

for the regular or final billing is on a weekend or holiday, the due date for payment purposes shall be the next day the Corporation office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings.

15. **Rules for Disconnection of Service.** The following describes the rules and conditions for disconnection of service.

- a. **Disconnection With Notice** -- Water utility service may be disconnected for any of the following reasons after proper notification has been given.
  - 1) **Returned Checks** -- The Corporation shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the Corporation office. Redemption of the returned instrument shall be made by cash, money order, credit card or certified check. Failure to meet these terms shall initiate disconnection of service. The Corporation shall consider any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period evidence of bad credit risk. The Member/Customer in violation shall be placed on a "cash-only" basis for a period of 12 months. **NOTE:** "cash only" means certified check, money order, credit card or cash.
  - 2) Failure to pay a delinquent account for utility service or failure to comply with the terms of a deferred payment agreement (Miscellaneous Transaction Forms);
  - 3) Violation of the Corporation's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation;
  - 4) Failure of the Member to comply with the terms of the Corporation's Service Agreement, Tariff, Bylaws, or Special Contract provided that the Corporation has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification.
  - 5) Failure to provide access to the meter under the terms of this Tariff or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify.
  - 6) Misrepresentation by any Applicant or Transferee of any fact on any form, document, or other agreement required to be executed by the Corporation.
  - 7) Failure of Member to re-apply for service upon notification by the Corporation that Member no longer meets the terms of the service classification originally applied for under the original service application.
- b. **Disconnection Without Notice** -- Water utility service may be disconnected without notice for any of the following conditions:
  - 1) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a violation of the Texas Sanitation and Health Protection Law 4477-1, or there is reason to believe a dangerous or hazardous condition exists and the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (Section E. 3. d., E. 24., 30 TAC 290.46 (j) );
  - 2) Service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment; and
  - 3) In instances of tampering with the Corporation's meter or equipment, by-passing the meter or equipment, or other diversion of service. **NOTE:** Where reasonable, given the nature of the reason for disconnection, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each affected

residential unit as soon as possible after service has been disconnected.

- 4) A threat to perform or actual performance of: (a) bodily injury to any Corporation employee, agent or representative or (b) damage to any Corporation property. The display of any firearm or other weapon in a confrontational, menacing or threatening manner shall be deemed to be a threat to perform bodily injury regardless of the condition of said firearm or weapon.

c. **Disconnection Prohibited** -- Utility service may not be disconnected for any of the following reasons:

- 1) Failure of the Member to pay for merchandise or charges for non-utility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of non-utility service as a condition of service;
- 2) Failure of the Member to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
- 3) Failure of the Member to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billing;
- 4) Failure of the Member to pay the account of another Member as guarantor thereof, unless the Corporation has in writing the guarantee as a condition precedent to service;
- 5) Failure of the Member to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the Inoperative Meters subsection E. 19. of this tariff.
- 6) Failure of the Member to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Corporation is unable to read the meter due to circumstances beyond its control;
- 7) In response to a request for disconnection by an Owner/Member of rental property where the renter is billed directly by the Corporation as authorized by the owner, and the renter's account is not scheduled for disconnection under the Rules for Disconnection of Service in this Tariff.

d. **Disconnection on Holidays and Weekends** -- Unless a dangerous condition exists or the Member requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the Corporation are not available to the public for the purpose of making collections and reconnecting service. A "dangerous condition" is one creates an immediate threat to human health or safety or immediate damage to property of the Corporation, neighboring landowners or others.

e. **Disconnection Due to Utility Abandonment** -- The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the Texas Commission on Environmental Quality.

f. **Disconnection for Ill and Disabled** -- The Corporation may not discontinue service to a delinquent residential Member permanently residing in an individually metered dwelling unit when that Member establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a Member seeks to avoid termination of service under this Sub-section, the Member must have the attending physician call or contact the Corporation within sixteen (16) days of issuance of the bill. A written statement must be received by the Corporation from the physician within twenty-six (26) days of the issuance of the utility bill. The prohibition against service termination shall last sixty-three (63) days from the issuance of the utility bill or such lesser period as may be agreed upon by the Corporation and Member's physician. The Member shall enter into a Deferred Payment Agreement.

g. **Disconnection of Master-Metered Accounts** -- When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more

residential dwelling units), the following shall apply: (30 TAC SUBCHAPTER H. 291.126)

- 1) The Corporation shall send a notice to the Member as required. This notice shall also inform the Member that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.
  - 2) At least five (5) days after providing notice to the Member and at least five (5) days prior to disconnection, the Corporation shall post at notices, stating "Termination Notice" in public areas of the service complex notifying the residents of the scheduled date for disconnection of service if the Corporation can provide such notice without committing an act of trespass (civil or criminal).
  - 3) The tenants may pay the Corporation for any delinquent bill in behalf of the owner to avert disconnection or to reconnect service to the complex.
- h. **Disconnection of Temporary Service** -- When an applicant with a Temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this Tariff service may be terminated with notice.
16. **Billing Cycle Changes.** The Corporation reserves the right to change its billing cycles if the workload requires such practice. After a billing period has been changed, the billings shall be sent on the new change date unless otherwise determined by the Corporation.
  17. **Back-billing.** The Corporation may back-bill a Member for up to four (4) years (48 months) for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a Member's bill. Failure to pay the most recent six- (6) months billing will result in disconnection of service. Back-billing shall not extend beyond current Membership except in cases involving the transfer of a Membership conditioned upon payment of delinquent obligations by the Transferee, as provided in Section E. Sub-Section 6.h.
  18. **Disputed Bills.** In the event of a dispute between the Member and the Corporation regarding any bill, the Corporation shall forthwith make and conduct an investigation as shall be required by the particular case, and report the results in writing thereof to the Member. All disputes under this Subsection must be submitted to the Corporation, in writing, prior to the due date posted on said bill except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h.
  19. **Inoperative Meters.** Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless by-passed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.
  20. **Bill Adjustment Due To Meter Error.** The Corporation shall test any Member's meter upon written request of the Member. In the event the meter tests within the accuracy standards of The American Water Works Association, a test fee as prescribed in Section G of this Tariff shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months but not extending beyond current Membership except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Member shall complete a Meter Test Request Form prior to the test. (See Misc. Transaction Forms.)
  21. **Other General Service Regulations Applicable to All Members/Customers.**
    - a. All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.
    - b. 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.

- c. All non-residential customers requiring a greater than 1" meter or any customer with irrigation or fire fighting systems, must install backflow prevention devices that have been approved by the utility or its consulting engineers on each of their customer service lines.
- d. 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.
- e. 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 Corporation's Board of Directors at the next regular meeting at which such appeal can be included in the standard public notice.
- f. Tap fees shall be increased by the cost of road bores where pavement cuts are not permitted or other unique costs not normally incurred.
- g. 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 identify themselves, their affiliation with the utility, and the purpose of their entry.
- h. 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 crossover 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.
- i. 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.
- j. No application, agreement or contract for service may be assigned.
- k. All meters, water lines and other equipment furnished by the Corporation (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 Corporation, 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.

22. ***Meter Tampering and Diversion.*** For purposes of these Sections, meter-tampering, by-passing, or diversion shall all be defined as tampering with the Corporation's service equipment, by-passing the same, or other instances of diversion, such as:

- a. removing a locking or shut-off device used by the Corporation to discontinue service,

- b. physically disorienting the meter,
- c. attaching objects to the meter to divert service or to by-pass,
- d. inserting objects into the meter,
- e. and other electrical and mechanical means of tampering with, by-passing, or diverting service.

The burden of proof of meter-tampering, by-passing, or diversion is on the Corporation. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the Corporation's staff when any action regarding meter-tampering as provided for in these Sections is initiated. A court finding of meter-tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the Corporation shall be prosecuted to the extent allowed by law under the Texas Penal Code 28.03.

23. ***Meter Relocation.*** Relocation of services shall be allowed by the Corporation provided that:

- a. No transfer of Membership is involved;
- b. An easement for the proposed location has been granted to the Corporation;
- c. The Member pays the actual cost of relocation plus administrative fees, and
- d. Service capacity is available at proposed location.

24. ***Prohibition of Multiple Connections To A Single Tap.*** No more than one (1) residential, commercial or industrial service connection is allowed per meter. The Corporation may consider allowing an apartment building or mobile home/RV park to apply as a "Master Metered Account" and have a single meter (This refers to Section E. 2. c. (4)). Any unauthorized submetering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. If the Corporation has sufficient reason to believe a Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with Notice provisions of this Tariff.

25. ***Member's Responsibility.***

- a. The Member shall provide access to the meter as per service agreement. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month; and a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification to the Member, then service shall be discontinued and the meter removed with no further notice. (Section E. 3. d.)
- b. The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
  - 1) All connections shall be designed to ensure against back-flow or siphonage into the Corporation's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC 290.46)
  - 2) The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant and shall be a minimum of SDR-26 PVC pipe. (30 TAC 290.46)
  - 3) Service shall be discontinued without further notice when installations of new facilities or repair of existing facilities are found to be in violation of this regulation until such time as the violation is corrected.

