

**Aqua Texas, Inc., Aqua Utilities, Inc., and
Aqua Development, Inc. dba Aqua Texas**

SW TX Regional Water Tariff

**WATER UTILITY TARIFF
FOR SOUTHWEST REGION**

**Aqua Texas, Inc., Aqua Utilities, Inc., Aqua Development, Inc., Harper Water Company and Kerrville
South Water Company, Inc. dba Aqua Texas**

1106 Clayton Lane, Ste 400 W

Austin, Texas 78723

(512) 990-4400

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

11157, 12902, 11421 and 11484

This tariff is effective in the following counties:

**Bandera
Bexar
Burnet
Comal
Gillespie
Hays
Kendall
Kerr
Live Oak
Llano
Medina
Nueces
Travis
Victoria
Williamson
Wilson**

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

City	County	System
Austin	Travis	Mooreland Rivercrest
Boerne	Kendall	Stonegate
Cedar Park	Williamson	Indian Springs
Kerrville	Kerr	Loma Vista
Woodcreek	Hays	Woodcreek I Woodcreek II

This tariff is effective for the following systems, subdivisions, and areas:

PWS #	TCEQ System Name	SUBDIVISION/ AREA SERVED	COUNTY	RATE REGION
0100030	BLUE MEDINA WATER	MEDINA RIVER RANCH BLUE MEDINA	BANDERA	Southwest
0100047	LAKEWOOD WATER	LAKEWOOD WATER LAKEWOOD PARK	BANDERA	Southwest
0100052	SAN JULIAN CREEK ESTATES	SAN JULIAN CREEK ESTATES	BANDERA	Southwest
0100053	ELMWOOD ESTATES	ELMWOOD ESTATES	BANDERA	Southwest
0100065	COMANCHE CLIFFS	COMANCHE CLIFFS	BANDERA	Southwest
0150431	ESTATES UTILITY CO STONEGATE	STONEGATE	BEXAR	Southwest
0270134	STONE MOUNTAIN AT CAVERN SPRINGS	STONE MOUNTAIN	BURNET	Southwest
0270141	RIO ANCHO SUBDIVISION	RIO ANCHO	BURNET	Southwest
0460022	CANYON SPRINGS WATER	CANYON SPRINGS KINGS COVE	COMAL	Southwest
0460185	GRUENE RIVER DEVELOPMENT	GRUENE RIVER	COMAL	Southwest
0860005	HARPER ROAD ESTATES	HARPER ROAD ESTATES	GILLESPIE	Southwest
0860086	NORTHWEST HILLS WATER SUPPLY	FREDERICKSBURG	GILLESPIE	Southwest
0860098	DEERWOOD SUBDIVISION	DEERWOOD SUBDIVISION	GILLESPIE	Southwest
0860100	WEST OAK HEIGHTS	WEST OAK HEIGHTS	GILLESPIE	Southwest
1050029	CHAPARRALL WATER SYSTEM	BLISS SPILLAR	HAYS	Southwest
1050037	WOODCREEK UTILITY CO 1	WIMBERLEY WOODCREEK WOODCREEK PHASE I	HAYS	Southwest
1050039	WOODCREEK UTILITY CO 2	WIMBERLEY / WOODCREEK PHASE II	HAYS	Southwest
1050043	LEISUREWOODS WATER CO	LEISUREWOODS	HAYS	Southwest
1050058	SOUTHWEST TERRITORY	SOUTHWEST TERRITORY	HAYS	Southwest

PWS #	TCEQ System Name	SUBDIVISION/ AREA SERVED	COUNTY	RATE REGION
1050068	CARDINAL VALLEY WATER	CARDINAL VALLEY	HAYS	Southwest
105077	MEADOW WOODS WATER SUPPLY	MEADOW WOODS ARROYO RANCH DOVE HOLLOW ESTATES QUAIL MEADOWS SUBDIVISION	HAYS	Southwest
1050080	GRANITE CREEK WSC	GRANITE CREEK BLANCO RIVER CROSSING	HAYS	Southwest
1050082	COPPER HILLS WATER SYSTEM	COPPER HILLS	HAYS	Southwest
1050100	OAK MEADOWS	OAK MEADOWS	HAYS	Southwest
1050111	MOUNTAIN CREST WATER COMPANY	MOUNTAIN CREST	HAYS	Southwest
1050134	SIERRA WEST SUBDIVISION	SIERRA WEST SUBDIVISION	HAYS	Southwest
1300032	STONEGATE WATER SYSTEM	STONEGATE	KENDALL	Southwest
1300034	WALNUT HILLS	WALNUT HILLS	KENDALL	Southwest
1300036	TEN WEST RANCHES	TEN WEST RANCHES	KENDALL	Southwest
1300041	KENDALL POINTE	KENDALL POINTE	KENDALL	Southwest
1330009	GUADALUPE HEIGHTS UTILITY CO	GUADALUPE HEIGHTS	KERR	Southwest
1330010	CENTER POINT TAYLOR SYSTEM	CENTER POINT TAYLOR	KERR	Southwest
1330028	WESTCREEK ESTATES WATER SYSTEM	WESTCREEK ESTATE	KERR	Southwest
1330036	ERLUND SUBDIVISION	ERLUND SUBDIVISION BELAIRE ESTATES CLEAR SPRING RANCH ESTATES CLEAR VIEW ESTATES KERRVILLE SOUTH RANCHES NO. 1 LOUDAIR HILL SUBDIVISION MOUNTAIN TOP RANCHETTES MOUNTAIN VIEW ESTATES TERRE VERDE ESTATES TIERRA GRANDE	KERR	Southwest
1330041	LOMA VISTA WATER SYSTEM	LOMA VISTA SHADY GROVE SPANISH OAKS ESTATES WOOD HILL ESTATES WOOD RIDGE ESTATES	KERR	Southwest
1330062	AQUA VISTA UTILITIES	AQUA VISTA	KERR	Southwest

PWS #	TCEQ System Name	SUBDIVISION/ AREA SERVED	COUNTY	RATE REGION
1330091	OAK FOREST SOUTH WATER SUPPLY	OAK FOREST SOUTH BURNLEY OAKS FAWN RUN QUAIL RUN ESTATES	KERR	Southwest
1330097	NICKERSON FARM WATER SYSTEM	NICKERSON FARM	KERR	Southwest
1330101	SLEEPY HOLLOW	SLEEPY HOLLOW	KERR	Southwest
1330107	PECAN VALLEY	PECAN VALLEY	KERR	Southwest
1330111	CENTER POINT NORTH WATER SYSTEM	CENTER POINT NORTH	KERR	Southwest
1330113	FOUR SEASONS	FOUR SEASONS CASTLE ESTATES DEWBERRY HOLLOW ESTATES OF TURTLE CREEK LAMB CREEK WOOD CREEK WOODLAND TRAIL ESTATES	KERR	Southwest
1330118	HORSESHOE OAKS SUBDIVISION WATER SYSTEM	HORSE SHOE OAKS SUBDIVISION	KERR	Southwest
1330124	NORTHWEST HILLS SUBDIVISION	NORTHWEST HILLS SUBDIVISION	KERR	Southwest
1330126	BEAR PAW WATER SYSTEM	BEAR PAW HIGHLANDS RANCH	KERR	Southwest
1330127	PARK PLACE SUBDIVISION	PARK PALACE PARK PLACE SUBDIVISION	KERR	Southwest
1330139	REAL OAKS SUBDIVISION	REAL OAKS SUBDIVISION	KERR	Southwest
1330147	CHERRY RIDGE WATER	CHERRY RIDGE	KERR	Southwest
1330154	FALLING WATER SUBDIVISION	FALLING WATER SUBDIVISION RESERVE AT FALLING WATER	KERR	Southwest
1330155	SADDLEWOOD SUBDIVISION	SADDLEWOOD SUBDIVISION	KERR	Southwest
1330156	CYPRESS SPRINGS	CYPRESS SPRINGS	KERR	Southwest
1490017	LAKE VISTA UTILITY CO	LAKE VISTA	LIVE OAK	Southwest
1500043	PECAN UTILITIES WATER COMPANY	PECAN UTILITIES OAKRIDGE SUBDIVISION	LLANO	Southwest
1630026	COUNTRY VIEW ESTATES	COUNTRY VIEW ESTATES BIG VALLEY	MEDINA	Southwest
1630040	VALENTINE RANCH	VALENTINE RANCH	MEDINA	Southwest
1780019	GOLDEN ACRES WATER CO	GOLDEN ACRES	NUECES	Southwest
2270041	RIVERCREST WATER SYSTEM	RIVERCREST	TRAVIS	Southwest
2270043	BEAR CREEK PARK	BEAR CREEK PARK	TRAVIS	Southwest

