



Filing Receipt

Filing Date - 2023-08-04 12:55:17 PM

Control Number - 54947

Item Number - 10

Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (12 - 31 - 22)	A-1 YEAR (12 - 31 - 26)	A-2 YEAR (12 - 31 - 26)	A-3 YEAR (12 - 31 - 26)	A-4 YEAR (12 - 31 - 27)	A-5 YEAR (12 - 31 - 28)
CURRENT ASSETS						
Cash	\$ 5,000.00	\$ 15,000.00	\$ 25,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Accounts Receivable	\$ 0.00	\$ 5,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Inventories	\$ 0.00	\$ 2,805.84	\$ 3,888.54	\$ 3,471.24	\$ 4,021.84	\$ 3,072.44
Income Tax Receivable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
A. Total Current Assets	\$ 5,000.00	\$ 22,805.84	\$ 38,888.54	\$ 43,471.24	\$ 44,021.84	\$ 43,072.44
FIXED ASSETS						
Land	\$ 15,000.00	\$ 25,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Collection/Distribution System	\$ 5,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Buildings	\$ 20,000.00	\$ 30,000.00	\$ 35,000.00	\$ 35,000.00	\$ 37,000.00	\$ 35,000.00
Equipment	\$ 15,000.00	\$ 25,000.00	\$ 27,000.00	\$ 30,000.00	\$ 35,000.00	\$ 30,000.00
Other	\$ 5,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Less: Accum. Depreciation or Reserves	-\$ 1.00	-\$ 1,500.00	-\$ 2,500.00	-\$ 3,000.00	-\$ 4,000.00	-\$ 4,500.00
B. Total Fixed Assets	\$ 59,999.00	\$ 98,500.00	\$ 109,500.00	\$ 112,000.00	\$ 118,000.00	\$ 110,500.00
C. TOTAL Assets (A + B)	\$ 64,999.00	\$ 121,305.84	\$ 148,388.54	\$ 155,471.24	\$ 162,021.84	\$ 153,572.44
CURRENT LIABILITIES						
Accounts Payable	\$ 10,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Notes Payable, Current	\$ 8,000.00	\$ 20,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 20,000.00
Accrued Expenses	\$ 12,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 15,000.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		
D. Total Current Liabilities	\$ 30,000.00	\$ 65,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 60,000.00
LONG TERM LIABILITIES						
Notes Payable, Long-term	\$ 15,000.00	\$ 20,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 20,000.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
E. Total Long Term Liabilities	\$ 15,000.00	\$ 20,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 20,000.00
F. TOTAL LIABILITIES (D + E)	\$ 45,000.00	\$ 85,000.00	\$ 95,000.00	\$ 95,000.00	\$ 95,000.00	\$ 80,000.00
OWNER'S EQUITY						
Paid in Capital	\$ 20,000.00	\$ 30,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Retained Equity	\$ 0.00	\$ 691.04	\$ 6,305.84	\$ 13,388.54	\$ 20,471.24	\$ 27,021.84
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Current Period Profit or Loss	-\$ 1.00	\$ 5,614.80	\$ 7,082.70	\$ 7,082.70	\$ 6,550.60	\$ 6,550.60
G. TOTAL OWNER'S EQUITY	\$ 19,999.00	\$ 36,305.84	\$ 53,388.54	\$ 60,471.24	\$ 67,021.84	\$ 73,572.44
TOTAL LIABILITIES+EQUITY (F + G) = C	\$ 64,999.00	\$ 121,305.84	\$ 148,388.54	\$ 155,471.24	\$ 162,021.84	\$ 153,572.44
WORKING CAPITAL (A - D)	-\$ 25,000.00	-\$ 42,194.16	-\$ 31,111.46	-\$ 26,528.76	-\$ 25,978.16	-\$ 16,927.56
CURRENT RATIO (A / D)	0.1667	0.3508	0.5555	0.6210	0.6289	0.7179
DEBT TO EQUITY RATIO (F / G)	2.2501	2.3412	1.7794	1.5710	1.4174	1.0874