- c. A Member owning more than one (1) Membership Certificate shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable as per Service Application and Agreement executed by the Member.
  - d. The Corporation's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the Corporation shall be subject to charges as determined by the Corporation's Tariff as amended from time to time by the Board of Directors.
  - e. The Corporation shall require each Member to have a cut-off valve on the Member's side of the meter for purposes of isolating the Member's service pipeline and plumbing facilities from the Corporation's water pressure. The valve shall meet AWWA standards (a ball valve is preferred). The Member's use of the Corporation's curb stop or other similar valve for such purposes is prohibited. Any damage to the Corporation's equipment shall be subject to service charges. (The Corporation may install this additional cut-off valve as a part of the original meter installation.)
26. ***Member's Responsibility for Meter Access.*** The Member shall insure that the Corporation has access to the meter at all times. No objects shall be placed on or above a meter that restricts access. No fence shall be constructed or maintained in front of a water meter. If a fence exists, the Member must either install a small service gate with unrestricted usage by the Corporation, install a permanent ladder (inverted V type of metal construction heavy enough to support a 300 lb. person) or fence out the meter three feet on each side with a road opening.
27. **Main Extension Policy.**
- a. The applicant shall be responsible for the cost of any extension(s), including looping, from existing Corporation mains determined by the Corporation's engineer to be necessary to bring adequate water utility service to meet the anticipated service demands of a new customer or of a new meter for an existing customer. August Lakes Water Supply Corporation shall be responsible for any oversizing of the main necessary to meet the service needs of other members or system reliability.
  - b. The Corporation will set meters within five (5) feet of the Corporation's main at a point as near as possible to the customer's property line consistent with ease of access to and safety and maintenance of the meter. The customer is responsible for constructing his service line from the point of water consumption to the meter. The customer shall own and maintain his own customer service line. Any leak or defect in the customer's service line must be repaired immediately in order to avoid possible contamination or hazard to the public water supply, which will result in the termination of service until remedied.
  - c. Distribution and transmission main sizes shall be determined solely by August Lakes Water Supply Corporation's engineer based upon the reasonably anticipated needs of the utility in the area to be served. **Minimum main size shall be six (6) inch diameter SDR 21 PVC or C900 0.D. for extensions within the Corporation's service area.** If larger minimum main sizes are required by TCEQ regulations or applicable municipal building codes, the larger minimum main size shall control.
  - d. **Dead End Mains.** All new water mains designed and constructed after adoption of this subsection shall be required to be constructed in a loop as to avoid dead end mains. August Lakes Water Supply Corporation's engineer shall determine final configuration. This requirement may be waived by the August Lakes Water Supply Corporation's board of directors as part of an overall plan of phased transmission and/or distribution main upgrades.
28. **Enforcement of Water Conservation Practices.** HB 1152 (78 Legislature Regular Session - 2003) empowered water supply corporations to enforce customer water conservation practices by assessing reasonable penalties in the utilities' tariffs. The Corporation's General Manager is empowered to assess the penalties provided in this tariff on customer/members who violate noticed conservation practices of the Corporation. The General Manager may take this action based upon his/her own observations or those of a Corporation director, employee, operator, contractor or other person designated by the General Manager to monitor water conservation practices and/or water rationing violations. The penalties may be appealed to the TCEQ in the same manner as provided for the appeal of new customer service costs under Texas Water Code §13.043(g). As a precondition to a TCEQ appeal of any penalty

assessed by the Corporation's General Manager, the customer/member assessed the penalty must first exhaust their rights of appeal to the Corporation's Board of Directors.

29. **Appeal of Water Conservation Penalties.** Any penalty assessed by the Corporation's General Manager for violation of the Corporation's noticed customer water conservation practices must be appealed in writing received at the Corporation's business office before the close of business on the due date of the water service bill containing the penalty or the due date stated on the written notice to the customer/member assessing the penalty if not assessed on the monthly service bill. Any appeal, notice of which is not received by the close of business on the due date, shall be deemed to be waived for untimeliness. An untimely appeal may be considered only upon a majority vote of all Directors of the Corporation.
30. **Non-Residential Master Metered Service.** When evaluating the water system capacity requirements of a state-approved public water system (PWS), under 30 TAC §§290.45(b)(1)(E) and 290.45(b)(1)(F), the TCEQ counts the number of units or individual consumption points served rather than the size of the bulk- or master-meter serving the property. The Corporation must install and maintain PWS capacities using these criteria rather than the customary rules which tie capacity to the metering point. Under 30 TAC §§290.38 – connection, 290.44(d)(4) , 291.89(a)(1)&(4), a commercial, industrial or other non-residential service applicant may apply for a single master meter to be located on the property line that will meter all water consumed on that tract. The Corporation recognizes that master-metered service applications may request two distinctly different types of service depending upon whether customer-owned public drinking water facilities will be constructed and operated on the tract. Each has unique service needs that must be addressed separately. Those two service types are:
  - a. The non-residential service applicant will take Corporation water service through a master meter and shall rely on the Corporation to deliver sufficient water pressure and volumes at all times to provide continuous and adequate potable water service to each point of usage/consumption while meeting TCEQ standards. This service shall be known as “Direct Master Metered Service.”
  - b. The non-residential service applicant will take Corporation water service through a master meter and will use that water to supply a customer-owned and -maintained public drinking water system. The service applicant shall be responsible for producing sufficient water pressure and volumes at all times to provide continuous and adequate potable water service to each point of usage/consumption while meeting TCEQ standards. This service shall be known as “Customer Facilities Master Metered Service.”
31. **Mandatory Conditions Non-Residential Master Metered Service.** The Corporation will make master metered service available to qualified non-residential service applications only under the following special conditions. These special conditions are supplemental to all other service requirements contained in this tariff:
  - a. The service applicant's customer-owned water system facilities must be designed and their construction overseen by a registered professional engineer licensed by the State of Texas. The plans and specifications for the customer-owned water system facilities must meet or exceed the minimum plant criteria of the TCEQ set forth in 30 TAC Chapter 290, Subchapter D and shall insure continued safe and pure potable domestic water being delivered to end users that meets the TCEQ's water quality standards in 30 TAC Chapter 290, Subchapter F. The service applicant's proposed customer owned water system must be approved by the TCEQ for use as a public water supply before the Corporation will begin water delivery to the designated point of delivery.
  - b. The Corporation's engineer shall review and approve the service applicant's plans and specifications for the customer-owned water system facilities. The customer-owned water system facilities must deliver potable domestic water service at all times to each point of usage or consumption at no less than 35 psi during normal conditions or at no less than 20 psi during emergency conditions. The service applicant shall be required to modify his design and/or construction, at his expense, to comply with changes identified by the Corporation's engineer to insure adequate water service throughout the applicant's property. However, the master metered service applicant shall not be required to comply with the Corporation's own minimum plant size standards unless the Corporation's engineer determines that such minimum plant standards are necessary to provide continuous and adequate service under the anticipated service conditions on the applicant's property. For illustration purposes only, the applicant will not have to comply with the Corporation's six-inch minimum line size requirement and may use three- or four inch internal distribution lines if the Corporation's engineer determines that these smaller lines will not limit adequate water distribution to each point of usage. In case a conflict between the service applicant's plans and the

Corporation's normal construction standards that cannot be reconciled by the applicant's and the Corporation's engineers, the Corporation's tariffed criteria as applied by the Corporation's engineer shall control.

- c. There shall be adequate protection installed and maintained between the Corporation's public water system and the service applicant's customer-owned water system facilities to prevent siphonage, backflow or other potential causes of contamination of the public water supply. The Corporation's engineer shall determine what type of protection shall be installed on a case-by-case basis. At a minimum, Direct Master Metered Service shall be isolated through the installation of a testable double check valve assembly down stream of the master meter. At a minimum, Customer Facilities Master Metered Service shall be isolated through the use of an air gap at the point of delivery between the service line and the customer's storage tank.
- d. Non-residential master metered service shall be delivered through any control valve, flow restricter, cut off valve determined to be necessary for that service connection to insure the safe delivery of water service in a manner that preserves the Corporation's property and has the least detrimental impact on other Corporation water customers. All such valves and control mechanism shall be installed and maintained at the service applicant's expense. The customer shall not have access to or control over such facilities; however, the service applicant and/or his representative may be present and observe all testing of the facilities.
- e. The Corporation shall only be committed and required to provide the level of service requested by the service applicant at the original time of application. If service demands increase more than 15% of the level of service demand service initially requested and paid for, the master metered customer shall be required to apply for the additional service he is using and/or needs in the future. The customer's new service request shall be subject to the rates, terms and charges in the Corporation's tariff in effect at the time of the subsequent application. There shall be no "grandfathering" of rates, fees or terms of service.
- f. Master metered service shall only be provided to the tract and to the number of points of usage in the amount requested in the original service application. If the landowner chooses to develop the property in phases or with differing water service demands at different points in time, the applicant shall make a separate application for each phase or level of service needed. If the service applicant wants to guarantee the availability of service to the entire tract, the initial service application must cover the entire tract and must identify the maximum coincidental peak demand on the Corporation's water system at full build out and water demand.
- g. Master metered service shall only be provided to a qualified service applicant for the sole purposes of:
  - 1. self service
  - 2. service to a tenant as a condition of tenancy pursuant to a written lease, a sample copy of which must be provided the Corporation
  - 3. service to an employee as a condition of their employment..

The service applicant may not deliver Corporation water to any other person or entity for compensation except under a submetering arrangement approved by the TCEQ. No act or omission by the Corporation in providing master metered service to a qualified service applicant shall ever be deemed to or any indication of consent by the Corporation to: the encroachment of its service area by another retail public utility, the surrender of any certification or service rights held by the Corporation, or a wholesale water service arrangement of any kind.