PWS #	TCEQ System Name	SUBDIVISION/ AREA SERVED	COUNTY	RATE REGION
2270054	SANDY CREEK RANCHES SUBDIVISION	BLUFFS OF SANDY CREEK	TRAVIS	Southwest
2270059	ONION CREEK MEADOWS	ONION CREEK MEADOWS	TRAVIS	Southwest
2270114	MOORELAND SUBDIVISION	MOORELAND SUBDIVISION	TRAVIS	Southwest
2270173	HILL COUNTRY NORTHWEST CHERRY HOLLOW	SOUTH CHERRY HOLLOW ESTATES	TRAVIS	Southwest
2270210	INDIAN SPRINGS SUBDIVISION	INDIAN SPRINGS SUBDIVISION	TRAVIS	Southwest
2270212	SHADY HOLLOW ESTATES WSC	SHADY HOLLOW ESTATES	TRAVIS	Southwest
2270282	BARTON CREEK LAKESIDE	SHADY CREEK ET AL LAKE SIDE SUBDIVISION MCDANIELS TRACT RED BLUFF ESTATES	TRAVIS	Southwest
2270327	LAKECLIFF ON LAKE TRAVIS	TRAVIS LAKESIDE	TRAVIS	Southwest
2270342	CANYON RIDGE SPRINGS	CANYON RIDGE SPRINGS	TRAVIS	Southwest
2270354	BRIARCREEK SUBDIVISION	BRIARCREEK MANOR BRIARCREEK SUBDIVISION	TRAVIS	Southwest
2350005	BRENTWOOD SUBDIVISION	BRENTWOOD SUBDIVISION	VICTORIA	Southwest
2460026	SOUTH SAN GABRIEL RANCHES	SOUTH SAN GABRIEL RANCHES	WILLIAMSON	Southwest
2460046	SAN GABRIEL RIVER RANCHES	SAN GABRIEL RIVER RANCHES	WILLIAMSON	Southwest
2460064	TAL TEX	TAL TEX TONKAWA VILLAGE GREAT OAKS SUBDIVISION	WILLIAMSON	Southwest
2470022	EAGLE CREEK RANCH	EAGLE CREEK RANCH THE ESTATES AT EAGLE CREEK	WILSON	Southwest

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		PAGE
1.0	RATE SCHEDULES	8
2.0	SERVICE RULES	13
3.0	EXTENSION POLICY	20
4.0	DROUGHT CONTINGENCY PLAN	26
APPENDIX A	SERVICE AGREEMENT	
APPENDIX B	APPLICATION FOR SERVICE	

SECTION 1.0 - RATE SCHEDULES

Section 1.01 - Rates

MINIMUM MONTHLY CHARGES: *

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
5/8" x 3/4"	\$48.33
1"	\$120.83
1 1/2"	\$241.65
2"	\$386.64
3"	\$773.28
4"	\$1,208.25
6"	\$2,416.50
8"	\$3,866.40
10"	\$5,557.95
12"	\$12,082.50

CHARGES PER 1,000 GALLONS USED:

Gallonge Charge

1 to 20,000 Gallons	\$3.10
Per 1,000 Gallons Thereafter	\$4.10

Regional Pass-Through Gallonge Charge	\$1.0088
--	-----------------

* Monthly Minimum Charge for any meter size larger than 12" will be calculated using American Water Works Association ("AWWA") approved meter equivalency factors.

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

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

Cash X (if in person at designated locations), Check X, Money Order X, Credit Card X,
Electronic Billing & Payment X (See Section 2.06 – Billing)

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.

UNAFFILIATED THIRD PARTIES WHO ACCEPT AND PROCESS CASH, CREDIT
CARD, OR ELECTRONIC PAYMENTS FOR UTILITY BILLS MAY REQUIRE PAYMENT
OF AN ADDITIONAL CONVENIENCE CHARGE FOR THIS SERVICE.

Section 1.02 - Miscellaneous Fees

TAP FEE

\$900.00

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

TAP FEE (Unique Costs)

ACTUAL COST

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE A SUBDIVISION IS A UNIQUE COST. UNIQUE COSTS WILL BE DETERMINED ON A CASE-BY-CASE BASIS.

TAP FEE (Larger Meter)

ACTUAL COST

THIS TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8" x 3/4" METERS. UNIQUE COSTS, SUCH AS ROAD BORES, WILL BE CHARGED IN ADDITION TO THIS TAP FEE AT THEIR ACTUAL COST OF INSTALLATION.

RECONNECTION FEE

THE RECONNECTION 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) | <u>\$25.00</u> |
| b) Customer's request that service be disconnected | <u>\$75.00</u> |

TRANSFER FEE

\$50.00

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

LATE CHARGE

10% of BILL

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

RETURNED CHECK CHARGE

\$25.00

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

CUSTOMER DEPOSIT - RESIDENTIAL

\$50.00

CUSTOMER DEPOSIT - COMMERCIAL OR NON-RESIDENTIAL

1/6TH OF ESTIMATED
ANNUAL BILL

METER TEST FEE

\$25.00

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

METER/SERVICE RELOCATION FEE (Customer's Request) ACTUAL COST
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER
BE RELOCATED.

STANDARD METER INSTALLATION FEE \$150.00
TO BE CHARGED WHEN UNMETERED SERVICE EXISTS ON THE SYSTEM THAT
SHOULD BE METERED TO BE IN COMPLIANCE WITH THE UTILITY'S TARIFF BUT
THE CONVERSION OF THE SERVICE WOULD NOT REQUIRE A FULL TAP AND ALL OF
ITS COSTS. THIS FEE WILL BE A SHARING OF COSTS BETWEEN THE CUSTOMER
AND THE UTILITY. THE CUSTOMER MAY HAVE THE OPTION OF PAYING THE FEE
OVER NO MORE THAN THREE (3) MONTHS.

CUSTOMER SERVICE INSPECTION FEE - \$100.00
SERVICE APPLICANTS MAY CHOOSE TO HAVE CUSTOMER SERVICE INSPECTIONS
REQUIRED BY TCEQ RULE 290.46(J) PERFORMED BY ANY STATE LICENSED
INSPECTOR OF THEIR CHOICE. UNLESS THE SERVICE APPLICANT CHOOSES TO
ARRANGE FOR AND PAY FOR THE INSPECTION INDEPENDENTLY, THE UTILITY MAY
CHARGE SERVICE APPLICANTS THE CUSTOMER SERVICE INSPECTION FEE AT THE
TIME THEY APPLY FOR SERVICE. IF A RE-INSPECTION IS REQUIRED TO BRING
PLUMBING INTO COMPLIANCE WITH APPLICABLE REQUIREMENTS OR IF AN EXTRA
INSPECTION APPOINTMENT IS REQUIRED BECAUSE A CUSTOMER DOES NOT
PERMIT PERFORMANCE OF AN INSPECTION AT A PREVIOUSLY AGREED UPON
APPOINTMENT TIME, THE CUSTOMER MAY CHOOSE TO HAVE ANY STATE
LICENSED INSPECTOR OF THEIR CHOICE PERFORM THE INSPECTION. IF THE
CUSTOMER CHOOSES TO HAVE THE UTILITY PERFORM THE INSPECTION OR RE-
INSPECTION, THE CUSTOMER WILL BE CHARGED \$100.00 FOR EACH REQUIRED
INSPECTION, RE-INSPECTION OR AGREED UPON INSPECTION APPOINTMENT AND
WILL PAY THE UTILITY THE TOTAL AMOUNT OWED AT THE TIME AN INSPECTION
OR RE-INSPECTION IS PERFORMED. THE UTILITY MAY, AT ITS OPTION, INCLUDE
THE ADDITIONAL CHARGE OR CHARGES ON THE NEXT MONTH'S UTILITY BILL
RATHER THAN REQUIRING PAYMENT AT THE TIME OF THE INSPECTION OR RE-
INSPECTION. THE UTILITY MAY USE UTILITY EMPLOYEES OR MAY HAVE THE
INSPECTION PERFORMED BY A LICENSED THIRD PARTY CONTRACTOR.

ILLEGAL RECONNECTION, LOCK REMOVAL OR DAMAGE FEE - \$85.00
IN ORDER TO REIMBURSE THE UTILITY WITHOUT BURDENING OTHER CUSTOMERS
WITH HIGHER RATES FOR THE ADDITIONAL COST OF SERVICE TRIPS TO
DISCONNECT A CUSTOMER/ACCOUNT HOLDER WHO HAS BEEN DISCONNECTED
FOR NONPAYMENT AND TO PAY FOR THE COST OF BROKEN OR CUT LOCKS AND
SERVICE TIME, THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY
DELINQUENT ACCOUNT THAT HAS BEEN DISCONNECTED FOR NONPAYMENT BY
VALVING OFF, LOCKING OR REMOVING THE METER WHEN SERVICE TO THE
PREMISES IS SUBSEQUENTLY RECONNECTED BY NON-UTILITY PERSONNEL BY
CUTTING OR REMOVING THE LOCK, REOPENING THE VALVE, OR REMOVING OR
BYPASSING THE METER WITHOUT AUTHORIZATION BY THE UTILITY. THIS FEE
MAY BE CHARGED EACH TIME AN EVENT OCCURS AND SERVICE WILL NOT BE
RECONNECTED UNTIL THIS FEE IS PAID IN ADDITION TO ANY OTHER BALANCES
AND RECONNECT FEES. THIS FEE SHALL NOT BE CHARGED IF A FEE FOR A
DAMAGED METER IS CHARGED OR IF THE ACCOUNT HOLDER OR HIS/HER

REPRESENTATIVE INFORMS THE UTILITY WITHIN 24 HOURS AFTER DISCOVERING THAT SERVICE HAS BEEN RESTORED WITHOUT AUTHORIZATION OF THE UTILITY: (1) THAT SERVICE WAS RECONNECTED WITHOUT THE ACCOUNT HOLDER'S PERMISSION; AND (2) THE ACCOUNT HOLDER AGREES TO PAY FOR ALL WATER USED.