PROJECTED NET INCOME INFORMATION

(ENTER DATE OF YEAR END)	CURRENT(A) (12 - 31 - 20)	A-1 YEAR (12 - 31 - 26)	A-2 YEAR (12 - 31 - 26)	A-3 YEAR (12 - 31 - 26)	A-4 YEAR (12 - 31 - 27)	A-5 YEAR (12 - 31 - 28)
METER NUMBER						
Existing Number of Taps	0	60	65	65	70	70
New Taps Per Year	0	5	0	5	0	0
Total Meters at Year End	60	65	65	70	70	70
METER REVENUE						
Revenue per Meter (use for projections)	\$ 635.04	\$ 38,102.40	\$ 41,277.60	\$ 41,277.60	\$ 44,452.80	\$ 44,452.80
Expense per Meter (use for projections)	-\$ 92.00	-\$ 5,520.00	-\$ 5,980.00	-\$ 5,980.00	-\$ 6,440.00	\$ 6,440.00
Operating Revenue Per Meter	\$ 543.04	\$ 32,582.40	\$ 35,297.60	\$ 35,297.60	\$ 38,012.80	\$ 38,012.80
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees	\$ 1.00	\$ 32,582.40	\$ 35,297.60	\$ 35,297.60	\$ 38,012.80	\$ 38,012.80
Other (Tap, reconnect, transfer fees, etc.)	\$ 150.00	\$ 450.00	\$ 487.50	\$ 487.50	\$ 525.00	\$ 525.00
Gross Income	\$ 151.00	\$ 33,032.40	\$ 35,785.10	\$ 35,785.10	\$ 38,537.80	\$ 38,537.80
EXPENSES						
General & Administrative (see schedule)	\$ 1.00	\$ 25,000.00	\$ 26,000.00	\$ 26,000.00	\$ 30,000.00	\$ 30,000.00
Operating (see schedule)	\$ 1.00	\$ 30,000.00	\$ 33,000.00	\$ 33,000.00	\$ 35,000.00	\$ 35,000.00
Interest	\$ 1.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Other (list)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
NET INCOME	\$ 691.04	\$ 5,614.80	\$ 7,082.70	\$ 7,082.70	\$ 6,550.60	\$ 6,550.60

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 32,000.00
Office	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 10,000.00
Computer	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 1,000.00
Auto	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 5,000.00
Insurance	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 2,500.00
Telephone	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 600.00
Utilities	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 2,500.00
Depreciation	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Property Taxes	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 2,500.00
Professional Fees	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 5,000.00
Other	0	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total	\$ 11,820.00	\$ 11,820.00	\$ 11,820.00	\$ 11,820.00	\$ 11,820.00	\$ 59,100.00
% Increase Per projected Year	0%	0%	0%	0%	0%	0%
OPERATIONAL EXPENSES						
Salaries	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 30,000.00
Auto	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 5,000.00
Utilities	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 2,500.00
Depreciation	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 7,500.00
Repair & Maintenance	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 15,000.00
Supplies	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 5,000.00
Other	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 5,000.00
Total	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 70,000.00

PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income	\$ 212.40	\$ 4,965.10	\$ 4,965.10	\$ 7,717.80	\$ 7,717.80	\$ 25,578.20
Depreciation (If funded by revenues of system)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 7,500.00
Loan Proceeds	\$ 20,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 20,000.00	\$ 115,000.00
Other	\$ 0.00	\$ 1.00	\$ 2.00	\$ 3.00	\$ 4.00	\$ 10.00
Total Sources	\$ 21,712.40	\$ 31,466.10	\$ 31,467.10	\$ 34,220.80	\$ 29,221.80	\$ 148,088.20
USES OF CASH						
Net Loss	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Principle Portion of Pmts.	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 50,000.00
Fixed Asset Purchase	\$ 10,000.00	\$ 2,000.00	\$ 3,000.00	\$ 5,000.00	\$ 0.00	\$ 20,000.00
Reserve	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Uses	\$ 20,000.00	\$ 12,000.00	\$ 13,000.00	\$ 15,000.00	\$ 10,000.00	\$ 70,000.00
NET CASH FLOW	\$ 1,712.40	\$ 19,466.10	\$ 18,467.10	\$ 19,220.80	\$ 19,221.80	\$ 78,088.20
DEBT SERVICE COVERAGE						
Cash Available for Debt (CADS)						
A: Net Income (Loss)	\$ 1,712.40	\$ 19,466.10	\$ 18,467.10	\$ 19,220.80	\$ 19,221.80	\$ 78,088.20
B: Depreciation, or Reserve Interest	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 7,500.00
C: Total CADS (A + B = C)	\$ 3,212.40	\$ 20,966.10	\$ 19,967.10	\$ 20,720.80	\$ 20,721.80	\$ 85,588.20
D: DEBT SERVICE						
Annual Principle Plus Interest	\$ 25,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 25,000.00	\$ 140,000.00
E: DEBT SERVICE COVERAGE RATIO						
CADS Divided by DS (E = C / D)	0.1285	0.6989	0.6656	0.6907	0.8289	0.6113

Emerald Hills Water is pleased to submit the following revised items for review and consideration:

- Revised Financial Projections
- Rate Study
- Rate Sheet
- Water Utility Tariff

Thank you for your consideration.