**Tariff**  
**OF**  
**AUGUST LAKES WATER**  
**SUPPLY CORPORATION**

**SECTION F.**    ***DEVELOPER, SUBDIVISION, and***  
***NON-STANDARD SERVICE REQUIREMENTS***

## **SECTION F.**

### **DEVELOPER, SUBDIVISION, AND NON-STANDARD SERVICE REQUIREMENTS**

1. ***Corporation's Limitations.*** All Applicants shall recognize that the Corporation must comply with local, state, and federal rules and regulations as promulgated from time to time, and by covenants of current indebtedness. The Corporation is not required to extend retail utility service to an applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this policy. §13.2502 of the Texas Water Code requires that notice be given herein or by publication (See Miscellaneous Transaction Forms) or by alternative means to the Developers/Applicants. (also see Section F. 11.) The Corporation has adopted a policy of publishing this statutory notice annually as well as providing individual notice to potential land developers when they inquire about water utility service.
2. ***Purpose.*** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard.
3. ***Application of Rules.*** This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section. The rules may also be altered or suspended for cause when adherence would work an unreasonable hardship on the applicant, would unnecessarily delay the extension of service to an otherwise qualified service applicant or when the service request at issue only requires the extension of existing water lines to the property line of a single residential or other low demand customer and the General Manager already knows that the Corporation has the available service capacities to meet that individual Applicant's demands. Only the Corporation's Board of Directors may alter or suspend these rules on the basis of unreasonable hardship on the applicant, would unnecessarily delay the extension of service to an otherwise qualified service applicant. The General Manager is authorized to alter or suspend the rules as applied to a single residential or low demand service Applicant.
4. ***Non-Standard Service Application.*** The Applicant shall meet the following requirements prior to the initiation of a Service Contract by the Corporation:
  - a. The Applicant shall provide the Corporation a completed Service Application And Agreement giving special attention to the item on SPECIAL SERVICE NEEDS OF THE APPLICANT.
  - b. A final plat approved by the Corporation (or one capable of being approved by the Corporation's Board of Directors at their option if the plat has not otherwise been pre-approved by the appropriate municipal or county government) showing the requested service area must accompany the application. All easements for public utility facilities of the Corporation must be clearly designated as exclusive easements of the Corporation. There may not be any overlap with roadway dedications, other public utility easements, or other property dedications. All regulatory authorities having jurisdiction over lot sizes, sewage control, drainage, right of way, streets, and other service facilities must approve the plat. Plans, specifications and special requirements of such regulatory authorities shall be submitted along with the plat. The requirement to submit an approved plat map may be waived by the General Manager, after consultation with the Corporation's consulting engineer, if the General Manager finds that the alternative maps or plats submitted will be adequate to conduct the engineering feasibility study. A certified copy of the approved plat must be filed with the General Manager within three business days of its approval by all required governmental bodies.
  - c. Applicants for single taps involving a line extension or up-sizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements. The final placement of any easements for the benefit of the Corporation shall be subject to the sole discretion of the Corporation's Board of Directors in consultation with their consulting engineer and attorney. While the developer/landowner's desires and needs shall be given due consideration, the long-term needs and service convenience of the Corporation shall control.

- d. At the time the Applicant submits the Application, a Non-Standard Service Investigation Fee (See Tariff Section G) to cover initial administrative, legal, and engineering fees shall be paid to the Corporation. This fee is to cover the costs of the engineering feasibility study, or the Corporation's first formal examination of its available service capacities and service alternatives needed to fulfill a non-standard service application. The balance of actual expenses shall be refundable to the Applicant and the Applicant shall pay any additional expenses incurred as a result of efforts by the Corporation to study service requirements of the Applicant.
- e. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property outside the area dedicated in the Corporation's Certificate of Convenience and Necessity, service may be extended, at the Corporation's sole discretion and without obligation, provided that:
  - 1) The service location is contiguous to or within one-fourth (1/4) mile of the Corporation's Certificated Service Area;
  - 2) The service location is not in an area receiving similar service from another utility; and
  - 3) The service location is not within another utility's Certificate of Convenience and Necessity.
- f. Subject to the conditions of subsection "g" of this section, the following conditions precedent shall apply, in the order presented, after the Corporation's consulting engineer has finished the engineering feasibility study and has submitted his preliminary service plan to the Board of Directors for review and approval.
  - 1) The Board of Directors shall review and consider the Non-Standard Service Investigation Report (engineering feasibility study), after notice to the Applicant, at a noticed meeting of the Board. If the Board determines that the Corporation can meet the non-standard service request, the Board shall approve the plan (of the possible alternatives) submitted by the consulting engineer that the Board deems most appropriate. This decision shall be made after due consideration of the Corporation's obligation to serve under its certificate of convenience and necessity and the impact of the service alternatives will have on the Applicant and the Corporation's existing customers. Due to the variable market for needed materials and supplies, estimates or calculations for the cost of construction of utility plant and/or upgrades that will be necessary to meet the service demands of the service application shall be good only for the date of presentation by the Corporation's engineer. Following the date of presentation, the cost of materials and supplies for construction are subject to adjustment to reflect current market prices.
  - 2) Corporation's approval of the Application after its review and approval of the Non-Standard Service Investigation Report from the Corporation's engineer shall remain in effect for a period of thirty (30) days. If the Applicant has not proceeded with each required condition precedent listed herein within the prescribed time period, the Corporation's approval shall become void and the Applicant shall have to begin the application process anew.
  - 3) Within the first ten (10) days of Corporation's approval of the Non-Standard Service Investigation Report and the selection of the acceptable service plan, the Applicant must pay all applicable membership fees at the Corporation's office by cashier's check. The payment of impact fees, inspection fees or other extension charges shall not be required at this time unless otherwise directed by the Board at the time of approval. Payment of the membership fees shall conditionally reserve an adequate supply of water to meet the domestic potable water requirements of the Applicant's proposed service location. This capacity reservation is contingent upon satisfactory completion of all other obligations imposed upon the Applicant by this tariff. If the Applicant defaults on any condition precedent listed herein, the water capacity reservation shall be forfeited and may only be reacquired by beginning the application process anew. No capacity reservation for fire flows or other non-potable domestic water utility service need shall be made merely by paying membership fees. Water service capacity for non-utility needs shall only be final when a separate contract is executed and all costs associated therewith are paid.
  - 4) Once the application is made and the investigation fee paid, all tariffed fees and extension charges are grandfathered as to that application with the exception of material and supply costs discussed

below. If the Applicant makes any material change to his service request after the Board of Directors' approval, the application is voided and all approvals and grandfathering of fees and charges are automatically withdrawn. If the Applicant fails to fully comply with any obligation imposed upon him by this subsection, the application is voided and all prior approvals and grandfathering of fees and charges are automatically withdrawn. The deadlines established in this subsection may be extended by the Corporation's Board of Directors on a case-by-case basis for good cause only at the next regular Board of Directors meeting following the expiration of the approval. Thereafter, the Applicant shall be required to make a complete new Non-Standard Service Application and begin the full application process over.

- 5) Within the first ten (10) days of Corporation's approval of the Non-Standard Service Investigation Report and the selection of the acceptable service plan, the Applicant shall pay the estimated engineering, surveying and legal fees for this application at the Corporation's office by cashier's check. Upon receipt of these fees, the Corporation's consulting engineer shall begin preparation of the complete design and construction plans. The Corporation's attorney shall begin preparation of the final non-standard service contract.
- 6) After the design and construction plans are prepared, they shall be submitted to the Corporation's Board with a copy to the Applicant. The Applicant shall be given the option of selecting the Board meeting he/she wishes to have the Board consider and approve the design and construction plans before the solicitation of construction bids. The Applicant's option period shall be sixty (60) days or until the second regular monthly Board meeting following the engineer's release of the design and construction plans, whichever is later. Once the Board has approved the design and construction plans, the Applicant must prosecute its service request on the time line of this subsection or the application shall become void. Then the Applicant must start the application process anew.
- 7) After the Board has approved the design and construction plans, it shall authorize the General Manager, in association with the engineer and attorney, to solicit construction bids. The Applicant may nominate any qualified contractor(s) to receive copies of the bid solicitation materials and notices. Unless the Corporation has had a history of poor performance or inferior construction from the Applicant's nominated contractor(s), said contractor(s) shall have any equal opportunity to receive the final construction contractor as any other bidder. Solicitation of bids shall not be required for small construction projects or lined line extensions if the Corporation can easily fulfill the construction requirements with the contractor(s) used in the routine operation of the water system. The Applicant is always entitled to have his/her project submitted to bids if they are not satisfied with relying on the Corporation's customary contractor(s); however, this is no guarantee that the Corporation's customary contractor(s) will not be the winning bidder(s).
- 8) Due to the variable market for needed materials and supplies, quotations for the cost of construction of utility plant and/or upgrades that will be necessary to meet the service demands of the service application shall be required to be firm and binding for the first thirty (30) days following submittal of a construction bid. Thereafter, the construction bid may include an adjustment provision to reflect current market prices. Any such post-submittal adjustment must be supported by written documentation justifying the change and shall be subject to approval by the Corporation's General Manager and consulting engineer. If an adjustment mechanism is included in the bid, it must be included in the final construction contract and subject to the same approvals by the Corporation's General Manager and consulting engineer.
- 9) After construction bids are received, they shall be opened at the place designated in the solicitation documents. The bids shall be evaluated by the Corporation's General Manager and consulting engineer and presented to the Board for final approval. After review and discussion in a noticed public meeting, the Board shall select the winning bid and empower the General Manager, engineer and attorney to proceed with the necessary contracts and construction.
- 10) Within the first thirty (30) days of the Corporation's selection of the winning construction bid, the Applicant must do the following:

- a. The Applicant must execute the final Non-Standard Service Contract. The final Non-Standard Service Contract may be reviewed and approved by the Corporation's Board of Directors after the 30-day approval period without adverse impact to the Applicant.
- b. The Applicant must pay all impact, inspection, taps and other tariffed fees associated with every potential service connection for which application has been made. These fees are to be paid at the Corporation's office by cashier's check.
- c. The Applicant shall fund the construction escrow account at the Corporation's designated bank. This Applicant shall deposit the full estimated cost of the construction identified by the Corporation's consulting engineer, subject to variable material and supply costs as provided herein.

g. Division of Responsibility for the Engineering, Design and Construction of the Water System Extension.