DAMAGED METER AND APPURTENANCES FEE

ACTUAL COST

THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN DISCONNECTED FOR NONPAYMENT BY VALVING OFF OR LOCKING THE METER WHEN THE METER AND/OR METER APPURTENANCES, SUCH AS AN AMR UNIT OR CURB STOP, ARE DAMAGED IN ORDER TO RESTORE WATER SERVICE TO THE ACCOUNT HOLDER'S ORIGINAL PLACE OF SERVICE REQUIRING THE UTILITY TO REPAIR OR REPLACE THEM. THE ACCOUNT HOLDER SHALL BE CHARGED THE FULL COST OF REPAIRING AND/OR REPLACING ALL DAMAGED PARTS AS THE UTILITY DEEMS NECESSARY, INCLUDING LABOR AND VEHICLE COSTS. THIS WILL INCLUDE REPLACEMENT OF VALVES OR CURB STOPS THAT HAVE HAD THEIR LOCKING EYES BROKEN OFF THE FLANGES.

GOVERNMENTAL TESTING, INSPECTION, AND COSTS SURCHARGE:

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

REGIONAL TEMPORARY WATER RATE:

UNLESS OTHERWISE SUPERSEDED BY TCEQ ORDER OR RULE, IF AQUA TEXAS IS ORDERED BY A COURT OR GOVERNMENTAL BODY OF COMPETENT JURISDICTION TO REDUCE ITS PUMPAGE, PRODUCTION, OR WATER SALES, AQUA TEXAS SHALL BE AUTHORIZED TO INCREASE ITS APPROVED LINE ITEM CHARGES PER 1,000 GALLONS USED (GALLONAGE CHARGE & REGIONAL PASS-THROUGH GALLONAGE CHARGE) BY THE AMOUNT OF THE REGIONAL TEMPORARY WATER RATE INCREASE ("RTWR") CALCULATED ACCORDING TO THE FORMULA:

$$RTWR = (((PRR)(CGC)(R))/(1-R))*((APV)/(RPV))$$

Where:

RTWR = Regional Temporary Water Rate Increase per 1,000 gallons;
R = water use reduction expressed as a decimal fraction (the pumping restriction);
CGC = current total volume charge per 1,000 gallons used (Gallorage Charge + Regional Pass-Through Gallorage Charge);
PRR = percentage of revenues to be recovered expressed as a decimal fraction; for this tariff PRR shall equal 0.5;
APV = Annual Pumped and/or Purchased volume from the most recent rate application for the system or systems where the temporary restrictions are imposed; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed; and

RPV = Annual Pumped and Purchased volume for Region from the most recent rate application; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed.

To implement the Regional Temporary Water Rate, Aqua Texas must comply with all notice and other requirements of 30 T.A.C. § 291.21(l).

REGIONAL PASS-THROUGH GALLONAGE CHARGE ADJUSTMENT:

INCREASES OR DECREASES IN COSTS, FEES, RATES AND CHARGES IMPOSED BY GOVERNMENTAL ENTITIES, WATER AUTHORITIES OR DISTRICTS HAVING JURISDICTION OVER AQUA TEXAS OR ITS OPERATIONS OR BY NON-AFFILIATED THIRD PARTY WATER SUPPLIERS OR WATER RIGHTS HOLDERS SELLING WATER OR WATER RIGHTS TO AQUA TEXAS SHALL BE PASSED THROUGH ON A REGIONAL BASIS AS A LINE ITEM REGIONAL PASS-THROUGH GALLONAGE CHARGE OR AN ADJUSTMENT TO THE EXISTING REGIONAL PASS-THROUGH GALLONAGE CHARGE USING THE FOLLOWING FORMULA:

$$NRPTGC = ORPTGC (+/-) CRPTGC$$

Where:

NRPTGC = New Regional Pass-Through Gallonage Charge;

ORPTGC = Original Regional Pass-Through Gallonage Charge from last rate application or pass-through adjustment application;

CRPTGC = Change in Regional Pass-Through Gallonage Charge; and,

$$CRPTGC = ((NVC+(VC*APV))/(RPV))/(1-WL)$$

Sum of all changes (all increases or decreases) since last adjustment in costs, fees, rates and charges divided by the Regional Pumped and Purchased Volume divided by one minus water loss;

APV = Annual Pumped and/or Purchased Volume from the most recent rate application for the system or systems where the changes in costs, fees, rates and charges occurred; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed;

RPV = Annual Pumped and/or Purchased Volume for Region from the most recent rate application; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed;

WL = Annual water loss average for Region in most recent rate application not to exceed 0.15; or water loss, not to exceed 0.15, for the most recent 12 months if more than 3 years have passed since the most recent application was filed;

NVC = Annual non-volumetric cost change = annual increases or decreases in costs, fees, rates and charges that are not based on water purchased, pumped and/or billed;

VC = Volumetric cost change = volumetric cost increases or decreases from costs, fees, rates and charges based on water purchased, pumped and/or billed.

To implement a new Regional Pass-Through Gallonage Charge, Aqua Texas shall take the following actions:

1. Prior to the beginning of the billing period in which the revision takes place, submit written notice to the TCEQ Executive Director with documentation supporting the line item Regional Pass-Through Gallonage Charge adjustment; and
2. Mail notice to affected customers separately at the beginning of the billing period or include written notice to affected customers with the billing sent out at the beginning of the billing period in which the new Regional Pass-Through Gallonage Charge becomes effective. The notice must contain: (a) the effective date of the change, (b) the then-present calculation of the line item Regional Pass-Through Gallonage Charge, (c) the new calculation of the line item Regional Pass-Through Gallonage Charge, and (d) the change in costs, fees, rates or charges to Aqua Texas prompting the adjustment to the line item Regional Pass-Through Gallonage Charge.

The notice will include the following language:

“This tariff change is being implemented in accordance with Aqua Texas’ approved Regional Pass-Through Gallonage Charge Adjustment provision to recognize (increases) (decreases) in the (costs), (fees), (rates) and (charges) imposed by (governmental entities), (water authorities) or (districts) (having jurisdiction over Aqua Texas or its operations) or (by non-affiliated third-party) (water suppliers) or (water rights holders) (selling water) or (water rights) to Aqua Texas. The cost of these charges to customers will not exceed the (increased) (decreased) cost of the (costs), (fees), (rates) and (charges) to Aqua Texas.”

The process of implementing the Regional Pass-Through Gallonage Charge Adjustment provision and the Executive Director’s review of a proposed revision to Aqua Texas’ line item Regional Pass-Through Gallonage Charge is an informal proceeding and not a contested case hearing. Only the Commission, the Executive Director, or Aqua Texas may request a hearing on the proposed revision. It shall not be considered a rate case under the Texas Water Code or TCEQ rules, and Texas Water Code § 13.187 shall not apply.

SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 - Texas Commission on Environmental Quality Rules

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

Section 2.02 - Application for and Provision of 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) and will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install a 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 ten 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. Notwithstanding any statement in this tariff to the contrary, the utility will serve each qualified applicant for service within the time limits prescribed in 30 TAC § 291.85 (a)-(b) as that rule may be amended by the TCEQ.

Where service has previously been provided, service will be reconnected within three working days 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 meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the TCEQ Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant 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 may be required to pay a deposit as provided for in Section 1.02 of this tariff. The utility will keep records of the deposit and credit interest in accordance with TCEQ Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

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

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

Section 2.05 - Meter Requirements, Readings, and Testing

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

Service 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 2.06 - Billing

Bills from the Utility will be mailed monthly unless otherwise authorized by the Commission or the customer voluntarily elects to be billed through a paperless electronic billing system which uses standard forms, protocols and conformation processes established and maintained by the utility or unaffiliated third parties providing online billing and payment services that are approved by the Utility. The due date to pay bills for utility service will be at least 21 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 or electronic mailing by the Utility or the Utility's billing service 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 processor by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

A late penalty of 10% will be charged on delinquent bills. Customer payments post marked by the due date will not incur a late penalty. 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 TCEQ Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill 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.