Lyndon Nance

August 4, 2023

Emerald Hills Water
725 FM 1103, PO Box 904
Cibolo, Texas 78108

RATE STUDY

August 03, 2023

RE: Docket No. 54947: Study to Determine a Water Rate Structure for the Application of Emerald Hills Water to obtain a water Certificate of Convenience and Necessity (CCN) in San Patricio County, Texas.

Emerald Hills Water performed an internal study to determine a water rate structure that will support the revenue requirement for the water utility system of the requested service area of Emerald Hills Water (Utility). This rate study was conducted using mainly financial and operational cost data provided from Emerald Hills RV, (current asset owner). This utility is applying for a new water CCN and does not have a previous operational cost history. Some operational cost is based on assumed operational cost from other utilities compiled from (3), three licensed water operators inputs. A number of assumptions were still required to determine a revenue requirement necessary to support the cost of water service for this system. This utility intends to expand service territory in the future and may consider filing a Rate/Tariff Change Application based on a more detailed analysis of the utilities cost of service for its water service to the expanded customer base.

Based on available information, a current revenue requirement was determined for providing water service to the utilities customer. The calculation of the current revenue requirements for water can be found in Attachment 1 of this study. Customer rates for water service that will generate the revenue required to provide service were then calculated. These calculations are also included in Attachment 1. These rates are compared to the rates proposed to be charged to customers by the utility in table 1.

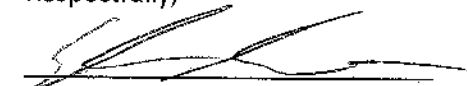
Table 1: Comparison of Proposed Rates to Revenue Requirement Rates

Service	Gallon Charge	Monthly Base Rate	Revenue Requirement Rates
Water	\$3.50 per 1,000 gallons first 3,000 gallons	\$35.87	\$35.87
	\$4.6601 per 1,000 up to 5,000		

In conclusion, Emerald Hills Water's current rate structure for water service is designed to be slightly profitable between revenue and expenditure at current water consumption levels. The utility rate structure does not require an immediate rate adjustment; however, it may be required to submit a Rate/Tariff Change Application to cover growth/expansion. Therefore, the current rate structures and proposed tariff of Emerald Hills Water are supported and should be approved for the utility as a part of this water CCN application.

Should you have any questions, please feel free to contact me cell (361) 537-8890.

Respectfully,



Lyndon Nance
Emerald Hills Water

Emerald Hills Water
725 FM 1103, PO Box 904
Cibolo, Texas 78108

RATE STUDY

ATTACHMENT 1

RATE STUDY

WATER RATE DESIGN STUDY			
Projections			
Meter Equivalents:			
<u>Meter Size</u>	<u>Total Meters</u>	<u>Equivalent Factor</u>	<u>Meter Equivalents</u>
5/8"-3/4"	62	1	62
1"	0	2.5	0
1 1/2"	0	5	0
2'	0	8	0
3'	0	15	0
4'	0	20	0
Total Meter Equivalents:	62		62

2022 Actual Gallons Used:	1095000
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Proposed 2024 Water Revenues:			
Water Cost of Service:			
General Expenses		\$150	
Operational Expenses		\$21,048	
Interest Expenses		\$0	
	Subtotal:		\$21,198
Property Taxes		\$0	
Income Taxes		\$2,797	
Annual Depreciation		\$6,500	
Return on Investment		\$25	
	Subtotal:		\$9,322
Total Water Revenue			
Requirement:			\$30,520

Water Rate Structure:		
Gallonge Rate: (\$3.50 per 1,000 first 3,000 gallons - \$4.6601 per 1,000 gallons up to 5,000 gallons - \$5.2689 per thousand up to 10,000 gallons - \$5.9539 per thousand up to 20,000 gallons)		
Gallonge Units (first 3,000 gallons) 1,095,000 ÷ 1,000 = 1,095 x \$3.50 = \$3833		
Monthly base Rate:		
Fixed Cost Calculation: \$30,520 - \$3833 = \$26,687		
Base Rate Calculation: \$26,687 ÷ 62 meter equivalents ÷ 12 months = \$35.87		
<u>Meter Size</u>	<u>Equivalent Factor</u>	<u>Base Rate/Meter Size</u>
5/8" - 3/4"	1	\$35.87