- (i) Entire Water System Extension. The Water System Extension shall be designed and constructed to provide tariffed non-standard water utility service to the Property. The Water System Extension shall be engineered and in accordance with the applicable specifications of the WSC and all governmental agencies having jurisdiction. The non-standard service requirements of the Property are set forth on Exhibit "B" attached hereto and incorporated herein for all purposes. The Water System Extension must be sized to provide continuous and adequate water service to the property based on plans for the development of the Property based on plans for the development of the Property provided to WSC by the Developer. If the property is to be developed in phases and the Developer desires the water system to be constructed in corresponding phases and such phased construction is deemed desirable and acceptable to WSC at its sole discretion, Developer shall be required to execute a separate Non-Standard Service Agreement for each development and construction phase. *The execution of one or more separate Non-Standard Service Agreement(s) will not provide to or vest in the Developer any capacity reservations or service rights for any property not expressly covered by the executed agreement(s).* The property to be covered and served under each agreement shall be clearly designated in a plat reviewed and approved by WSC's consulting engineer and Board of Directors to be appended to the agreement and incorporated therein for all purposes.
- (ii) Distribution System. At Developer's option, the water lines, service lines, meters and related portions of the distribution system infrastructure within the boundaries of the Property (Hereinafter the "Distribution System") may be engineered and designed by Developer's consulting engineer, which engineer shall be responsible for overseeing the construction of the Distribution system under the applicable rules of the Texas Commission on Environmental Quality ("TCEQ") and the Texas Board of Professional Engineers ("TBPE").
- (iii) Production System. All water production, storage, treatment, pressure, transmission outside the Property and other non-Distribution System facilities (herein after the "Production System") may be engineered and designed by WSC's consulting engineer, which engineer shall be responsible for overseeing the construction of the Distribution system under the applicable TCEQ and TBPE rules. All engineering and designs for the Distribution and Production Systems must be reviewed and approved by WSC's consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension and the commencement of any utility system construction on the property. After completion of the plans and specifications by the Developer's and WSC's consulting engineers and their approval by the WSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".

5. **Design.** The Corporation shall study the design requirements of the Applicant's required facilities prior to initiation of a Service Agreement by adopting the following schedule:

- a. Subject to Developer's election to design and construct the distribution system in Sec. 4(g) above, the Corporation's Consulting Engineer shall design all service facilities for the Applicant's requested service

within the Corporation's specifications or within certain codes and specifications of neighboring municipalities for all Non-Standard Service Applications that lie within the enforced extra territorial jurisdiction of a municipality.

- b. The Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee, provided the actual costs of the Engineer's services do not exceed the amount of the Non-Standard Service Investigation Fee allotted for engineering services. If the Applicant's services exceed the allotted fee, the Applicant shall pay the balance of engineering fees prior to commencing with the service investigation.
  - c. The Consulting Engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.
  - d. If no local authority imposes other design criteria on the Applicant's service request, the Corporation's Engineer shall design all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands, provided however, that the Corporation pays the expense of such upgrading above the Applicant's facility requirements.
6. ***Non-Standard Service Contract.*** All Applicants requesting or requiring Non-Standard Service shall enter into a written contract, drawn up by the Corporation's Attorney, in addition to submitting the Corporation's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to:
- a. All costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid.
  - b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
  - c. Equity Buy In Fee ( Impact Fees) required by the Corporation in addition to the other costs required under this Section. In the event the Corporation's Engineer, with concurrence of the Board of Directors, determines that the Applicant's development can best be served by the construction of a separate stand-alone water system, the Board may waive all or part of applicable Equity Buy In or capital recovery fees. This may occur when the Applicant pays for all of the production, storage treatment, pressure and distribution plant deemed necessary by the Corporation for all of the long term service demands of the property, including without limitation, purchased wholesale water capacity or related fees, legal and other consultant fees and/or underground water production permit fees, and no other service capacity of the Corporation shall be needed to serve that development.
  - d. Monthly Reserved Service Charges as applicable to the service request. In the event the Corporation's Engineer, with concurrence of the Board of Directors, determines that the Applicant's development can best be served by the construction of a separate stand-alone water system, the Board may waive all or part of applicable monthly reserved service charges. This may occur when the Applicant pays for all of the production, storage treatment, pressure and distribution plant deemed necessary by the Corporation for all of the long term service demands of the property, including without limitation, purchased wholesale water capacity or related fees, legal and other consultant fees and/or underground water production permit fees, and no other service capacity of the Corporation shall be needed to serve that development. The Applicant may still be charged the Corporation's cost of maintaining yet unutilized plant capacity until such time that capacity is dedicated to active service meters. The amount and method of calculation of such charges shall be negotiated and set forth in the non-standard service contract for that development.
  - e. Terms by which reserved service shall be provided to the Applicant and duration of reserved service with respect to the impact the Applicant's service request will have upon the Corporation's system capability to meet other service requests.
  - f. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for

monthly rates and Equity Buy In Fees. This shall include the waiver or repayment of Equity Buy In Fees up to but not to exceed the amount the Applicant directly pays for the production, storage treatment, pressure and distribution plant deemed necessary by the Corporation for all of the long term service demands of the property and/or other portions of the Corporation's certificated service area.

- g. Terms by which the Corporation shall administer the Applicant's project with respect to:
  - 1) Design of the Applicant's service facilities;
  - 2) Securing and qualifying bids;
  - 3) Selection of a qualified bidder for construction;
  - 4) Selection of a qualified bidder for construction;
  - 5) Execution of the Service Agreement;
  - 6) Pay all tariffed fees not heretofore paid, i.e., impact, right-of-way fees, inspection, and tap fees;
  - 7) Creation and funding of the escrow construction account;
  - 8) Dispensing advanced funds for construction of facilities required for the Applicant's service;
  - 9) Inspecting construction of facilities; and
  - 10) Testing facilities and closing the project.
- h. Terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuit in connection with the project contemplated.
- i. Terms by which the Applicant shall deed all constructed facilities to the Corporation and by which the Corporation shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.
- j. Terms by which the Applicant shall grant title or easement for right-of-ways, constructed facilities, and facility sites and/or terms by which the Applicant shall provide for the securing of required right-of-ways and sites.
- k. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

7. **Property and Right of Way Acquisition.** The Corporation shall require private right of way easements on private property for the construction of water facilities according to the following conditions:

- a. If the Corporation determines that right of way easements or facility sites outside the Applicant's property are required, the Corporation shall require the Applicant to make good faith efforts to secure easements or title to facility sites in behalf of the Corporation. All right of way easements and property titles shall be researched, validated, and filed by the Corporation at the expense of the Applicant.
- b. All facilities installed in public right of way in behalf of the Applicant, due to inability to secure private right of way easements, shall be subject to costs equal to the original cost of facility installation for those facilities in public right of ways, plus the estimated cost of future relocation to private right of ways, provided however, that funds will not be received at a later date from other sources for such relocation.
- c. The Corporation shall require an exclusive dedicated right of way on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation engineer) and title to property required for other on-site facilities. There may not be any overlap with roadway dedications, other public utility easements, or other property dedications. The Applicant must covenant that they will not

subsequently grant any future property interests that conflict with the Corporation's easements or titles.

- d. If the Applicant is subsequently found to have granted any real property interest that conflicts with the Corporation's exclusive easement and/or the utility facilities located therein, the Applicant, his heirs, successors and assigns shall bear all costs of relocating the Corporation's facilities in a relocated easement, if necessary. This obligation is deemed to be the agreed remedy for the breach of the covenant that ran with the exclusive easement granted to the Corporation as a precondition to the initial granting of utility service to the property in question.
- e. The Applicant shall grant the Corporation a separate ingress-egress easement into and across the property as a whole (the subdivision) to allow Corporation personnel to service any and all water utility plant that may be constructed, operated and maintained on the property. This latter easement shall terminate only when the last item of Corporation utility plant is permanently removed from public service.
- f. Easements and facilities sites shall be prepared for the construction of the Corporation's pipelines and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant. All costs of any kind incurred by the Corporation to bring utility service to the Applicant in sufficient quantities to comply with TCEQ rules while meeting anticipated local demand consistent with the type of development proposed by the Applicant shall be borne by the Applicant. It is the Applicant that is in the business of taking and being rewarded for the risk of real estate development, not the Corporation and its resident-customers. The Corporation shall only pay for oversizing plant meant to serve customers or future customers outside of the Applicant's property.