Cash Payments at Non-utility payment locations or Credit Card Payments – The Utility may use unaffiliated third parties to accept and process utility bill cash payments at non-utility payment locations or to accept and process utility bill credit card payments. Any charges required by the third party to accept and process such utility bill payments are the responsibility of the customer and are in addition to utility bill amounts.

Electronic Billing and Payment - A customer may voluntarily elect to be billed through a paperless electronic billing system which uses standard forms, protocols and conformation processes established and maintained by the Utility or unaffiliated third parties providing online billing and payment services that are approved by the Utility. Any charges required by the third party to process the electronic bill or payment are the responsibility of the customer and are in addition to utility bill amounts. In administering this electronic billing option, the Utility does not send the customer paper bills. Customers may sign up for electronic billing at www.aquaamerica.com. Required information that otherwise accompanies a paper bill is transmitted to the customer electronically, or an Internet link access to such information is

transmitted electronically to the customer. Any applicable disconnection notice continues to be sent to the customer via United States mail. The Utility may utilize unaffiliated third parties to electronically transmit bills to the customer. The Utility is not responsible for any loss resulting from the customer's election to receive bills electronically, including but not limited to, any loss associated with damage to the customer's computer equipment or facilities and any loss associated with a third party's unauthorized use of the customer's information. Either the Utility or customer may, upon thirty (30) days notice to the other party, terminate electronic transmission of bills without any liability to the terminating party resulting from such termination, and without affecting the customer's obligation to pay all amounts due to the Utility. In such event, the Utility will begin to issue paper bills via United States mail to the customer as soon as reasonably practical. The Utility reserves the right to determine whether or not a customer is eligible to be billed through its paperless electronic billing system. A customer that elects electronic billing, who is a combination water and sewer service customer of the Utility, will receive electronic billing for both services.

Third party charges for processing utility bill payments - Any charges required by a third party to accept or process a cash utility bill payment at a nonutility payment location, a credit card utility bill payment, or an electronic utility bill or payment are the responsibility of the customer and are in addition to utility bill amounts.

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 31 days from the date of issuance of a bill and if proper notice of termination has been given.

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

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

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

Section 2.08 - Reconnection of Service

Service will be reconnected within 36 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, except by an act of God, 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 production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TCEQ Rules or in the Texas Commission on Environmental Quality's "Rules and Regulations for Public Water Systems." The utility will not provide supply for fire prevention, fire flow, or fire fighting services as part of standard retail water utility service.

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 Texas Commission on Environmental Quality complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

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

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 TCEQ Rules to be effective.

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

All payments for utility service shall be delivered or mailed to the remittance address on the utility bill received or paid using any method described on the utility bill received. Cash payments are only accepted in person at designated payment locations as described in the utility bill received. If the utility or its authorized agent 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.

Customers shall 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 must install customer-owned and maintained cutoff valves on their side of the meter.

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

Under these conditions, additional protection shall be required at the meter in the form of a backflow prevention device (in accordance with AWWA Standards C510 and C511, and AWWA Manual M14) on those establishments handling substances deleterious or hazardous to the public health. The water purveyor need not require backflow protection at the water service entrance if an adequate cross-connection control program is in effect that includes an annual inspection and testing by a certified backflow prevention device tester. It will be the responsibility of the water purveyor to ensure that these requirements are met.

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.

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

emergencies. The utility will accept liability for any injury or damage to individuals or their property directly caused by defective utility plant facilities (e.g. leaking water lines or meters) or the repairs to or construction of the utility's facilities.

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

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

Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall have the right to appeal such costs to the TCEQ or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Tap fees may be increased by unique costs not normally incurred as may be permitted by 30 T.A.C. § 291.86(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 TCEQ rule. No meters smaller than those identified in Section 1.0 of this tariff will be connected. No pipe or pipe fitting which contains more than 8.0% lead can be used for the installation or repair of plumbing at any connection which provides water for human use. No solder or flux which contains more than 0.2% lead can be used at any connection which provides water for human use.

The utility will have the right of access to the customer's premises at all times reasonable for the purpose of installing, testing, inspecting or repairing 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. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry to identify themselves, their affiliation with the utility, and the purpose of their entry.

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

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other water 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 water lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a water main abutting the premises.

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

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

It is agreed and understood that any and all meters, water 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 meters, lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said water lines and for installation, not purchase, of said meters and lines.

Applicants for service at new consuming facilities or facilities which have undergone extensive plumbing modifications are required to deliver to the utility a certificate that their facilities have been inspected by a state-licensed inspector and that they are in compliance with all applicable plumbing codes and are free of potential hazards to public health and safety. Service may be denied until the certificate is received or any identified violations or hazards are remedied. The utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer to locate and obtain the services of a licensed inspector in a timely manner. When potential sources of contamination are identified which, in the opinion of the inspector or the utility, require the installation of a state-approved backflow prevention device, such backflow prevention device shall be installed on the customer's service line or other necessary plumbing facilities by an appropriately licensed plumber/backflow prevention device specialist at the customer's expense. The backflow prevention device shall be maintained by the customer at his expense and inspected annually by a licensed inspector. Copies of the annual inspection report must be provided to the utility. Failure to comply with this requirement may constitute grounds for termination of water service with notice.

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

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

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

Customers must make meters accessible to the utility and its personnel. If they do not, the utility may require the removal of the meter to another location according to Section 291.89(c) of the TCEQ's rules. The utility will give the customer the option of converting to a remote radio read meter at the customer's expense in lieu of bearing the cost of relocating the meter and any utility water lines necessitated by the customer's actions. If the customer does not accept this option, the customer will be charged for all incurred meter relocation costs. Before relocating the meter, the utility must provide the customer with written notice of its intent to do so.

This notice must include information on the estimated cost of relocating the meter, an explanation of the condition hindering access and what the customer can do to correct that condition, and information on how to contact the utility. The notice must give the customer a reasonable length of time to arrange for utility access so the customer may avoid incurring the relocation cost. A copy of the notice given to the customer shall be filed with the utility's records on the customer's account.

Customers shall not enclose meters with fences or other artificial barriers. If there is a fence in front of a meter, the customer shall install a gate or stile with 300 pound-load bearing capacity to enable meter readers and service crews to obtain ready access to the utility's property.

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 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.

COST UTILITY SHALL BEAR. Within its Certificate of Convenience and Necessity ("CCN") service 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.

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 Texas Commission on Environmental Quality's Rules.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY

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

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest 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 full 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.

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Commission on Environmental Quality minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Commission on Environmental Quality minimum requirements. For purposes of this tariff, 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.

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

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

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

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

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

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

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

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

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

A "qualified service applicant" is an applicant who has: (1) met all of the utility's requirements of service contained in this tariff, TCEQ rules and/or TCEQ order, (2) has made all payments for tap fees and extension charges, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary, (4) delivered an executed customer service inspection certificate to the utility and (5) has executed a customer service application for each location to which service is being requested.

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

The utility shall require a developer (as defined by TCEQ rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property. The developer shall be required to obtain all necessary easements and rights-of-way required to extend the utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by TCEQ rules and local service conditions) to and throughout the developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, well plant sites shall convey with unrestricted rights to produce water for public drinking water supply. The developer shall be required to provide the utility with a minimum of a 160-foot radius sanitary control easement or fee simple real property conveyance around the proposed well site acceptable to the TCEQ for each water well site to be located within the developer's property or otherwise being obtained to serve the developer's property. 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 production, storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by TCEQ rules. All easements shall be evidenced, at developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

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

- (a) The developer shall make a written request for service to property that is to be subdivided and developed. The developer shall submit to the utility a proposed plat on a scale of one inch (1") to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the utility may be required to cover preliminary engineering, legal and copy 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.

- (b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the utility to the developer for final plat preparation.
- (c) Copies of all proposed plats and plans must be submitted to the utility prior to their submission to the county for approval to insure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the utility so that necessary changes may be incorporated into the developer's final submitted plat(s) and plans.
- (d) The utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the developer will be so notified. Plat amendments must be obtained by the developer. The developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.
- (e) The developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual taps, meters and sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.
- (f) At the sole option of the utility, the developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions-in-aid of construction and developer reimbursements, if any.
- (g) The utility may require the developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the utility may abate its construction activities until full development construction begins. If the developer stops construction of subdivision improvements for any purpose, the utility may abate its construction for a similar period.
- (h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The developer must notify the utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in

additional delays in obtaining service to the property. The developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.

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

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

- (a) that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility; or,
- (b) that the developer defaulted on the terms and conditions of a written agreement or contract existing between the utility and the developer or the terms of this tariff regarding payment for services, extensions, or other requirements; or in the event the developer declared bankruptcy and was therefore unable to meet obligations; and,
- (c) that the residential service applicant purchased the property from the developer after the developer was notified of the need to provide facilities to the utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main, whether or not that line has adequate capacity to serve that residential service applicant.

