13.97	0 to 2,000	\$0.93
5/8"x3/4"	\$13.97		
3/4"	\$20.96	2,001 to 10,000	\$4.67
1"	\$34.93		
1 1/2"	\$69.86	10,001 to 20,000	\$4.82
2"	\$111.78		
3"	\$209.59	over 20,000	\$4.91
4"	\$349.32		
6"	\$698.64	Purchased Water Passthrough – all usage	\$2.34
8"	\$1,117.83		
10"	\$1,606.88		
12"	\$3,004.16		

Monarch (Villas of Willowbrook) - RATES effective 06-01-2022 (Phase 2 of 7)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$19.71	0 to 2,000	\$1.85
5/8"x3/4"	\$19.71		
3/4"	\$29.56	2,001 to 10,000	\$5.22
1"	\$49.26		
1 1/2"	\$98.53	10,001 to 20,000	\$5.53
2"	\$157.65		
3"	\$295.59	over 20,000	\$5.70
4"	\$492.64		
6"	\$985.29	Purchased Water Passthrough – all usage	\$2.34
8"	\$1,576.46		
10"	\$2,266.16		
12"	\$4,236.73		

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SECTION 10 RATE SCHEDULE (Continued)

Monarch (Villas of Willowbrook) - RATES effective 06-01-2023 (Phase 3 of 7)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$25.44	0 to 2,000	\$2.78
5/8"x3/4"	\$25.44		
3/4"	\$38.16	2,001 to 10,000	\$5.77
1"	\$63.60		
1½"	\$127.19	10,001 to 20,000	\$6.23
2"	\$203.51		
3"	\$381.58	over 20,000	\$6.49
4"	\$635.96		
6"	\$1,271.93	Purchased Water Passthrough – all usage	\$2.34
8"	\$2,035.09		
10"	\$2,925.44		
12"	\$5,469.29		

Monarch (Villas of Willowbrook) - RATES effective 06-01-2024 (Phase 4 of 7)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$31.17	0 to 2,000	\$3.70
5/8"x3/4"	\$31.17		
3/4"	\$46.76	2,001 to 10,000	\$6.33
1"	\$77.93		
1½"	\$155.86	10,001 to 20,000	\$6.94
2"	\$249.37		
3"	\$467.57	over 20,000	\$7.27
4"	\$779.29		
6"	\$1,558.57	Purchased Water Passthrough – all usage	\$2.34
8"	\$2,493.71		
10"	\$3,584.71		
12"	\$6,701.86		

PUBLIC UTILITY REGULATION AGENCY OF TEXAS
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SECTION 10 RATE SCHEDULE (Continued)

Monarch (Villas of Willowbrook) - RATES effective 06-01-2025 (Phase 5 of 7)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$36.90	0 to 2,000	\$4.63
5/8"x3/4"	\$36.90		
3/4"	\$55.36	2,001 to 10,000	\$6.88
1"	\$92.26		
1½"	\$184.52	10,001 to 20,000	\$7.64
2"	\$295.23		
3"	\$553.56	over 20,000	\$8.06
4"	\$922.61		
6"	\$1,845.21	Purchased Water Passthrough – all usage	\$2.34
8"	\$2,952.34		
10"	\$4,243.99		
12"	\$7,934.42		

Monarch (Villas of Willowbrook) - RATES effective 06-01-2026 (Phase 6 of 7)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$42.64	0 to 2,000	\$5.55
5/8"x3/4"	\$42.64		
3/4"	\$63.96	2,001 to 10,000	\$7.43
1"	\$106.59		
1½"	\$213.19	10,001 to 20,000	\$8.35
2"	\$341.10		
3"	\$639.56	over 20,000	\$8.85
4"	\$1,065.93		
6"	\$2,131.86	Purchased Water Passthrough – all usage	\$2.34
8"	\$3,410.97		
10"	\$4,903.27		
12"	\$9,166.99		

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SECTION 10 RATE SCHEDULE (Continued)