8. **Bids For Construction.** The Corporation's Consulting Engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge, to prospective bidders. Although the Corporation reserves the right to reject any bid or contractor, the Corporation shall generally award the contract to the lowest and best bidder in accordance with the following criteria:

- a. The Applicant shall sign the Service Contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
- b. The Contractor shall provide an adequate bid bond under terms acceptable to the Corporation;
- c. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation;
- d. The Contractor shall supply favorable references acceptable to the Corporation;
- e. The Contractor shall qualify with the Corporation as competent to complete the work, and
- f. The Contractor shall provide adequate certificates of insurance as required by the Corporation.

9. **Pre-Payment For Construction And Service.** After the Applicant has executed the Service Agreement, the Applicant shall pay to the Corporation all costs necessary for completion of the project prior to construction and in accordance with the terms of the Service Contract.

10. **Construction.**

- a. All roadwork pursuant to county and/or municipal standards (if applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.
- b. The Corporation shall, at the expense of the Applicant, inspect the facilities to ensure that Corporation standards are achieved.
- c. Construction plans and specifications shall be strictly adhered to, but the Corporation reserves the right to



change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

11. **Service Within Subdivisions** -- The Corporation's objective to provide service to any customer located within a subdivision governed by this section is strictly limited to the non-standard service specified by the Applicant. The purchaser of any lots who do not receive service because this service has not been specified or paid for by the Applicant shall have no recourse to the Corporation but may have recourse to the Applicant/Developer.

**Tariff**

**OF**

**AUGUST LAKES WATER  
SUPPLY CORPORATION**

**SECTION G.    *RATES AND SERVICE FEES***

## **SECTION G.**

### **RATES AND SERVICE FEES**

Unless specifically defined in this Tariff, all fees, rates, and charges as stated shall be non-refundable.

1. **Service Investigation Fee.** The Corporation shall conduct a service investigation for each service application submitted at the Corporation office. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted and the results reported under the following terms:
  - a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.
  - b. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant to;
    - (1) provide cost estimates of the project,
    - (2) to present detailed plans and specifications as per final plat,
    - (3) to advertise and accept bids for the project,
    - (4) to present a Non-Standard Service Contract to the Applicant, and
    - (5) to provide other services as required by the Corporation for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.)
2. **Membership Fee.** At the time the application for service is approved, a refundable Membership Fee must be paid before service shall be provided or reserved for the Applicant by the Corporation. The Membership Fee for water service is \$100.00 for each service unit.
3. **Easement Fee.** When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites in behalf of the Applicant. (see Section E. 2. c. (2), Section F. 7. a.)
4. **Installation Fee.** The Corporation shall charge an installation fee for service as follows:
  - a. **Standard Service** shall include all current labor, materials, engineering, legal, customer service inspection (if Corporation chooses to inspect), and administrative costs necessary to provide individual metered water service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed. The approved tap fees are set forth in Section 5 below. The service applicant may also be charged the actual cost of road bores and other unique costs incurred in the installation of that individual tap.
  - b. **Non-Standard Service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.
  - c. **Standard and Non-Standard Service Installations** shall include all costs of any pipeline re-locations as per Section E.1.c.(6) of this Tariff.

5. ***Capital Recovery Fee, Meter Inspection Fee, Engineering Fee, Membership Fee and Meter Installation Fee.*** In addition to the Membership Fee, each Applicant shall be required to pay an amount projected to defray the cost of up-grading system facilities to meet growth demands created by adding customers requesting standard service or to compensate the Corporation for existing capacity being dedicated or reserved for the benefit of that applicant. This fee shall be assessed immediately prior to providing or reserving service on a per service unit basis for each tap/lot and shall be assigned and restricted to the tap/lot for which the service was originally requested. If the Corporation must construct or obtain production, storage, treatment, pressure or transmission capacity to meet the anticipated service demands of the applicant and the cost of such construction exceeds the capital recovery fee for the meter determined to be necessary for that applicant, the applicant shall pay the greater of the two costs. Developers or other applicants requesting service to more than one lot/tract that will be individually metered, shall pay a capital recovery fee equal to the sum of the total number of lots to be served by the capital recovery fee for each size meter needed to serve the applicant.

**Master Metered Service:**

When evaluating the water system capacity requirements of a state-approved public water system (PWS), under 30 TAC §§290.45(b)(1)(E) and 290.45(b)(1)(F), the TCEQ counts the number of units or individual consumption points served rather than the size of the bulk- or master-meter serving the property. The Corporation must install and maintain PWS capacities using this criteria rather than the customary rules which tie capacity to the metering point. Under 30 TAC §§290.38 – connection, 290.44(d)(4) , 291.89(a)(1)&(4), a commercial, industrial or other non-residential service applicant may apply for a single master meter to be located on the property line that will meter all water consumed on that tract. The Corporation recognizes that master-metered service applications may request two distinctly different types of service depending upon whether customer-owned public drinking water facilities will be constructed and operated on the tract. Each has unique service needs that must be addressed separately. Those two service types are:

- a. The non-residential service applicant will take Corporation water service through a master meter and shall rely on the Corporation to deliver sufficient water pressure and volumes at all times to provide continuous and adequate potable water service to each point of usage/consumption while meeting TCEQ standards. This service shall be known as “Direct Master Metered Service.”
- b. The non-residential service applicant will take Corporation water service through a master meter and will use that water to supply a customer-owned and -maintained public drinking water system. The service applicant shall be responsible for producing sufficient water pressure and volumes at all times to provide continuous and adequate potable water service to each point of usage/consumption while meeting TCEQ standards. This service shall be known as “Customer Facilities Master Metered Service.”

Applicants requesting Direct Master Metered Service shall pay a capital recovery fee equal to the sum of the total number of service connections to be served by the capital recovery fee for the smallest tariffed water meter capable of adequately serving each service connection. For illustration purpose only: If a rental mobile home park (RMHP) requests a three-inch (3”) meter for bulk or master-metered water service delivered to its property line and the RMHP will use its own customer-owned distribution system to deliver water to 100 mobile home sites/pads, each of which could be adequately serviced with a ¾-inch x 5/8-inch, 10-gpm meter, the capital recover fee for the RMHP would be 100 times the capital recovery fee for a ¾-inch x 5/8-inch meter and not the capital recovery fee that would otherwise be charged for a single 3-inch meter. If a commercial business park requests a three-inch (3”) meter for master-metered water service and the park will use its own customer-owned distribution system to deliver water to four free-standing office buildings each of which could be adequately served with its own 1 ½-inch meter the capital recover fee for the park would be 4 times the capital recovery fee for a 1 ½-inch meter and not the capital recovery fee that would otherwise be charged for a single 3-inch meter.

Customer Facilities Master Metered Service shall be provided on a case-by-case basis. The Corporation’s engineer shall evaluate each service request and the manner, amount and place of requested water delivery. The Corporation’s engineer shall determine the best means of meeting the applicant’s service request within the Corporation’s available and/or feasible water service resources in the affected portion of the Corporation’s service area. The Corporation’s engineer shall determine what size master meter and service lines that will be needed to meet that applicant’s service demand. Unless the Customer Facilities Master Metered Service applicant constructs and maintains sufficient customer-owed public water system facilities to meet reasonably anticipated coincidental peak demands without requiring additional direct water flows from the Corporation, the service applicant shall pay a capital recovery fee

equal to the capital recovery fee that would be charged for Direct Master Metered Service. If the Corporation's engineer determines that there will be adequate customer-owned facilities to meet reasonably anticipated coincidental peak demands from on-site storage with pressurization by the customer, a capital recover fee shall be calculated based upon the water flow demands the Customer Facilities Master Metered Service will place on the system. This calculation shall be made separately for each application. In no event shall the capital recovery fee for Customer Facilities Master Metered Service be less than the normal commercial capital recovery fee for the size of the meter the Corporation's engineer determines should be installed. In the event the service applicant requests a meter size larger than the Corporation's engineer suggests, the minimum fee shall be based upon the requested meter size.

In the event the Corporation's Engineer, with concurrence of the Board of Directors, determines that the Applicant's development can best be served by the construction of a separate stand-alone water system, the Board may waive all or part of capital recovery fees. This shall occur only when the Applicant pays for all of the production, storage treatment, pressure and distribution plant deemed necessary by the Corporation for all of the long term service demands of the property, including without limitation, purchased wholesale water capacity or related fees, legal and other consultant fees and/or underground water production permit fees, and no other service capacity of the Corporation shall be needed to serve that development.

There shall be a \$25.00 Inspection Fee and a \$25.00 Engineering Fee paid on each new meter regardless of size. A Membership is required for each meter for which a Fee of \$100.00 shall be levied. Meter Installation (Tap) Fees shall be charged as set forth below.