The following criteria shall be considered to determine the residential service applicant's cost for extending service:

1. The residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution.
2. Exceptions may be granted by the TCEQ Executive Director if:
 - a. adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
 - b. larger minimum line sizes are required under subdivision platting requirements or applicable building codes.
3. If an exception is granted, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the

applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

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

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

SECTION 4.0 -- DROUGHT CONTINGENCY PLAN

(Utility must attach copy of TCEQ approved Drought Contingency Plan)

AQUA TEXAS, INC.

USER DROUGHT CONTINGENCY PLAN (UDCP)

ALL PWS Under CCN 11157 & 12902

RECEIVED

JUN 04 2007

WATER RIGHTS PERMITTING

Introduction

Aqua Texas, Inc. (Aqua Texas) has developed this User Drought Contingency Plan (UDCP) to enable it to manage its water systems and water resources during drought conditions, periods of abnormally high usage, system contamination, and extended reduction in ability to supply water due to equipment failure or other emergencies in a conscientious, fair, and appropriate manner. It is not designed to punish, stigmatize, or criticize anyone about their usage of water. Its sole intent is to maintain an adequate supply of water during the various stages of drought conditions or other water supply emergencies, which may occur from time to time and to enable Aqua Texas to comply with the requirements of a court, government agency, ground water district, wholesale provider or other authority.

Aqua Texas believes that significant reductions in water usage can be achieved through voluntary efforts by customers. Implementation of voluntary water conservation measures and conscientious water use practices are encouraged at all times, however, additional water use restrictions are required in cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure.

SECTION 1 Declaration of Policy, Purpose, and Intent

Aqua Texas, in its continuing effort to maintain an adequate supply of high quality water, has prepared this User Drought Contingency Plan (UDCP). In order to maintain supply, storage, and pressure or to comply with regulatory requirements, temporary restrictions may be necessary to limit non-essential water usage. This UDCP has been guided by TCEQ Requirements & Rules.

SECTION 2 Public Education

Aqua Texas will periodically provide customers 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 water use restrictions to be implemented in each stage. Drought plan information will be provided by:

- utility bill inserts; or,
- other direct mail notices will be provided if necessary to provide timely information.

SECTION 3 Notice Requirements

Written notice will be provided to each customer by mail or hand delivery prior to implementation or termination of each stage of the water restriction program. Notice will be mailed to each customer at least 72 hours prior to the start of new or modified water use restrictions. If notice is hand delivered, Aqua Texas will not enforce the provisions of the plan for 24 hours after notice is provided. The written notice to customers will contain the following information:

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY

CCN 11157 JUL 24 '07

APPROVED TARIFF BY SL/LF

The notice when it is necessary to move to Stage III will inform customers that violating the restrictions on sprinklers, automatic irrigations systems or use of hand held hoses may result in installation of a flow restrictor without a prior separate written notice.

SECTION 4 Violations of Mandatory Restrictions: Stage I, Stage II or Stage III

1. First violation:

Stage I or Stage II - The customer will be notified by written notice, hanging tag or letter, of their specific violation of required restrictions, reductions or for excessive usage. The customer will be provided a copy of the User Drought Contingency Plan.

Stage III - Aqua Texas may install a flow restricting device as described below without a prior written notice for violation of restrictions on sprinklers, automatic irrigation systems or use of hoses.

2. Subsequent violations:

- a. After the first written notice, Aqua Texas may install a flow-restricting device in the line to limit the amount of water that will pass through the meter in a 24-hour period. The flow restrictor may be left in the line for up to 60 days or until the wholesale provider or district requirements are ended. Aqua Texas may charge the customer for the actual cost of installing and removing the flow-restricting device, not to exceed \$50.00 for installation and \$50.00 for removal. The customer will be provided a copy of the User Drought Contingency Plan.
- b. If the customer violates the required reductions after installation of a flow restrictor, Aqua Texas may discontinue service at the meter for up to 7 days. The customer will be charged a \$50 reconnect fee for restoration of service. Further violations will result in disconnection and additional reconnect fees. When service is reconnected a flow restrictor may be installed.
- c. If a customer violates the restrictions again after having a flow restrictor installed and removed, Aqua Texas may either reinstall a flow restrictor as described in (a) above or, at its option, disconnect service for up to 7 days. When service is reconnected a flow restrictor may be installed.

SECTION 5 Exemptions or Variances

Aqua Texas may grant any customer an exemption or variance from the UDCP for good cause upon written request. A customer who is refused an exemption or variance by Aqua Texas may appeal the denial in writing to the TCEQ. Aqua Texas will treat all customers equally concerning ~~TEXAS COMMISSION ON ENVIRONMENTAL QUALITY~~ discriminate in granting exemptions and variances. No exemption or variance will be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

CCN 11157 JUL 24 '07

SECTION 6 Response Stages

APPROVED TARIFF BY LF

Unless there is an immediate and extreme reduction in an aquifer level; water availability or production; critical system capacity; or other absolute necessity to declare an emergency or severe condition, Aqua Texas will progress sequentially from Stage I through more restrictive stages. If, after a reasonable period of time, demand is not reduced enough to alleviate the conditions that initiated restrictions or to comply with restrictions required by a court, district, government agency, wholesale provider or other authority, some outdoor water use provisions in a particular Stage may be modified or further restricted or more restrictive Stages implemented as necessary to achieve the necessary reductions. In addition to restricted watering times, maximum monthly or weekly customer usage targets may be implemented and enforced in the same manner as the restrictions listed below. Notice of any modified restrictions or of a more stringent stage will be provided to customers in accordance with Section 3. In order to comply with the requirements of an underground district, wholesale provider or other authority, Aqua Texas may skip a less restrictive stage and immediately implement Stage II or Stage III.

VOLUNTARY CONSERVATION AWARENESS (VOLUNTARY RESTRICTIONS) – See Section 9 below

STAGE I – MANDATORY WATER RESTRICTIONS – See Chart on Page 5

STAGE II – MANDATORY WATER RESTRICTIONS – See Chart on Page 5

STAGE III – MANDATORY WATER RESTRICTIONS - CRITICAL STAGE – See Chart on Page 5

SECTION 7 Drought, Demand & Critical System Capacity Stage Triggers

Water System Supply Contamination or Outage: In the event of system supply contamination or system outage, Aqua Texas may immediately implement the response measures of Stage III.

Demand Based Triggers:

<u>Trigger</u>	<u>Stage I Mandatory</u>	<u>Stage II Mandatory</u>	<u>Stage III Mandatory</u>
Percent of water treatment capacity reached for 3 or more days in a week	75 %	85 %	95 %
Total daily demand as % of pumping capacity for 3 or more days in a week	75 %	85 %	95 %
Storage capacity	Storage Tank Level drops within 4 ft. of low level lock out 3 or more days in a week.	Storage does not refill prior to 6 pm or tank drops within 3 ft. of low level lock out 3 or more days in a week.	Low level lock out is reached more than once in a week.
Well Pump Runs ___ hours per day more than 3 days per week	16 hrs	20 hrs	22 hrs

Supply Based Triggers - For those systems where Aqua Texas pumps water from a ground water district or purchases water from wholesalers, the district or wholesale supplier will formally notify Aqua Texas of one or more precipitating events triggering a stage of the district or wholesaler's drought contingency plan. Upon enactment of a stage in the district, authority or wholesaler's drought contingency plan, Aqua Texas may correspondingly implement the same or equivalent stage in its service area. Aqua Texas can modify its plan to match the watering schedules, daily watering hours or other specific restrictions of a wholesaler, district or other authority if asked to do so. Aqua Texas will notify customers of any changes in days, hours or other provisions prior to enforcing provisions of the plan. When Aqua Texas must self regulate to comply with ground water permit limitations, water restrictions may be enacted to ensure compliance with permit limits.

TEXAS COMM. ON ENVIRONMENTAL QUALITY

CCN 11157 JUL 24 '07

SECTION 8 Non Drought Related Conservation Awareness

APPROVED TARIFF BY AL/LF

Aqua Texas will voluntarily perform the following actions during late Spring and Summer as an integral part of the UDCP when there is no declared drought or other water supply emergencies:

- Aqua Texas will operate its system under normal conditions.
- Aqua Texas will insure that each operator has received a copy of the UDCP.
- Aqua Texas will encourage customers to follow water conservation practices at all times.
- Aqua Texas will urge customers to water lawns on the conservation awareness schedule, avoid unnecessary and excessive watering and to keep evaporative losses to a minimum.
- Aqua Texas will seek to identify and repair leaks in a timely fashion. Customers will be encouraged to notify Aqua Texas of any known or observed leaks.

SECTION 9 Water Conservation Awareness Period – Stage I Voluntary Restrictions

Goal – 5 % Reduction in usage

Aqua Texas will encourage customers to follow the voluntarily conservation awareness practices below between May and September when not already in a declared drought or mandatory water restriction period. Customers will be notified in writing each spring that Voluntary Restrictions are in place and encouraged to follow water conservation practices.