Monarch (Villas of Willowbrook) - RATES effective 06-01-2027 (Phase 7 of 7)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$48.37	0 to 2,000	\$6.48
5/8"x3/4"	\$48.37		
3/4"	\$72.56	2,001 to 10,000	\$7.98
1"	\$120.93		
1½"	\$241.85	10,001 to 20,000	\$9.05
2"	\$386.96		
3"	\$725.55	over 20,000	\$9.64
4"	\$1,209.25		
6"	\$2,418.50	Purchased Water Passthrough – all usage	\$2.34
8"	\$3,869.60		
10"	\$5,562.55		
12"	\$10,399.55		

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WILLOWBROOK

SECTION 10 RATE SCHEDULE (Continued)

Monarch (Inverness Point Water System) - RATES effective 06-01-2021

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$48.37	0 to 2,000	\$6.48
5/8"x3/4"	\$48.37		
3/4"	\$72.56	2,001 to 10,000	\$7.98
1"	\$120.93		
1 1/2"	\$241.85	10,001 to 20,000	\$9.05
2"	\$386.96		
3"	\$725.55	over 20,000	\$9.64
4"	\$1,209.25		
6"	\$2,418.50		
8"	\$3,869.60		
10"	\$5,562.55		
12"	\$10,399.55		

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SECTION 10 RATE SCHEDULE (Continued)

Monarch (Bavarian Hills, Cascade Mobile Home Park, Coolcrest Water System, Country Springs Water Company, Garden Oaks, Oaks North Mobile Home Estates, Oak Village North, Stage Coach Hills) - RATES Effective 06-01-2021

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$48.37	0 to 2,000	\$6.48
5/8"x3/4"	\$48.37		
3/4"	\$72.56	2,001 to 10,000	\$7.98
1"	\$120.93		
1 1/2"	\$241.85	10,001 to 20,000	\$9.05
2"	\$386.96		
3"	\$725.55	over 20,000	\$9.64
4"	\$1,209.25		
6"	\$2,418.50	Purchased Water Passthrough	See below
8"	\$3,869.60		
10"	\$5,562.55		
12"	\$10,399.55		

Passthrough for Bavarian Hills, Cascade Mobile Home Park, Coolcrest Water System, Country Springs Water Company, Garden Oaks, Oaks North Mobile Home Estates, Oak Village North, Stagecoach Hills:

Green Valley Special Utility District (SUD) \$0.3278 per 1000 gallons

$$G = (Y/GP)/(1 - L)$$

Where.

G = pass-through gallonage charge

Y = cost of purchased water per Green Valley SUD for the most recent 12-month period

GP = total gallons purchased and produced (from well) for the most recent 12-month period

The pass-through gallonage charge must be trued up every twelve months, with a maximum line loss of 0.15

San Antonio Water System (SAWS).....\$0.7025 per month

$$M = B/C$$

Where.

M = pass-through monthly base charge

B = base fee from San Antonio Water System

C = number of customers at the beginning of the billing period for which the pass-through rate takes effect

The pass-through charges must be trued up every twelve months, with a maximum line loss of 0.15.

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SECTION 1.0 RATE SCHEDULE (Continued)

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Passthrough for Cascade Mobile Home Park

Cow Creek Groundwater Conservation District (GCD) \$0.4125 per month

M = Y/C

Where.

M = pass-through monthly base charge

Y = cost of water production per Cow Creek GCD for the upcoming 12-month period/12

C = number of customers at the beginning of the pass-through period

The pass-through charges must be trued up every twelve months, with a maximum line loss of 0 15

Passthrough for Coolcrest Water System

Edwards Aquifer Authority. \$2 5202 per month

M = F/C

Where

M = pass-through monthly charge

F = management fees from Edwards Aquifer Authority for the year/12

C = number of customers at the beginning of the billing period for which the pass-through rate takes effect

The pass-through charges must be trued up every twelve months, with a maximum line loss of 0.15

Passthrough for Bavarian Hills, Country Springs Water Company, Oaks North Mobile Home Estates, Stagecoach Hills:

Trinity Glen Rose GCD. \$0 1082 per 1000 gallons

G = B/(1 - L)

Where

G = gallonage charge

B = per thousand gallon charge from Trinity Glen Rose GCD

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

The pass-through charges must be trued up every twelve months, with a maximum line loss of 0 15.