**Effective August 18, 2014**, August Lakes WSC's capital recovery fee for a minimum size 1" meter is **\$10,000.00**. Other standard capital recovery fees, based upon the meter equivalents set forth in this tariff, shall be:

METER SIZE	CAP. REC. FEE	MEMBERSHIP FEE	INSPECT FEE	ENGINEER FEE	INSTALLATION FEE
5/8"x3/4"	\$N/A	\$N/A	\$N/A	\$N/A	\$N/A
3/4"	\$N/A	\$N/A	\$N/A	\$N/A	\$N/A
1"	\$10,000.00	\$100.00	\$25.00	\$25.00	\$500.00
1-1/2"	\$15,000.00	\$100.00	\$25.00	\$25.00	\$1000.00
2"	\$20,000.00	\$100.00	\$25.00	\$25.00	\$2000.00

Standard residential service to a single lot through a 3/4-inch SL meter shall be charged the normal \$10,000.00 capital recovery or impact fee.

6. ***Rights-of-Way Acquisition Fee*** – Due to customer growth and public roadway construction within the Corporation's certificated service area, the Corporation has been required (and the Board of Directors anticipates will continue to be required) to purchase or compensate owners through condemnation proceedings rights-of-way, pipeline and other easements under circumstances where the Corporation may not require the contribution of an easement as a condition of service. It is the policy of the Corporation to construct and maintain all public utility plant and facilities in, on or across private recorded easements or the Corporation's own fee-titled property. This is to insure that the Corporation shall not have to bear the cost of relocation of facilities to accommodate future roadway projects and other public works necessitating relocation of the Corporation's property.

7. ***Monthly Charges.***

- a. **Water Service Availability Charge** -- The monthly charge for metered water service includes **NO** gallons. All single family homes (manufactured or site-built) on individually owned lots or tracts, residential duplexes and residential triplexes must be individually metered and shall be deemed to be residential customers so long as the primary use of the property being served is for habitation. Any property, regardless of usage, requiring a meter in excess of one and one-half inches shall be deemed to be non-residential customers. Unless they are individually metered, all residential premises/properties having four or more living units shall be deemed to be non-residential customers.

Rates and equivalents for the Corporation's defined customer classes are as follows:

RESIDENTIAL CUSTOMERS (-0- gallons included):	
METER SIZE	MONTHLY RATE
-----	
1"	\$40.00
1 1/2"	\$100.00
2"	\$200.00

- b. **Reserved Service Charges** -- The monthly charge for each active account at a specific location for which a meter has not been installed but for which the Corporation and the Applicant have entered into agreement and/or contract for reserved service. This monthly charge shall be based on the Corporation's fixed costs to service the Applicant's dedicated facilities on a per Service Unit basis. This charge reserves service to the Applicant's real estate designated to receive service. This fee is determined on a case-by-case basis, but shall never exceed the Service Availability Charge for Metered Service on a per Service Unit basis.

In the event the Corporation's Engineer, with concurrence of the Board of Directors, determines that the Applicant's development can best be served by the construction of a separate stand-alone water system, the Board may waive all or part of applicable monthly reserved service charges. This may occur when the Applicant pays for all of the production, storage treatment, pressure and distribution plant deemed necessary by the Corporation for all of the long term service demands of the property, including without limitation, purchased wholesale water capacity or related fees, legal and other consultant fees and/or underground water production permit fees, and no other service capacity of the Corporation shall be needed to serve that development. The Applicant may still be charged the Corporation's cost of maintaining yet unutilized plant capacity until such time that capacity is dedicated to active service meters.

The amount and method of calculation of such charges shall be negotiated and set forth in the non-standard service contract for that development.

- c. **Gallonge Charge** - In addition to the Service Availability Charge, a gallonge charge shall be added at the following rates for usage during any one (1) billing period.

(1) **Residential Customers** - \$1.55 per 1,000 gallons for the first 20,000 gallons metered, \$2.05 per 1000 gallons for all gallons thereafter metered.

- d. **TCEQ Gross Receipts Assessment.** The Corporation shall, as required by Section 5.235, Water Code of the State of Texas, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water or wastewater service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G.6. Monthly Charges of this tariff. (30 TAC 291.76 d.(3) (i))

8. **Late Payment Fee.** Penalty of 10% on account billings shall be applied. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period.
9. **Owner Notification Fee.** The Corporation may, at the expense of the Member, notify said Member of a renter/lessee delinquent account status prior to disconnection of service. The Owner Notification Fee shall be \$10.00 per notification. (See Miscellaneous Transaction Forms.)
10. **Mortgagee/Guarantor Notification Fee.** The Corporation shall assess a fee of \$10.00 for each notification to a Membership lien-holder under agreement prior to Membership cancellation. (See Miscellaneous Transaction Forms.)
11. **Returned Check Fee.** In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument

is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$30.00. (see Miscellaneous Transaction Forms) If two or more checks are returned within any twelve-month period, the customer shall be required to make future payments in cash or by money order for a period of twelve months.

12. **Reconnect Fee.** If a customer voluntarily terminates their service or fails to restore it within 45 days after disconnection for other causes and seeks to restore that service at the same location within 12 months of the initial termination, the customer shall be required to pay a service fee equal to the Service Availability Charge above for their meter size and customer class for each month their service was inactive. If the service is inactive for more than 12 months and the same customer seeks to restore that same service at the same location, they shall pay the standard field service charges. For purposes of this tariff, the customer shall be deemed to be the same person or entity if they are a beneficial recipient of the utility service even if the request for service is in the name of another individual. Falsification of a service application or other information provided to the Corporation concerning the beneficial recipients of utility service shall be grounds for termination or refusal of service.

13. **Field Service Charges.**

- a. Disconnect for non-payment, bad checks or tampering -- \$40.00
- b. Reconnect fees after disconnection for non-payment: -- During business hours -- \$40.00

All collections for reconnection of service shall be made at the Corporation's business office during regular office hours. All reconnections will be scheduled for the date of receipt of payment for such reconnection.

14. **Equipment Damage Fee.** If the Corporation's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions. This fee shall be charged and paid before service is re-established. Removal of any locking device without authorization from the Corporation's General Manager shall be deemed to be damage by tampering. Removal of a locking device or subsequent acts of tampering, bypassing or diversion shall result in the meter being pulled. If the Corporation's equipment has not been damaged, a fee equal to the greater of: (a) the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority or (b) the applicable field service charge in Section 12 above shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Member. **IF THE CORPORATION'S FACILITIES OR EQUIPMENT HAVE BEEN DAMAGED DUE TO NEGLIGENCE OR UNAUTHORIZED USE OF THE CORPORATION'S EQUIPMENT, RIGHT-OF-WAY, OR METER SHUT-OFF VALVE, OR DUE TO OTHER ACTS FROM ANY SOURCE OR BY ANY PERSON OR ENTITY ON THE MEMBER'S PROPERTY THROUGH WHICH THE CORPORATION INCURS LOSSES OR DAMAGES, THE MEMBER SHALL BE LIABLE FOR ALL LABOR AND MATERIAL CHARGES INCURRED AS A RESULT OF SAID ACTS OR NEGLIGENCE.**

15. **Customer History Report Fee.** A fee of \$10.00 shall be charged to provide a copy of the Member's record of past water purchases in response to a Member's request for such a record. If the Member has a *bona fide* billing dispute with the Corporation, which may be resolved by the production of a Customer History Report, no charge will be made for the first report. The fee shall apply to all subsequent reports.
16. **Meter Test Fee.** The Corporation shall test a Member's meter upon written request of the Member. Under the terms of Section E of this Tariff, a charge of the greater of \$25.00 or the invoiced cost of making the test shall be imposed on the affected account. The fee must be prepaid. If the meter is determined to be inaccurate, the fee shall be refunded.
17. **Transfer Fee.** An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of \$40.00. A transfer fee shall apply whenever a new account is activated but service was never terminated at the meter.
18. **Membership Certificate Copy Fee.** A fee of \$10.00 will be charged to provide a duplicate copy of the Membership Certificate.
19. **Non-Disclosure Fee.** A fee of \$5.00 shall be assessed any customer requesting in writing that personal information

under the terms of this tariff not be disclosed to the public.

20. **Information Disclosure Fee.** All public information except that which has been individually requested as confidential shall be available to the public for a fee to be determined by the Corporation based on the level of service and costs to provide such information, but not to be inconsistent with the terms of the Texas Open Records Act: Chapter 552, Texas Government Code.
21. **Franchise Collection fee.** A fee of equal to the level of franchise tax paid on all gross receipts from that customer will be collected from customers located inside the corporate limits of a city that imposes a franchise tax.
22. **Other Office Service Fees.**
  - a. **Meter Re-read Fee.** In the event the member/designee requests that a meter be re-read for any reason and the new reading verifies that the initial reading taken by the Corporation was correct, a fee of \$25.00 shall be charged for the additional reading. Prepayment of the fee is required. If the initial reading was incorrect, the collected fee shall be refunded.
  - b. **Service Call Fee.** In the event a member/designee requests a service of the Corporation which is clearly not the responsibility of the Corporation or to investigate a service problem located on the customer's service line or plumbing on the customer's side of the meter or a meter re-read and the original reading was found to be correct, a service charge of \$25.00 shall be imposed.
  - c. **Meter/Tap Relocation Fee.** Relocation of a tap or meter at a member/customer's request shall be made at the cost of installation (\$500.00), provided that the property to which the tap or meter is to be relocated is owned by the member/customer making the request.
  - d. **Locked Meter Charge.** The Corporation shall lock, at the request of a member/customer, the meter at the location where an active membership is serviced. A fee shall be charged of \$15.00 for unlocking the meter during regular field service hours.
23. **Other Service Fees.** All services outside the normal scope of utility operations which the Corporation may be compelled to provide at the request of a customer or Member shall be charged to the recipient based on the cost of providing such service.
24. **Penalties for Violation of Water Conservation Practices.** HB 1152 (78 Legislature Regular Session - 2003) empowered water supply corporations to enforce customer water conservation practices by assessing reasonable penalties in the utilities' tariffs. Pursuant to the Act, the Corporation adopts the following penalties for violations of noticed water conservation practices and water rationing restrictions:

All penalties are based upon each noticed drought or water conservation-causing event. Each time all involuntary water use restrictions are lifted, a new cycle begins and each customer/member has a violation count of zero -0-.