Voluntary Practices to Reduce Water Consumption

- Follow the suggested twice weekly schedule for lawn watering with hose end sprinklers or automatic irrigation systems and water between the following times:

Midnight & 4 a.m.; 7:00 a.m.-10 a.m. & 8 p.m. to Midnight on the designated watering day.

- Water garden, trees, flowers or other landscaped areas with hand held hose, a faucet filled bucket or watering can any day between 6:00 pm – 10:00 am , but avoid unattended hoses.
- Soaker Hoses – Anywhere except lawns 8 p.m. – 10:00 a.m. any day
- Car washing with bucket or hand-held hose with automatic shut-off.
- Draw less water for bath or reduce shower time.
- Do not let water run while shaving, dish washing, brushing teeth, etc.
- Keep pools covered if not used on a daily basis.
- Use water displacement device in toilet tank.
- Install aerators on faucets.
- Utilize water reuse where possible.
- Replacement or retrofits with ultra low flow fixtures is encouraged.
- Do not use hose to wash off driveways, sidewalks, or streets. Use a broom or blower.
- Use Commercial Car Washes that Recycle Water.

TWICE WEEKLY WATERING SCHEDULE

(Applicable During Conservation Awareness or Stages I, II or III)

House # ends in 0	House # ends in 1 or 8	House # end in 2 or 5	House # ends in 3 or 6	House # ends in 4	House # ends in 7	House # ends in 9
Wednesday	Sunday	Tuesday	Monday	Tuesday	Monday	Sunday
Saturday	Wednesday	Friday	Thursday	Saturday	Friday	Thursday

PENDING TCEQ APPROVAL

SECTION 10 MANDATORY WATER RESTRICTIONS

<u>Stage I – Mandatory Restrictions</u>	<u>Stage II – Mandatory Restrictions</u>	<u>Stage III– Mandatory Restrictions</u> <u>Critical Stage</u>
Goal - 10 % Reduction	Goal - 20 % Reduction	Goal - 40 % Reduction
<p>If the triggers identified in the UDCP are met or critical system capacities are being threatened, Aqua Texas will activate Stage I. Comply with TWICE WEEKLY lawn watering schedule: DESIGNATED DAYS & HOURS ONLY</p>	<p>Whenever production or critical system capacity triggers are reached, Aqua Texas will activate Stage II measures of its UDCP. Comply with TWICE WEEKLY lawn watering schedule: DESIGNATED DAYS & HOURS ONLY</p>	<p>Whenever system failures are imminent or there are outages, Aqua Texas will activate the Stage III measures of its UDCP. TWICE WEEKLY SCHEDULE DESIGNATED DAYS & HOURS ONLY</p>
<p><u>Actions required of Customers</u></p> <ul style="list-style-type: none"> Continued water conservation practices and voluntary reductions in water use in general. Mandatory compliance with "Required Reductions" listed below. <p><u>Actions Initiated by Aqua Texas</u></p> <ul style="list-style-type: none"> Flushing is limited to dead end mains and then only to maintain water quality. Check for and promptly fix leaks. <p><u>Required Customer Restrictions</u></p> <ul style="list-style-type: none"> Automatic Irrigation Systems WATERING SCHEDULES Midnight to 4:00 a.m. 7:00 a.m.-10 a.m. & 8:00 p.m. to Midnight Hose End Sprinkler– <u>Same as above</u> <ul style="list-style-type: none"> Hand Held Hose, faucet filled bucket or watering can - Watering landscaped areas allowed <u>ANY DAY at designated hours.</u> Please avoid unattended hoses. Midnight to 10:00 a.m. 7:00 p.m. to Midnight Soaker Hoses – Landscaped areas, <u>ANY DAY</u> from: Midnight to 10:00 a.m. 8:00 p.m. to Midnight Car washing - bucket or hand-held hose with automatic shut-off; 1 time every other week, or use a commercial car wash. No washing of driveways, sidewalks, or streets. No new filling or refilling of pools, but topping off of existing pools allowed on designated days. 	<p><u>Actions required of Customers</u></p> <ul style="list-style-type: none"> Continued water conservation practices and voluntary reductions in water use in general. Mandatory compliance with "Required Reductions" listed below. <p><u>Actions Initiated by Aqua Texas</u></p> <ul style="list-style-type: none"> Flushing is limited to dead end mains and then only to maintain water quality. Check for and fix leaks promptly. <p><u>Required Customer Restrictions</u></p> <ul style="list-style-type: none"> Automatic Irrigation System WATERING SCHEDULES Midnight to 4:00 a.m. 8:00 p.m. to Midnight Hose End Sprinkler – Midnight to 4:00 a.m.; 7:00 p.m. to Midnight Hand Held Hose, faucet filled bucket or watering can - Watering landscaped areas allowed <u>ANY DAY at designated hours.</u> <u>No unattended hoses.</u> 7:00 a.m. to 10:00 a.m. 7:00 p.m. to 10:00 p.m. Soaker Hoses – Landscaped areas, <u>no lawns, ANY DAY</u> from: Midnight to 10:00 a.m. 8:00 p.m. to Midnight No washing of <u>cars</u>, driveways, sidewalks, or streets. No new filling or refilling of pools, but topping off of existing pools allowed on designated days. <p><u>Customer Consumption Limit:</u> Aqua Texas can establish a monthly customer consumption limit if necessary to ensure meeting required reduction.</p>	<p><u>Actions required of Customers</u></p> <ul style="list-style-type: none"> Continued water conservation practices and voluntary reductions in water use in general. Mandatory compliance with "Required Reductions" listed below. <p><u>Actions Initiated by Aqua Texas</u></p> <ul style="list-style-type: none"> Flushing is limited to dead end mains and then only to maintain water quality. Check for and fix leaks promptly. <p><u>Required Customer Restrictions</u></p> <ul style="list-style-type: none"> Automatic Irrigation System – <p><u>Prohibited at all times!</u></p> <ul style="list-style-type: none"> Hose End Sprinklers– <u>Prohibited always!</u> Hand Held Hose – <u>Prohibited at all times!</u> Watering Can - Landscaped areas & pot plants – ONLY DESIGNATED DAYS 7:00 a.m. to 9:00 a.m. 7:00 p.m. to 9:00 p.m. Soaker Hoses – <u>FOUNDATIONS</u> ONLY DESIGNATED DAYS 6:00 a.m. to 9:00 a.m. 7:00 p.m. to 10:00 p.m. No washing of cars, drives, streets, sidewalks. No new filling, refilling, or topping off of pools. No non-essential use, i.e., decorative fountains. Newly planted trees or shrubs <u>ANY DAY:</u> soaker bag or watering can. <p><u>Customer Consumption Limit:</u> Aqua Texas can establish a monthly customer consumption limit if necessary to ensure meeting required reduction.</p>
<p><u>Penalties or Consequences</u></p> <ul style="list-style-type: none"> Warnings for excessive consumption. Installation of flow restrictors for <u>2nd violation</u> of Stage I Restrictions. Service cutoff & reconnection fee for <u>3rd violation</u> of Stage I Restrictions 	<p><u>Penalties or Consequences</u></p> <ul style="list-style-type: none"> Warnings for excessive consumption. Installation of flow restrictors for <u>2nd violation</u> of Stage I Restrictions. Service cutoff & reconnection fee for <u>3rd violation</u> of Stage I Restrictions 	<p><u>Penalties or Consequences</u></p> <ul style="list-style-type: none"> Installation of flow restrictors for <u>1st violation</u> of Stage III Restrictions. Service cutoff & reconnection fee for <u>2nd violation</u> of Stage III Restrictions.

APPROVED TARIFF BY RA/LE

CCN 11157 JUL 24 '07



Return Signed Application to:
762 W. Lancaster Avenue
Attn: Correspondence
Bryn Mawr PA 19010 or fax to (866) 530-7560
(We must receive front and back page showing signature)

APPLICATION MUST BE COMPLETED, SIGNED AND RETURNED TO AQUA PRIOR TO SERVICE TURN ON

AQUA TEXAS, INC.
APPLICATION FOR SERVICE/SERVICE AGREEMENT

COMPANY USE ONLY:			
Dist/System: _____	Premises No. _____	W/WW/B _____	
Cust. No. _____	Sequence No. _____	Work Order No. _____	
Work Order Date ____/____/____	Date Set ____/____/____		

Name of Applicant(s): _____

(Please Print)

Social Security No. _____ Driver's License No. _____

Employer: _____ Spouse's Name: _____

Closing/Lease Date: _____ Are you _____ Buying or _____ Renting?

Service Address: _____ (Street)

_____ (City, State, Zip)

Billing Address: _____ (Street)

(If different)

_____ (City, State, Zip)

Telephones: Home: (____) _____ Fax: (____) _____ Cell: (____) _____

Is the water currently on? _____ Yes _____ No

Have you ever been an Aqua customer? _____ Yes _____ No

If Yes, at what address? _____
(Street, City, State, Zip)

PURPOSE: Aqua Texas, Inc. (Aqua) is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration and for providing water and/or sewer utility service in accordance with Texas Commission on Environmental Quality (TCEQ) rules and regulations. This service agreement is intended to notify each applicant/customer of applicable plumbing restrictions to protect the public's health and welfare and to establish the terms under which retail water and/or sewer utility service will be provided.