Emerald Hills Water
725 FM 1103, PO Box 904
Cibolo, Texas 78108

RATE STUDY

Water Depreciation Schedule						
Test Period Ends: 31-Dec-22						
Utility Plant Cost	Installation Date	Original Cost	Average Service Life	Annual Depreciation Expense	Total Accumulated Depreciation	Net Book Value
Water Equipment	31-Dec-12	\$245,000	50	\$4,900	\$0	\$191,100
Distribution System	31-Dec-12	\$80,000	50	\$1,600	\$0	\$62,400
Utility Plant Totals:		\$325,000		\$6,500	\$0	\$253,500

Return & Income Tax Calculation	
Net Book Value	\$253,500
Working Capital	\$10,000
	\$263,500
Return on Investment:	\$25
Income Tax:	\$2,797

Emerald Hills Water
725 FM 1103, PO Box 904
Cibolo, Texas 78108

PROPOSED WATER RATES

Volume	Rate	\$35.87 Base
First 3,000	\$3.50	per thousand
3,001 to 5,000	\$4.6601	per thousand
5,001 to 10,000	\$5.2689	per thousand
10,000 to 20,000	\$5.9539	per thousand
above 20,000	\$9.3155	per thousand

Deposit: \$50.00
Billing Cycle: Services 17th to 16th, billed end of month, due 16th following month.
Late Fee: 10% after 5:00 pm on 16th
Service Fee: \$20 after 5:00 pm of the 23rd

DISCONNECT DATE 24TH

Disconnect Fee: \$50
Meter Tamper Fee: \$100
Return Check Fee: \$30
Non-Payment Fee: \$25
Meter Test Fee: \$25

Please pay online at www.emeraldhillswater.com



WATER UTILITY TARIFF

Docket Number: 54947

(this number will be assigned by the Public Utility Commission after your tariff is filed)

EMERALD HILLS WATER

(Utility Name)

23934 CR 704

(Business Address)

MATHIS, TEXAS, 78368

(City, State, Zip Code)

361-537-8890

(Area Code/Telephone)

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

This tariff is effective in the following counties:

SAN PATRICIO

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

NA - EMERALD HILLS RV IS CURRENT RECIPIENT OF WATER PRODUCTION

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

EMERALD HILLS WATER

TABLE OF CONTENTS

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

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Note: Appendix A – Drought Contingency Plan (DCP) is approved by the Texas Commission on Environmental Quality; however, the DCP is included as part of your approved utility tariff pursuant to PUC rules. If you are establishing a tariff for the first time, please contact the TCEQ to complete and submit a DCP for approval.

(Utility Name)

SECTION 1.0 -- RATE SCHEDULE**Section 1.01 - Rates**

Meter Size	Monthly Minimum Charge	Gallage Charge	
5/8" or 3/4"	\$ <u>35.87</u> (Includes gallons)	\$ <u>11.957</u>	per 1000 gallons, 1 st <u>3000</u> gallons
1"	\$ _____	\$ <u>4.6601</u>	per 1000 gallons, next <u>2000</u> gallons
1½ "	\$ _____	\$ <u>5.2689</u>	per 1000 gallons thereafter
2"	\$ _____		
3"	\$ _____		
4"	\$ _____		

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 ASSESSMENT1.0%

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

Section 1.02 - Miscellaneous Fee**TAP FEE**\$ 350

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

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.

(Utility Name)

SECTION 1.0 – RATE SCHEDULE (Continued)**RECONNECTION FEE**

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

a) Nonpayment of bill (Maximum \$25.00)	\$ <u>25</u>
b) Customer's request that service be disconnected	\$ <u>50</u>
c) <u>METER TAMPERING FEE</u>	\$ <u>100</u>

TRANSFER FEE\$ 5

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\$ 30

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)\$ 50**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. [P.U.C. SUBST. R. 24.21(k)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

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.

(Utility Name)

SECTION 2.0 – SERVICE RULES AND POLICIES (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 residential customer who has paid 18 consecutive billings without being delinquent.