For Violations of Outside Watering Usages:

First offense	—	written notice
Second offence —		\$10.00
Third offence	—	\$25.00
Subsequent offenses	—	\$50.00

For violations of directive to reduce percentage usage up to 30,000 gallons consumption (residential)

First offense	—	written notice
Second offence —		\$10.00
Third offence	—	\$15.00
Subsequent offenses	—	\$20.00

For violations of directive to reduce percentage usage over 30,000 gallons consumption (residential)

First offense	—	written notice
Second offence —		\$20.00
Third offence	—	\$50.00
Subsequent offenses	—	\$70.00

For violations of directive to reduce percentage usage (non-residential)

First offense	—	written notice
Second offence —		\$20.00
Third offence	—	\$50.00
Subsequent offenses	—	\$70.00

**Tariff**

**OF**

**AUGUST LAKES WATER  
SUPPLY CORPORATION**

**SECTION H.**

**EMERGENCY WATER DEMAND MANAGEMENT PLAN  
AND EMERGENCY RATIONING PROGRAM**

## **SECTION H.**

# **EMERGENCY WATER DEMAND MANAGEMENT PLAN** **AND EMERGENCY RATIONING PROGRAM**

### **1. INTRODUCTION**

The goal of this plan is to cause a reduction in water use in response to emergency conditions so that the water availability can be preserved. Since emergency conditions can occur rapidly, responses must also be enacted quickly. This plan has been prepared in advance considering conditions that will initiate and terminate the rationing program.

A Conservation Committee consisting of two Board Members and the System Manager will monitor usage patterns, public education efforts and make recommendations to the Board on future conservation efforts. The Committee will develop public awareness notices, bill stuffers, and other methods that will begin and continue as a constant type of reminder that water should be conserved at all times, not just during an emergency. This Committee will review and evaluate any needed amendments or major changes due to changes in the WSC service area population, distribution system or supply. This review and evaluation will be done on a regular basis of five years unless conditions necessitate more frequent amendments.

The Corporation adopts the following priorities in the distribution of available water resources:

- a. Domestic indoor water usage only for drinking, bathing, cooking, hygiene, etc.
- b. Domestic indoors water usage *plus* livestock and domesticated animals.
- c. Domestic indoors water usage *plus* livestock and domesticated animals *plus* a reasonable amount of outdoor usage, i, e, car washing, watering house foundations, flower beds with drip or leaky pipe irrigation
- d. Domestic indoors water usage *plus* livestock and domesticated animals *plus* a reasonable amount of outdoor usage defined above *plus* spray irrigation of lawns and residential yards not to exceed one-third acre
- e. Domestic indoors water usage *plus* livestock and domesticated animals *plus* a reasonable amount of outdoor usage defined above *plus* spray irrigation of commercial properties, ball fields, parks and residential yards exceeding one-third acre

Water rationing restrictions are automatically waived during emergencies such as fire fighting or a situation endangering human life.

Water rationing will be implemented according to the three stages of rationing as imposed by the Board. The next section describes the conditions, which will trigger these stages.

### **2. TRIGGER CONDITIONS**

- a. **Stage I - Mild Condition:** Stage I may be implemented when one or more of the following conditions exist:
  1. Water consumption has reached 80 percent of daily maximum supply for three (3) consecutive days.
  2. Water supply is reduced to a level that is only 20 percent greater than the average consumption for the previous month.
  3. There is an extended period (at least eight (8) weeks) of low rainfall and daily use has risen 20 percent above the use for the same period during the previous year.

- b. **Stage II - Moderate Conditions:** Stage II rationing condition may be implemented when one of the following conditions exists:
  - 1. Water consumption has reached 90 percent of the amount available for three consecutive days.
  - 2. The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days or as may otherwise be indicated in the Corporation's approved drought management plan.
- c. **Stage III - Severe Conditions:** Stage III rationing conditions may be implemented when one of the following four conditions exist:
  - 1. Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of 24 hours or longer.
  - 2. Water consumption of 95 percent or more of the maximum available for three (3) consecutive days.
  - 3. Water consumption of 100 percent of the maximum available and the water storage levels in the system drop during one 24-hour period.
  - 4. Other unforeseen events that could cause imminent health or safety risks to the public.

### 3. **STAGE LEVELS OF RATIONING**

The stage levels of rationing are to be placed in effect by the triggers in Section B. The System shall institute monitoring and enforce penalties for violations of the Rationing Program for each of the Stages listed below. Rationing may be implemented system-wide or in limited areas as needed. The rationing measures are summarized below.

- a. **Stage I - Mild Conditions**
  - 1. Alternate day, time of day, or limiting of time restrictions (or combination thereof) for outside water usage allowed. The Corporation shall notify Customers what restriction(s) is in effect.
  - 2. The system should reduce flushing operations.
  - 3. Encourage reduction of water use through the notice on bills or other method.
- b. **Stage II - Moderate Conditions**
  - 1. All outside water use is prohibited (except for livestock).
  - 2. Make public service announcements as conditions change via local media (TV, radio, newspapers, etc.).
- c. **Stage III - Severe Conditions**
  - 1. All outside watering prohibited and the system may also prohibit livestock watering by notice.
  - 2. Water use will be restricted to a percentage of each member's prior month's usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
  - 3. Corporation shall continue enforcement and educational efforts.
  - 4. Corporation shall maximize its efforts to reduce line loss and unaccounted for water usage.

## ADDITIONAL SERVICE RESTRICTIONS

- a. **Rationing Due to Coincidental Peak Capacity Restrictions.** Where changes in customer demands exceed the installed capacity of the Corporation's distribution system to deliver continuous and adequate service in excess of 35 psi at each service connection at all times of coincidental peak demand, the Corporation may implement Stage I water rationing for only those customers or that portion(s) of the distribution system affected by these capacity limitations. The available water service capacities shall be allocated, on a case-by-case basis, according to the priority of uses established in this chapter. The preferred method of rationing, to the extent possible, shall be limitations on time and days of water usage with minimal usage of spray irrigation. The goal of these limitations will be to allow every affected customer to receive all the water they reasonably need over differing periods to reduce coincidental peak demands on the affected distribution system. Limited area water rationing of this type is not a substitute for good service and may only be used until adequate service capacities can be added to the system.
- b. **Contractual Rationing.** The Corporation may contract with non-residential customers to limit their time of usage for irrigation purposes to specific days and specific times. Such contracts shall be enforceable by the installation of flow restrictors or demand meters and/or service termination for repeat (2 or more) violations.

## 5. INITIATION AND TERMINATION PROCEDURES

Once a trigger condition occurs, the Corporation, or its designated responsible representative, shall, based on recommendation from the Chairperson of the Conservation Committee, decide if the appropriate stage of rationing shall be initiated. The initiation may be delayed if there is a reasonable possibility the water system performance will not be compromised by the condition. If rationing is to be instituted, written notice to the customers shall be given.

Written notice of the proposed rationing shall be mailed or delivered to each affected customer, and placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:

- a. The date rationing shall begin,
- b. The expected duration,
- c. The stage (level) of rationing to be employed,
- d. Penalty for violations of the rationing program, and
- e. Affected area to be rationed.

A sample Customer Notice of rationing condition is included in Miscellaneous Transaction Forms of this tariff.

If the rationing period extends 30 days then the Chairperson of the Conservation Committee or manager shall present the reasons for the rationing at the next scheduled Board Meeting and shall request the concurrence of the Board to extend the rationing period.

When the trigger condition no longer exists then the responsible official may terminate the rationing provided that such an action is based on sound judgment. Written notice of the end of rationing shall be given to customers. A rationing period may not exceed 60 days without extension by action of the Board.

**6. PENALTIES FOR VIOLATIONS**

For the first violation of a rationing provision a written warning shall be issued. The Corporation may install a flow restrictor in the customer's service line for the second violation. The cost of this shall be the actual cost to do the work and not exceed \$100.00.

For subsequent violations, the Corporation may terminate service for up to 7 days and charge for the service call to restore service. These provisions apply to all customers of the Corporation.

**7. EXEMPTIONS OR WAIVERS**

The System may grant exemptions or waivers for individuals that can demonstrate just cause for outside or other use of water other than permitted by this Rationing Program. Some examples may include no other source for livestock, for business purposes, for other planned construction or improvement already in progress, etc.

**8. IMPLEMENTATION**

The Board shall establish a Conservation Committee by Resolution, the chairperson, of which, will be the responsible representative to make Emergency Water Management actions. This committee should also review the procedures in this plan annually so that modifications can be made to accommodate system growth.

The provisions which affect customers in this Plan were adopted by the Board. These procedures will be put into effect by the Board or its designated representative.