AGREEMENT BETWEEN AQUA AND APPLICANT/CUSTOMER:

- Each applicant must sign this agreement before Aqua will begin water service (or sewer service where applicable). In addition, when service to an existing connection has been suspended or terminated, Aqua will not reestablish service unless it has a signed copy of this agreement from the customer seeking to be reconnected and the customer has met all other lawful conditions required for the restoration of utility service.
- Aqua agrees to sell and deliver water to the applicant/customer and the applicant/customer agrees to purchase and receive water from Aqua in accordance with the rules and regulations of Aqua in its approved tariff on file with the TCEQ, the Chapter 291 Regulations of TCEQ, and any municipality within which Aqua operates.
- The applicant/customer grants Aqua the right to install the water meter and the pipe and appurtenances necessary to connect the meter on the property of the applicant/customer at a point mutually agreeable to Aqua and the applicant/customer. The applicant/customer will allow Aqua access at all reasonable times to its property and equipment located upon the applicant/customer's premises for the purpose of reading the water meter, repairing or replacing existing facilities.
- The applicant/customer will install, at his own expense, a service line from the water meter including a cutoff valve on the applicant/customer's side of the meter. The applicant/customer will be responsible for the maintenance and repair of this service line.

and will hold Aqua harmless from any claims/demands for damage to real or personal property occurring beyond the point the applicant/customer connects to the water meter.

- E. If the applicant/customer's property does not have a designated easement, the applicant/customer agrees to grant Aqua an easement/right of way for the purpose of installing, maintaining and operating such pipe lines, meters valves and any other equipment which may be deemed necessary for the provision of the utility and service to that applicant/customer. Aqua will restore the applicant/customer's property as nearly as possible to its original condition after installations or repairs. The applicant/customer agrees not to interfere with Aqua's employees in the discharge of their duties. The applicant/customer agrees not to tamper with or interfere with any of the equipment installed on the applicant/customer's premises.
- F. Applicants for water service where service has not been previously provided must submit a completed Customer Service Inspection certificate signed by a licensed inspector within 30 days after service is initiated to certify that there are no cross connections or other potential sources of contamination. Failure to submit the completed form is grounds for termination of service.
- G. The applicant/customer shall grant Aqua access to his property during regular business hours to check the applicant/customer's facilities for illegal connections, unsafe plumbing practices, or cross connections in compliance with the Chapter 290-Regulations of the TCEQ when there is reason to believe that cross connection or other potential contamination hazards exist, or after any alterations to the applicant/customer's plumbing system.
- H. If Aqua notifies a customer in writing of any cross-connection or a potential contamination hazard, the customer shall immediately remove or adequately isolate any cross-connections or potential contamination hazards. If a customer/applicant chooses to isolate a potential hazard, the applicant/customer shall, at his expense, properly install, test and maintain a backflow prevention device required by Aqua. Copies of all required testing and maintenance records shall be provided to Aqua for TCEQ review.
- I. No application, agreement, or contract for service may be assigned or transferred without the written consent of Aqua.
- J. Enforcement: If the applicant/customer fails to comply with the terms of this Service Agreement, Aqua may terminate service in accordance with the Chapter §291 TCEQ Rules. If the customer violates the "RESTRICTIONS" below or if there are potential cross connections or other potential contamination hazards that the customer refuses to immediately remove or adequately isolate, Aqua, at its option, may terminate service or install, test and maintain a backflow prevention device at the service connection. Any costs associated with the installation, testing or maintenance of a backflow device must be paid by the applicant/customer.
- K. All water will be measured and billed by meters, furnished, installed, owned and maintained by Aqua. The meter and/or connection are for the sole use of the applicant/customer to serve water to one dwelling, business or property. The applicant/customer shall not share, resell, or sub-meter water to another dwelling, business, property, etc. without the specific written authorization of Aqua and in compliance with applicable laws and regulations. All meters, water and/or sewer lines and other equipment furnished by Aqua (excepting the applicant/customer's individual service line from the point of connection to the applicant/customer's point of ultimate use) are and shall remain the sole property of Aqua. All tap charges are for the privilege of receiving retail service from Aqua, not purchase of meters or lines.

RESTRICTIONS: The following unacceptable practices are prohibited by Aqua and Chapter 290, TCEQ regulations.

- A. No direct connection between the public-drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by air-gap or an appropriate backflow prevention device.
- B. No cross connection between the public-drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
- C. No connection, which allows water to be returned to the public-drinking water supply, is permitted.
- D. No pipe or pipe-fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection, which provides water for human use.
- E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection, which provides water for human use.

LIMITATION OF PRODUCT/SERVICE LIABILITY: Public water utilities are required to deliver water to the customer's side of the meter or service connection which meets potability and pressure standards of TCEQ. Aqua will not be damaged by disruption of or fluctuations in water service whatever the cause. Aqua will not accept liability for injuries or damages to persons or property due to disruption of water service caused by: (1) acts of God (2) acts of third parties not subject to the control of the Utility if the Utility has undertaken such preventive measures as are required by TCEQ rules, (3) electrical power failures, or (4) termination of water service pursuant to its tariff and TCEQ rules.

FIRE PROTECTION: Aqua is not required by law and does not provide fire protection or fire fighting services and does not accept liability for fire-related injuries or damages to persons or properties caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. Aqua may (but is not required to) contract with individual applicants to provide water service capacities to their properties in excess of the TCEQ's domestic water system regulations so that such water volumes and pressures may be used by the applicant or local fire department (at their sole election and responsibility) for fire fighting purposes. Additional water service capacities shall be provided only in response to and according to plans and specifications prepared by the applicant's registered professional engineer. Aqua does not profess, state, warrant, guarantee, or imply that such additional water service capability is compliant with any state or local fire code or is adequate or sufficient for fire fighting.

SEWER SERVICE: Aqua only provides "sewage" collection and disposal to the public in certain areas. This service is limited to the collection, treatment and disposal of waterborne human waste from domestic activities such as washing, bathing and food preparation and does not include collection, treatment or disposal of high BOD or TSS waste that cannot be reasonably processed by Aqua's state-approved wastewater treatment within the parameters of its state and federal wastewater discharge permits. This service does not include collection and disposal of storm waters or run off waters. No run off, roof drains, grease, oil, solvent, paint, or other toxic chemical compound may be diverted into or drained into the collection system.

APPLICANT/CUSTOMER SIGNATURE: _____ **DATE:** _____



Favor de enviar la solicitud firmada a:
762 W. Lancaster Avenue
Attn: El departamento de transferencia de cuenta de cliente
Bryn Mawr PA 19010 ó al número de fax: 1-866-530-7560
(Debemos recibir el frente y la contraportada que muestra la firma)

Antes de que el servicio sea conectado llene, firme y envíe esta solicitud.

ES ACONSEJADO POR FAVOR QUE UN HONORARIO de ACTIVACION POR SERVICIO ES AÑADIDO A la CUENTA de EL PRIMER MES.

AQUA TEXAS, INC.

SOLICITUD DE SERVICIO/ACUERDO DE SERVICIO

Para USO único de la COMPAÑIA:

Dist/System: _____ Premises No. _____ W/WW/B _____

Cust. No. _____ Sequence No. _____ Work Order No. _____

Work Order Date ____/____/____ Date Set ____/____/____

Nombre del solicitante _____

(Use letra de molde)

Número de Seguro Social _____ Número de licencia. _____

Nombre del empleador: _____ Nombre del(a) esposo(a) _____

Fecha del contrato de compra/renta: _____ Esta comprando? _____ Esta rentando? _____

Dirección de la casa: _____ (número y calle)

_____ (ciudad, estado, código postal)

Dirección a donde desea que se le envíe la factura/recibo: _____ (número y calle)

_____ (ciudad, estado, código postal)

Número del teléfono de la casa: (____) _____

Número de fax: (____) _____ Número de celular: (____) _____

Tiene agua? _____ Sí _____ No

Ha sido alguna vez cliente de Aqua? _____ Sí _____ No

Si contesto sí, cuál fue la dirección? _____
(número y calle, ciudad, estado, código postal)

Propósito: Aqua Texas, Inc. (Aqua) es responsable de mantener el agua potable libre de contaminación causada por la mala construcción del sistema de plomería y de proveer el servicio de agua y/o drenaje de acuerdo con la normatividad de la Comisión de Calidad Ambiental del Estado de Texas (TCEQ). El propósito o intención de este Acuerdo de Servicio es el de notificar al solicitante o cliente de las restricciones de plomería vigentes para proteger la salud pública y establecer los terminos bajos los cuales los servicios de agua y drenaje serán proporcionados.