(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 if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by P.U.C. SUBST. R. 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)**Section 2.04 - Utility Response to Applications for Service**

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

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

Section 2.05 - Customer Responsibility

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

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, Section 290.46(j). The utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in Title 30 Texas Administrative Code (TAC) §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

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

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

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

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

(Utility Name)

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)Section 2.08 - Access to Customer's Premises

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

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

Section 2.09 - Meter Requirements, Readings, and Testing

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

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

(Utility Name)

SECTION 2.0 -- SERVICE RULES AND POLICIES(Continued)

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

Section 2.10 - Billing(A) Regular Billing

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

(B) Late Fees

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

(C) Information on Bill

Each bill will provide all information required by the 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.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)**(D) Prorated Bills**

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

Section 2.11- Payments

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

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

Section 2.12 - Service Disconnection**(A) With Notice**

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

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

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

(B) Without Notice

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

(Utility Name)

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)Section 2.13 - Reconnection of Service

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

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

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the TCEQ, 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 (Continued)

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.

(Utility Name)

SECTION 3.0--EXTENSION POLICY**Section 3.01 - Standard Extension Requirements**

LINE EXTENSION AND CONSTRUCTION CHARGES: NO CONTRIBUTION IN AID OF CONSTRUCTION MAY BE REQUIRED OF ANY CUSTOMER EXCEPT AS PROVIDED FOR IN THIS APPROVED EXTENSION POLICY.

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

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

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

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

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

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

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

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

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

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

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

Section 3.03 - Contributions in Aid of Construction

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

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 P.U.C. SUBST. R. 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by P.U.C. SUBST. R. 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities 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.

(Utility Name)

SECTION 3.0 -- EXTENSION POLICY (Continued)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 applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

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

(Utility Name)

SECTION 3.0 -- EXTENSION POLICY (Continued)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 easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by 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 3.07 - 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 (Utility Must Attach TCEQ-Approved Plan)



Texas Commission on Environmental Quality

Water Availability Division

MC-160, P.O. Box 13087 Austin, Texas 78711-3087

Telephone (512) 239-4600, FAX (512) 239-2214

Drought Contingency Plan for a Retail Public Water Supplier

This form is provided as a model of a drought contingency plan for a retail public water supplier. If you need assistance in completing this form or in developing your plan, please contact the Conservation Staff of the Resource Protection Team in the Water Availability Division at (512) 239-4600.

Drought Contingency Plans must be formally adopted by the governing body of the water provider and documentation of adoption must be submitted with the plan. For municipal water systems, adoption would be by the city council as an ordinance. For other types of publicly-owned water systems (example: utility districts), plan adoption would be by resolution of the entity's board of directors adopting the plan as administrative rules. For private investor-owned utilities, the drought contingency plan is to be incorporated into the utility's rate tariff. Each water supplier shall provide documentation of the formal adoption of their drought contingency plan.

Name: Emerald Hills Water

Address: 725 FM 1103, PO Box 904, Cibolo, Texas 78108

Telephone Number: (361) 537-8890 Fax: ()


Water Right No.(s): NA

Regional Water Planning Group: San Patricio Count Ground Water District

Form Completed by: Lyndon Nance

Title: President

Person responsible for implementation: Lyndon Nance Phone: (361) 537-8890

Signature:  Date: / / 10-25-22

Section I: Declaration of Policy, Purpose, and Intent

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

Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other

emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section X of this Plan.

Section II: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the Emerald Hills Water by means of Public Meeting.

Section III: Public Education

The Emerald Hills Water will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of *public events, public postings at City Hall and County Courthouse or utility bill inserts.*

Section IV: Coordination with Regional Water Planning Groups

The service area of the Emerald Hills Water is located within the San Patricio County Groundwater Water District and Emerald Hills Water has provided a copy of this Plan to the San Patricio County Groundwater Water District and available printed in our office for review.

Section V: Authorization

The Operation Manager, or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Operations Manger or his/her designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section VI: Application

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

Section VII: Definitions

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

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

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

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

Customer: any person, company, or organization using water supplied by Emerald Hills Water.

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

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

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

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

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

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

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

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

The Operations Manager or his/her designee shall monitor water supply and/or demand conditions on a *monthly* basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

The triggering criteria described below are based on:

(Provide a brief description of the rationale for the triggering criteria; for example, triggering criteria / trigger levels based on a statistical analysis of the vulnerability of the water source under drought of record conditions, or based on known system capacity limits).

Utilization of alternative water sources and/or alternative delivery mechanisms:

Alternative water source(s) for Emerald Hills Water is/are: Purchased water through interconnection with City of Mathis.

Stage 1 Triggers -- MILD Water Shortage Conditions

Requirements for initiation

Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses, defined in Section VII Definitions, when _____.
(Describe triggering criteria / trigger levels; see examples below).

Following are examples of the types of triggering criteria that might be used in one or more successive stages of a drought contingency plan. The public water supplier may devise other triggering criteria and an appropriate number of stages tailored to its system. One or a combination of the criteria selected by the public water supplier must be defined for each drought response stage, but usually not all will apply.