Passthrough for Oak Village North:

Comal Trinity GCD. \$0.0722 per 1000 gallons

G = B/(1 - L)

Where.

G = gallonage charge

B = per thousand gallon charge from Comal Trinity GCD

L = system average line loss for preceding 12 months, not to exceed 0 15

The pass-through charges must be trued up every 12 months, with a maximum line loss of 0 15

SECTION 10 RATE SCHEDULE (Continued)

Monarch (Enchanted River Estates, Oakview Water System, Rim Rock Ranch, River Bend Estates, Windmill Ranch Subdivision) - RATES Effective 06-01-2021

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$48.37	0 to 2,000	\$6.48
5/8"x3/4"	\$48.37		
3/4"	\$72.56	2,001 to 10,000	\$7.98
1"	\$120.93		
1 1/2"	\$241.85		
2"	\$386.96	10,001 to 20,000	\$9.05
3"	\$725.55		
4"	\$1,209.25		
6"	\$2,418.50		
8"	\$3,869.60	over 20,000	\$9.64
10"	\$5,562.55		
12"	\$10,399.55		

Passthrough for Enchanted River Estates, Oakview Water System, Rim Rock Ranch, River Bend, Windmill Ranch Subdivision.

Canyon Lake. \$10.6670 per month

$B = Y/C$

Where:

- B = monthly base charge
- Y = cost of purchased water per Canyon Lake for the upcoming 12-month period
- C = number of customers at the beginning of the billing period for which pass-through rate takes effect
- B = $\$9,696/909 = \10.6670 per month

The pass-through charges must be trued up every 12 months, with a maximum line loss of 0.15.

Passthrough for Rim Rock Ranch, Windmill Ranch Subdivision:

Comal Trinity GCD. \$0.0722 per 1000 gallons

$G = B/(1 - L)$

Where:

- G = gallonage charge
- B = per thousand gallon charge from Comal Trinity GCD
- L = system average line loss for preceding 12 months, not to exceed 0.15

The pass-through charges must be trued up every 12 months, with a maximum line loss of 0.15

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SECTION 10 RATE SCHEDULE (Continued)

Monarch (Cedar Springs MHP, Center Point, Heritage Park Water System, Hills & Dales, Oak Ridge Estates Water System, Platten Creek Water System, Rocky Creek Subdivision Water System, Southern Hills, Verde Park Estates, Vista Hills, Windwood Oaks Water System, Woodhaven Mobile Home Park) - RATES effective 06-01-2021 (Phase 1 of 4)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$35.62	0 to 2,000	\$3.98
5/8"x3/4"	\$35.62		
3/4"	\$53.43	2,001 to 10,000	\$4.85
1"	\$89.05		
1 1/2"	\$178.10	10,001 to 20,000	\$5.46
2"	\$284.96		
3"	\$534.30	over 20,000	\$5.91
4"	\$890.50		
6"	\$1,781.00	Purchased Water Passthrough	See below
8"	\$2,849.60		
10"	\$4,096.30		
12"	\$7,658.30		

Monarch (Cedar Springs MHP, Center Point, Heritage Park Water System, Hills & Dales, Oak Ridge Estates Water System, Platten Creek Water System, Rocky Creek Subdivision Water System, Southern Hills, Verde Park Estates, Vista Hills, Windwood Oaks Water System, Woodhaven Mobile Home Park) - RATES effective 06-01-2022 (Phase 2 of 4)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$39.87	0 to 2,000	\$4.81
5/8"x3/4"	\$39.87		
3/4"	\$59.81	2,001 to 10,000	\$5.90
1"	\$99.68		
1 1/2"	\$199.35	10,001 to 20,000	\$6.66
2"	\$318.96		
3"	\$598.05	over 20,000	\$7.15
4"	\$996.75		
6"	\$1,993.50	Purchased Water Passthrough	See below
8"	\$3,189.60		
10"	\$4,585.05		
12"	\$8,572.05		