Acuerdo entre Aqua y el cliente:

- Cada solicitante debe de firmar el acuerdo antes de que Aqua proporcione el servicio de agua y/o drenaje. Si el servicio ha sido cortado o desconectado, Aqua no restablecerá el servicio hasta que se haya recibido otra copia de este Acuerdo firmada por el cliente que pida la restauración del servicio y hasta que el cliente haya cumplido con todos los requisitos que la ley requiere.
- Aqua proveerá y venderá agua al solicitante/cliente y el solicitante/cliente está de acuerdo en recibir y comprar agua de Aqua conforme a la normatividad de Aqua, la tarifa aprobada por TCEQ, Capítulo 291 de la Normatividad de TCEQ y la municipalidad operada por Aqua.
- El solicitante/cliente otorga el derecho a Aqua a instalar el medidor de agua, tubería y demás equipo necesario para conectar el medidor en la propiedad del solicitante/cliente en un lugar o punto de mutuo acuerdo entre ambas partes. El solicitante/cliente debe permitir al personal de Aqua el acceso, en horas hábiles, a la propiedad y al equipo instalado en la propiedad del solicitante/cliente con el propósito de leer el medidor y/o reparar o cambiar el equipo.
- El solicitante/cliente instalará, por su propia cuenta y costo, la línea de servicio del medidor de agua a la residencia incluyendo una válvula para cortar el servicio. El solicitante/cliente será responsable del mantenimiento y reparación de esta línea de servicio y no

promoverá demandas en contra de Aqua por daños y perjuicios causados a propiedad personal o inmobiliaria mas allá del punto de conexión del medidor de agua.

- E. Si la propiedad del solicitante no tiene una zona de servicio (easement), el solicitante/cliente otorgará a Aqua una zona de servicio para instalar, mantener y operar las líneas/tuberías, válvulas y cualquier equipo que sea necesario para proveer el servicio al solicitante/cliente. Aqua restaurará el área afectada a su condición original lo mejor posible una vez terminada la instalación o reparación. El solicitante/cliente estará de acuerdo en no interferir con ningún empleado de Aqua cuando este esté cumpliendo con su deber. El solicitante/cliente está de acuerdo en no alterar el equipo que esté instalado en la propiedad del solicitante/cliente.
- F. El solicitante del servicio de agua donde no haya habido este servicio con anterioridad deberá proporcionar dentro de los 30 días después de iniciado el servicio, un Certificado de Inspección de Servicio al Cliente (Customer Service Inspection) firmado por un inspector con licencia, para certificar que no existe un "cross connection" u otras formas potenciales de contaminación. Si el certificado no se recibe dentro de los 30 días, el servicio será desconectado. "Cross connection" es una conexión de una línea de agua potable con otra línea de agua de calidad desconocida; por ejemplo, agua de un pozo privado.
- G. El solicitante/cliente permitirá al personal de Aqua el acceso a su propiedad durante horas hábiles para asegurar que no existen conexiones ilegales, plomería que no cumpla con cualquier norma o "cross connections". Esto de conformidad con el Capítulo 290 de la normatividad de TCEQ siempre y cuando exista razón para creer que existe "cross connection" u otra forma potencial de contaminación o modificaciones al sistema interno de plomería en la residencia del solicitante/cliente.
- H. Si Aqua le notifica por escrito de la existencia de un "cross connection" o de otra forma potencial de contaminación, el cliente deberá de quitar o aislar dicha "cross connection" o fuente potencial de contaminación. Si el cliente elige aislar la fuente potencial de contaminación, el cliente deberá instalar, checar y dar mantenimiento a un aparato o equipo de contraflujo "backflow prevention device". Copias de todos los certificados de prueba y registros de mantenimiento deberán ser enviados a Aqua para que TCEQ los revise.
- I. Ninguna Solicitud, Acuerdo o Contrato de Servicio puede ser transferido a otro cliente sin una aprobación de Aqua por escrito.
- J. Si el solicitante/cliente no cumple con todas las cláusulas de este Acuerdo, Aqua podrá poner fin al servicio de acuerdo al Capítulo 291 de la normatividad de TCEQ. Si el cliente viola las "Restricciones" establecidas mas abajo o si existen "cross connections" u otras formas potenciales de contaminación a las cuales el cliente se niega a quitar o aislar de manera satisfactoria, Aqua podría ejercer la opción de poner fin al servicio o instalar, checar y dar mantenimiento a un equipo contra flujo en el punto de conexión. Todos los costos de instalación, pruebas y mantenimiento deberán ser cubiertos o pagados por el solicitante/cliente.
- K. Toda el agua es medida por medidores/contadores propiedad de Aqua. Aqua proveerá, instalará y le dará mantenimiento al medidor. El medidor y/o conexión es para un solo solicitante/cliente y para uso exclusivo de una sola residencia, negocio o propiedad. El solicitante/cliente no podrá compartir o revender agua a otra residencia, negocio o propiedad, etc., sin la autorización por escrito de Aqua y siempre y cuando se cumpla con la normatividad correspondiente. Todos los medidores, líneas de agua y drenaje y cualquier otro equipo de Aqua (excepto la línea del solicitante/cliente que comienza desde el punto de conexión al medidor hasta el lugar donde el cliente la usa) seguirán siendo propiedad de Aqua. Todos los cargos de conexión son costos asociados con el privilegio de comprar agua de Aqua al menudeo y no por la compra del medidor o las líneas de agua.

Restricciones: Lo siguiente está prohibido por Aqua y el Capítulo 290 de la normatividad de TCEQ.

- A. No se permite que exista una conexión directa entre el agua potable y una fuente potencial de contaminación. Cualquier fuente potencial de contaminación debe ser desconectada del sistema de agua potable o aislada con un equipo contraflujo.
- B. No se permiten las "cross connection" entre el agua potable y cualquier sistema de agua privada (por ejemplo pozo privado). Estas fuentes potenciales de contaminación para el agua potable deberán ser eliminadas en el punto de conexión a través de la instalación de un equipo contraflujo con presión reducida o con la desconexión de ambas líneas.
- C. Está prohibido que alguna conexión permita que el agua regrese al sistema de agua potable.
- D. Está prohibido que cualquier tubería o conexiones que sean instaladas o usadas para reparar líneas internas y que suministren agua para consumo humano, contengan más de 0.8% de plomo.
- E. Está prohibido el uso de soldadura que contenga más de 0.2% de plomo en la instalación o reparación de plomería que suministre agua para el consumo humano.

Limitación del producto/responsabilidad de servicio: Las compañías de agua potable deben entregar al medidor en el lado del cliente agua que cumpla con los estándares de presión y potabilidad establecidos por TCEQ. Aqua no puede ser demandado por interrupciones o fluctuaciones en el servicio de agua cualquiera que fueran las causas. Aqua no aceptará ser responsable por lesiones o daños a personas y propiedad debido a la interrupción del servicio de agua causados por: 1) actos de Dios, 2) actos de terceros no sujetos al control de la compañía de servicio público si la compañía de servicio público ha tomado medidas preventivas requeridas por la normatividad de TCEQ, 3) fallas en el suministro de energía eléctrica o 4) cancelación del servicio debido a la tarifa o normatividad de TCEQ.

Protección contra fuego: Aqua no está obligada por la ley a proveer agua para protección en contra de incendios o servicio de bomberos y no acepta responsabilidad en lesiones o daños a personas o propiedades causados por fuego/incendios. Tampoco acepta la responsabilidad de fuegos/incendios causados o agravados por la falta de agua o presión ante emergencias de fuego/incendio. Aqua podrá (mas no está obligada a) acordar con ciertos solicitantes dar servicio de agua a sus propiedades en cantidades mayores a las establecidas por la normatividad de TCEQ para que estas cantidades de agua y de presión de agua puedan ser usados por el solicitante o el departamento local de bomberos (a su completa discreción y responsabilidad) para uso en la lucha contra incendios. Las cantidades adicionales de agua serán dadas unicamente en respuesta a y de acuerdo con los planos y especificaciones preparados por un ingeniero profesional registrado. Aqua no profesa, declara, garantiza, o dice que dicha cantidad adicional de agua cumple con algún código local o estatal contra incendio o es suficiente para luchar en contra de incendios.

SERVICIO DE DRENAJE: Aqua ofrece solamente el servicio de drenaje o alcantarillado público en ciertas áreas. Este servicio es limitado a la recolección, tratamiento y eliminación de excrementos humanos y de actividades domésticas como bañarse y de la preparación de comida y no incluye la recolección, tratamiento y eliminación de desechos con concentraciones altas de DOB o SST que no puedan ser tratados por las plantas de tratamiento y afecte el cumplimiento de los parámetros de descarga establecidos en los permisos estatales y federales de descarga. Este servicio tampoco incluye la recolección o eliminación de agua pluvial. No se permite que se descargen los desagues de jardines, techos de casas, grasas, aceites, solventes, pinturas u otros compuestos químicos tóxicos en el sistema de drenaje.

Firma de applicant: _____

Fecha: _____