Example 3: When, pursuant to requirements specified in the _____ (name of **your** water supplier) wholesale water purchase contract with _____ (name of your wholesale water supplier), notification is received requesting initiation of Stage 1 of the Drought Contingency Plan.

Example 5: When the static water level in the _____ (name of your water supplier) well(s) is equal to or less than _____ feet above/below mean sea level.

Example 6: When the specific capacity of the _____ (name of your water supplier) well(s) is equal to or less than _____ percent of the well's original specific capacity.

Example 7: When total daily water demand equals or exceeds _____ million gallons for _____ consecutive days of _____ million gallons on a single day (example: based on the safe operating capacity of water supply facilities).

Requirements for termination

Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 30 consecutive days.

Stage 2 Triggers -- MODERATE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section IX of this Plan when _____ (describe triggering criteria; see examples in Stage 1).

Requirements for termination

Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 30 consecutive days. Upon termination of Stage 2, Stage 1, or the applicable drought response stage based on the triggering criteria, becomes operative.

Stage 5 Triggers -- EMERGENCY Water Shortage Conditions

Requirements for initiation

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

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

Requirements for termination

Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 24 hours.

Section IX: Drought Response Stages

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

Notification

Notification of the Public:

The Operations Manager or his/ her designee shall notify the public by means of:

Examples:

*publication in a newspaper of general circulation,
direct mail to each customer,
public service announcements,
signs posted in public places*

Additional Notification:

The Operations Manager or his/ her designee shall notify directly, or cause to be notified directly, the following individuals and entities:

Examples:

*Mayor / Chairman and members of the City Council / Utility Board
Fire Chief(s)
City and/or County Emergency Management Coordinator(s)
County Judge & Commissioner(s)
State Disaster District / Department of Public Safety
TCEQ (required when mandatory restrictions are imposed)
Major water users
Critical water users, i.e. hospitals
Parks / street superintendents & public facilities managers*

Stage 1 Response – MILD Water Shortage Conditions

Target: Achieve a voluntary 5 percent reduction in *daily water demand*.

Best Management Practices for Supply Management:

Emerald Hills Water, has plans to drill a backup well and execute and interconnect agreement with City of Mathis. The backup well will be used routinely for pressure balancing and to ensure maintenance and good operations of the well and equipment.

Voluntary Water Use Restrictions for Reducing Demand:

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

Stage 2 Response – MODERATE Water Shortage Conditions

Target: Achieve a 10 percent reduction in *daily water demand*.

Best Management Practices for Supply Management:

Emerald Hills Water, has plans to drill a backup well and execute and interconnect agreement with City of Mathis. The backup well will be used routinely for pressure balancing and to ensure maintenance and good operations of the well and equipment.

Water Use Restrictions for Demand Reduction:

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

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- (c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the Emerald Hills Water.
- (f) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the Emerald Hills Water, the facility shall not be subject to these regulations.
- (g) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (h) The following uses of water are defined as non-essential and are prohibited:
1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 2. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 3. use of water for dust control;
 4. flushing gutters or permitting water to run or accumulate in any gutter or street; and
 5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Stage 5 Response – EMERGENCY Water Shortage Conditions

Target: Achieve a 20 percent reduction in *daily water demand*.

Best Management Practices for Supply Management:

Emerald Hills Water, has plans to drill a backup well and execute and interconnect agreement with City of Mathis. The backup well will be used routinely for pressure balancing and to ensure maintenance and good operations of the well and equipment.

Water Use Restrictions for Reducing Demand:

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

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

Commercial, Industrial and Special Use/Permit Customers

Industrial customers shall pay the following surcharges:

Customers whose allocation is ____ gallons through ____ gallons per month:

- \$ ____ per thousand gallons for the first 1,000 gallons over allocation.
- \$ ____ per thousand gallons for the second 1,000 gallons over allocation.
- \$ ____ per thousand gallons for the third 1,000 gallons over allocation.
- \$ ____ per thousand gallons for each additional 1,000 gallons over allocation.

Customers whose allocation is ____ gallons per month or more:

- ____ times the block rate for each 1,000 gallons in excess of the allocation up through 5 percent above allocation.
- ____ times the block rate for each 1,000 gallons from 5 percent through 10 percent above allocation.
- ____ times the block rate for each 1,000 gallons from 10 percent through 15 percent above allocation.
- ____ times the block rate for each 1,000 gallons more than 15 percent above allocation.