PUBLIC UTILITY COMMISSION OF TEXAS
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Docket No. 52494

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SECTION 1 0 RATE SCHEDULE (Continued)

Monarch (Cedar Springs MHP, Center Point, Heritage Park Water System, Hills & Dales, Oak Ridge Estates Water System, Platten Creek Water System, Rocky Creek Subdivision Water System, Southern Hills, Verde Park Estates, Vista Hills, Windwood Oaks Water System, Woodhaven Mobile Home Park) - RATES effective 06-01-2023 (Phase 3 of 4)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$44.12	0 to 2,000	\$5.65
5/8"x3/4"	\$44.12		
3/4"	\$66.18	2,001 to 10,000	\$6.94
1"	\$110.30		
1 1/2"	\$220.60	10,001 to 20,000	\$7.85
2"	\$352.96		
3"	\$661.80	over 20,000	\$8.40
4"	\$1,103.00		
6"	\$2,206.00	Purchased Water Passthrough	See below
8"	\$3,529.60		
10"	\$5,073.80		
12"	\$9,485.80		

Monarch (Cedar Springs MHP, Center Point, Heritage Park Water System, Hills & Dales, Oak Ridge Estates Water System, Platten Creek Water System, Rocky Creek Subdivision Water System, Southern Hills, Verde Park Estates, Vista Hills, Windwood Oaks Water System, Woodhaven Mobile Home Park) - RATES effective 06-01-2024 (Phase 4 of 4)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$48.37	0 to 2,000	\$6.48
5/8"x3/4"	\$48.37		
3/4"	\$72.56	2,001 to 10,000	\$7.98
1"	\$120.93		
1 1/2"	\$241.85	10,001 to 20,000	\$9.05
2"	\$386.96		
3"	\$725.55	over 20,000	\$9.64
4"	\$1,209.25		
6"	\$2,418.50	Purchased Water Passthrough	See below
8"	\$3,869.60		
10"	\$5,562.55		
12"	\$10,399.55		

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SECTION 10 RATE SCHEDULE (Continued)

Passthrough for Cedar Springs MHP, Center Point, Heritage Park Water System, Hills and Dales, Platten Creek Water System, Rocky Creek Subdivision Water System, Southern Hills, Verde Park Estates, Vista Hills, Woodhaven Mobile Home Park, Oak Ridge Estates Water System, Windwood Oaks Water System.

Raymond Jagge Lease. \$0.1481 per month

$M = [R/12]/C$

Where

M = monthly base charge

R = yearly water right lease fee by Raymond Jagge

C = customers at the beginning of the billing period for which the pass-through rate takes effect

The pass-through charges must be trued up every twelve months, with a maximum line loss of 0.15

Passthrough for Platten Creek Water System:

Cow Creek GCD..... \$0.3604 per month

$M = Y/C$

Where.

M = pass-through monthly base charge

Y = cost of water production per Cow Creek GCD for the upcoming 12-month period/12

C = number of customers at the beginning of the billing period for which the pass-through rate takes effect

The pass-through charges must be trued up every twelve months, with a maximum line loss of 0 15

Passthrough for Rocky Creek Subdivision Water System.

Edwards Aquifer Authority \$1 7949 per month

$M = F/C$

Where:

M = pass-through monthly charge

F = management fees from Edwards Aquifer Authority for the year/12

C = number of customers at the beginning of the billing period for which the pass-through rate takes effect

CALCULATION

$M = (\$840/12)/C$

$M = \$70/C$

$M = \$70 00/39 = \$1 7949$

The pass-through charges must be trued up every twelve months, with a maximum line loss of 0 15.

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