The surcharges shall be cumulative. As used herein, "block rate" means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer's allocation.

Section X: Enforcement

- (a) No person shall knowingly or intentionally allow the use of water from the Emerald Hills Water, for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action

taken by Operations Manager, or his/her designee, in accordance with provisions of this Plan.

- (b) Any person who violates this Plan is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than Five Hundred dollars (\$500) and not more than two thousand dollars (\$2,000). Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Operations manager shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, hereby established at \$2,000, and any other costs incurred by the Emerald Hills Water, in discontinuing service. In addition, suitable assurance must be given to the Operations Manager that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.
- (c) Any person, including a person classified as a water customer of the Emerald Hills Water, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.
- (d) Any employee of the Emerald Hills Water, police officer, or other City/government employee designated by the Operations Manager, may issue a citation to a person he/she reasonably believes to be in violation of this Ordinance. The citation shall be prepared in duplicate and shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the *municipal court* on the date shown on the citation for which the date shall not be less than 3 days nor more than 5 days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over 14 years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in *municipal court* to enter a plea of guilty or not guilty for the violation of this Plan. If the alleged violator fails to appear in *municipal court*, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in *municipal court* before all other cases.

Section XI: Variances

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

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

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

- (a) Name and address of the petitioner(s).
- (b) Purpose of water use.
- (c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- (d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- (e) Description of the relief requested.
- (f) Period of time for which the variance is sought.
- (g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- (h) Other pertinent information.

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

Emerald Hills Water
725 FM 1103, PO Box 904
Cibolo, Texas 78108

WATER SERVICE AGREEMENT

RECEIVED BY EMERALD HILLS REPRESENTATIVE: _____ DATE: _____

NAME: _____

ADDRESS: _____

DL NUMBER: _____

PHONE: _____

EMAIL: _____

APPLICANTS DATE OF BIRTH: _____

REQUESTED SERVICE ADDRESS: _____

SPECIAL REQUEST (INCLUDING MULTIPLE CONNECTIONS): _____

APPLICANT SIGNATURE: _____

DATE: _____

Emerald Hills Water
725 FM 1103, PO Box 904
Cibolo, Texas 78108

WATER SERVICE AGREEMENT

Agreement made this _____, between Emerald Hills Water, a Texas 501c4 not for profit organization, organized under the laws of the State of Texas (hereinafter called the Corporation) and _____ (hereinafter called User)

The Corporation shall sell and deliver water service to the User and the User shall purchase, receive, and/or reserve water service from the Corporation in accordance with the bylaws and tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies, including payment of connection fees, the User qualifies for service as a new water Consumer or continued service as a Transferee.

The User shall pay the Corporation for service hereunder as determined by the Corporation's Tariff and upon the terms and conditions set forth therein, a copy of which is available for review at the Emerald Hills Water office, upon the request of the consumer.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or connection is for the sole use of the Consumer and is to serve water to only one (1) dwelling and/or only one (1) business. Extension of pipe or pipes to transfer water from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, business, and/or property, etc., is prohibited.

The Company shall have the right to locate a water service meter and the pipe necessary to connect the meter on the User's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon User's premises at all reasonable times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the User's property.

The Corporation's authorized employees shall have access to the User's property or premises and service lines and plumbing facilities at all reasonable time for the purpose of inspecting for possible violations of the Corporation's policies and to ensure compliance with the state required Minimum Acceptable Operating Practices for Public Drinking Water Systems, as promulgated by the Texas Commission on Environmental Quality or successor agency, applicable plumbing codes, and utility construction standards. The Corporation strictly prohibits any direct connection between the public drinking water supply and a potential source of contamination. Potential sources of contamination shall be isolated from the public water system by air-gap or an appropriate backflow prevention device. The Corporation strictly prohibits any cross-connection between the public drinking water supply and a private water system. These potential threats to the public drinking water shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device. The Corporation strictly prohibits any connection which allows water to be returned to the public drinking water supply.

WATER SERVICE AGREEMENT

The User shall allow their property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the Corporation or its designated agent: (i) prior to initiating new water service; (ii) when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; and/or (iii) after any major changes to the private plumbing facilities. The Corporation shall notify the User in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the initial inspection or the periodic re-inspection. The User shall, at their expense, properly install, test, and maintain a backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation.

In the event total water supply is insufficient to meet all of the needs of the Users, or in the event there is a shortage of water, the Corporation may initiate the Drought Plan as specified in the Corporation's Tariff. By execution of this Service Agreement, hereof, the User shall comply with the terms of Drought Plan.

The User shall install at their own expense a service line from the water meter to the point of use, (herein referred to as the User's side of the meter), including any customer service isolation valves and other equipment as may be specified by the Corporation. The Corporation does not install any equipment on the User's side of the meter. The User is responsible for maintaining the line and all equipment on the User's side, including without limitation the pipe, fittings, and any other equipment installed by the User. The use of pipes and pipe fittings that contain more than 0.25% lead or solders and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation.

The Corporation does not install pressure relieve valves or other pressure-reducing equipment on the User's side of the meter, nor does the Corporation inspect, maintain, or bear any responsibility for any such valve or equipment installed by User on User's side of the meter. If User chooses to install a pressure relief valve or other pressure-reducing equipment on the User's side of the meter, User shall be solely responsible for such installation.

Release. User hereby waives, releases, and discharges the Corporation of any and all liability, claims, demands, actions, or rights of action, or damages of any kind related to, arising from, or in any way connected with, User's installation, maintenance or failure to maintain, inspect, or replace, of a pressure relief valve or other pressure-reducing equipment on User's side of the meter, including those allegedly attributed to the negligent acts or omissions of the corporation. If User chooses to install a pressure relief valve or pressure-reducing equipment on User's side of the meter, User willingly assumes full responsibility for any damages of any kind that may result from such installation, maintenance, and use, misuse, or failure of such valve or other equipment.

Emerald Hills Water
725 FM 1103, PO Box 904
Cibolo, Texas 78108

WATER SERVICE AGREEMENT

By execution hereof, the User shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

The User shall grant to the Corporation, now or in the future, any easements and rights-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other such equipment which may be deemed necessary by the Corporation to extend or improve service for existing or future Users, on such forms as required by the Corporation.

By execution of this Service Agreement, User shall guarantee payment of all other rates, fees, and charges due on any account for which said User owes. User acknowledges that nonpayment of amounts due to Emerald Hills Water will result in a disconnection of the water service to User's property. In the event water service is disconnected, a fee set by Emerald Hills Water in its tariff will be charged and must be paid before service will be reconnected.

The Corporation shall have the authority to disconnect any User not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service. If Emerald Hills Water equipment is tampered with or water is taken by means of an unauthorized connection or both, the User shall forfeit all rights and privileges of use; the User shall all connection and tap rights; the meter shall be removed; and the line tap shall be sealed.

By execution of this Service Agreement, User agrees that if User fails to comply with the terms of this Agreement the Corporation shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow protection device at the service connection. Any expenses associated with the enforcement of the Agreement, shall be billed to and paid by the User.

Any misrepresentation of fact(s) by the User on any part of this Agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's Tariff.

Each User must sign this Agreement before the Corporation will begin service. If service to an existing connection has been suspended or terminated, the Corporation will not re-establish service unless it has a signed copy of this Agreement. The Corporation shall maintain a copy of this agreement as long as the User and/or the User's premises are connected to the Corporation.

Emerald Hills Water
725 FM 1103, PO Box 904
Cibolo, Texas 78108

WATER SERVICE AGREEMENT

NOTICE AND RELEASE CONCERNING WATER PRESSURE HAZARD

User expressly acknowledges that Emerald Hills Water may install a check valve or other backflow prevention device at the meter serving User's property, and that such device will contain water pressure within User's private plumbing system. User further acknowledges and understands that a properly operating pressure relief valve must be installed by User and maintained by User at all times on User's water heater. User understands that failure to maintain a properly operating pressure relief valve on a water heater is a dangerous practice that can result in personal injury and property damage. User hereby agrees to waive, release, and hold Emerald Hills Water harmless from any claims and damages resulting from malfunctioning, failure, or absence of check valves, backflow prevention devices, and pressure relief valves on water heaters, including without limitation, damages to persons or property, direct damages, special damages, incidental damages, consequential damages, or loss of profit or revenue, and including those allegedly attributed to the negligent acts or omissions of the corporation.

NOTICE AND RELEASE CONCERNING DRIVEWAYS

User expressly acknowledges that if a concrete or asphalt driveway is installed on the User's property over and Emerald Hills Water line without notifying Emerald Hills Water in writing and paying Emerald Hills water to encase the water line, a leak repair or other maintenance to the water line may result in damage to the driveway for which Emerald Hills Water will not compensate the User.

PRIVACY DISCLOSURE

Personal information contained in Emerald Hills Water records will not be released to unauthorized persons.

APPROVAL

Account Holder (Print Name)

Signature

Emerald Hills Water Representative (Print Name)

Signature