**Tariff**

**OF**

**AUGUST LAKES WATER  
SUPPLY CORPORATION**

**SAMPLE APPLICATION PACKET**

CORPORATION USE ONLY	
Date Approved	
Service Classification	
Cost	Work Order Number
Eng. Update	
Account Number	
Service Inspection Date	

## SERVICE APPLICATION AND AGREEMENT

Please Print: \_\_\_\_\_ DATE \_\_\_\_\_

APPLICANT'S NAME \_\_\_\_\_

CO-APPLICANT'S NAME \_\_\_\_\_

CURRENT BILLING ADDRESS:

FUTURE BILLING ADDRESS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PHONE NUMBER - Home (\_\_\_\_) \_\_\_\_ - \_\_\_\_ Work (\_\_\_\_) \_\_\_\_ - \_\_\_\_

PROOF OF OWNERSHIP PROVIDED BY \_\_\_\_\_

DRIVER'S LICENSE NUMBER OF APPLICANT \_\_\_\_\_

LEGAL DESCRIPTION OF PROPERTY (Include name of road, subdivision with lot and block number)

\_\_\_\_\_

PREVIOUS OWNER'S NAME AND ADDRESS (If transferring Membership)

\_\_\_\_\_

\_\_\_\_\_

ACREAGE \_\_\_\_\_ HOUSEHOLD SIZE \_\_\_\_\_

NUMBER IN FAMILY \_\_\_\_\_

SPECIAL SERVICE NEEDS OF APPLICANT: \_\_\_\_\_

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY. A MAP OF SERVICE LOCATION REQUEST MUST BE ATTACHED.

\_\_\_\_\_  
Signature Applicant

\_\_\_\_\_  
Signature Co-Applicant



AGREEMENT made this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between August Lakes Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the corporation) and \_\_\_\_\_, (hereinafter called the Applicant and/or Member):

The Corporation shall sell and deliver water service to the Applicant and the Applicant shall purchase, receive, and/or reserve service from the Corporation in accordance with the bylaws and tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies, including payment of a Membership Fee, the Applicant qualifies for Membership as a new applicant or continued Membership as a transferee and thereby may hereinafter be called a Member. The Member shall have all rights duties and responsibilities of membership under the Corporation's articles and by-laws and, by the act of making application for service and membership agrees to abide by and be bound by all terms, conditions and provisions of the same without exception, waiver, reservation or exclusion

The Member shall pay the Corporation for service hereunder as determined by the Corporation's tariff and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which Member acknowledges receipt hereof by execution of this agreement. A copy of this agreement shall be executed before service may be provided to the Applicant.

The Board of Directors shall have the authority to discontinue service and cancel the Membership of any Member not complying with any policy or not paying any Corporation fees or charges as required by the Corporation's published rates, fees, and conditions of service. At any time service is discontinued, terminated or suspended, the Corporation shall not re-establish service unless it has a current, signed copy of this agreement.

If this agreement is completed for the purpose of assigning utility service as a part of a rural domestic water system loan project contemplated with the Rural Development, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining

- a. The number of taps to be considered in the design and
- b. The number of potential ratepayers considered in determining the financial feasibility of constructing
  - 1) a new water system or
  - 2) expanding the facilities of an existing water system.

The Applicant hereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporation's policies, shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee. Applicant further agrees to pay, upon becoming a Member, the monthly charges for such service as prescribed in the Corporation's tariff. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$500.00 as liquidated damages to defray any losses incurred by the Corporation. If delivery of service to said location is deemed infeasible by the Corporation as a part of this project, the Applicant shall be denied

Membership in the Corporation and the Indication of Interest Fee, less expenses, shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fees.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter is for the sole use of the Member or customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) or hoses to transfer utility service from one property to another, to share, resell, or submeter water to any other persons, dwellings, businesses, or property, etc., is prohibited. Customer shall not connect, or allow any other person or party to connect, onto any water lines or hoses on his premises. Except in cases where the customer has a contract with Corporation for reserve or auxiliary service, no other water service will be used by the Customer on the same installation in conjunction with Corporation's service, either by means of a cross-over valve or any other connection.

The Corporation shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Member's premises at all reasonable and necessary times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the Member's property. The Member shall install at their own expense any necessary service lines from the Corporation's facilities and equipment to the point of use, including any customer service isolation valves, backflow prevention devices, clean-outs, and other equipment as may be specified by the Corporation. The Corporation shall also have access to the Member's property for the purpose of inspecting for possible cross-connections and other undesirable plumbing practices.

The Corporation is responsible for protecting the drinking water supply from contamination or pollution that could result from improper plumbing practices. This service agreement serves as notice to each customer of the plumbing restrictions that are in place to provide this protection. The Corporation shall enforce these restrictions to ensure the public health and welfare. The following undesirable plumbing practices are prohibited by state regulations:

- a. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices must be in compliance with state plumbing codes.
- 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 proper installation of an air gap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.
- c. No connection, which allows condensing, cooling or industrial process 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 on or after July 1, 1988, at any connection that provides water for human consumption.

- e. No solder or flux that contains more than 0.2 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection that provides water for human consumption.
- f. No plumbing fixture is installed which is not in compliance with a state-approved plumbing code.

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises are connected to the public water system. The Member shall allow his property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours.

The Corporation shall notify the Member in writing of any cross-connections or other undesirable plumbing practices that have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable plumbing practice on their premises. The Member shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation as required. Failure to comply with the terms of this service agreement shall cause the Corporation to either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Member.

In the event the total water supply is insufficient to meet all of the Members, or in the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program as specified in the Corporation's Tariff. By execution of this agreement, the Applicant hereby shall comply with the terms of said program.

Customer shall be liable for any damage or injury to Corporation-owned property or personnel shown to be caused by the customer his invitees, his agents, his employees, or others under his control. By accepting service under this agreement, customer agrees to take no action to create a health hazard or otherwise endanger, injure, damage or threaten Corporation's plant, its personnel, or its customers. Failure to comply this provision shall be grounds to terminate customer's service without notice.

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 ("TCEQ"). Corporation will not accept liability for any injury or damage to individuals or to their properties occurring on the customer's side of the meter when the water delivered meets these state standards. Corporation makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruption of or fluctuations in water service whatever the cause. Corporation will not accept liability for injuries or damages to persons or property due to disruption of water service caused by: (1) acts of God or other natural causes outside of the Corporation's control, (2) acts of third parties not subject to the Corporation's control, (3) electrical power outages, or (4) termination of water service pursuant to Corporation's tariff, TCEQ rules or statutes. By execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by Corporation or like contractors, tampering by other Member/users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

Corporation is not required by law and does not provide fire prevention or fire fighting services. Corporation 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. Corporation may (but is not required to) contract with individual customers/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 customer/applicant or local fire department (at their sole election and responsibility) for fire fighting purposes. Such additional water service capacities shall be provided only in response to and according to design criteria and/or plans prepared by the customer/applicant's registered professional engineer. Notwithstanding any understanding or intent of such customer/applicant for the use of such excess water service capacity, Corporation does not profess, state, warrant, guarantee, or imply that such additional water service capacity is, or shall ever be, adequate or sufficient for fire fighting. Corporation neither possesses nor claims to possess knowledge or expertise in fire fighting or the requirements of fire fighting. No statement or action of Corporation shall ever be implied or meant to suggest that any facilities of Corporation comply with any state or local fire code.

Corporation has adopted the Uniform Plumbing Code. All customer-owned plumbing, service extensions and/or new facilities shall comply with that code and all standards established by the TCEQ. Where conflicts arise, the more stringent standard must be followed. 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 applicable regulatory authorities and with the service rules and regulations of Corporation. The Customer will bring out his service line to his property line at a point designated by the Corporation. No water service smaller than 5/8" will be connected. The Customer shall install and maintain a cut-off valve on the Customer side of the meter and within three (3) feet of the meter. If the Customer desires water at a lower pressure than that which is delivered at the meter and such delivery pressure does not exceed any TCEQ rule or order pressure standard, the Customer will install, at the Customer's expense, the equipment necessary for such reduction in pressure. It shall be the Customer's responsibility to maintain such equipment in good repair and working order.

It is agreed and understood that any and all meters, water lines and other equipment furnished by Corporation (excepting the Customer's individual service line from the point of connection to the Customer's point of ultimate use) is and shall remain the sole property of Corporation and nothing contained herein shall be construed to reflect a sale or transfer of any such meters, lines or equipment to any customer. All tap charges shall be for the privilege of connecting to said water lines and for installation, not purchase, of said meters and lines.

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

It is possible that Member and Corporation will enter into an additional contract(s) pertaining to water service at this location. Any such contract shall be in addition to this Application. Nothing therein will negate any provision of this Application.

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

By execution hereof, the Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of service under the terms and conditions of the Corporation's tariff.

By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation. Any misrepresentation of the facts by the Applicant on any of the pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

\_\_\_\_\_  
Applicant Member

\_\_\_\_\_  
Co-Applicant Member

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

RIGHT OF WAY AND UTILITY EASEMENT  
(Location of Easement Required)

KNOW ALL MEN BY THESE PRESENTS, That \_\_\_\_\_,  
(hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by August Lakes Water Supply Corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install and lay and thereafter use, operate, inspect, repair, maintain, replace, and remove public utility pipelines and such other utility plant as may be necessary to provide continuous and adequate service to the affected property and the Grantee's service area over and across \_\_\_\_\_ acres of land, more particularly described in instrument recorded in Vol. \_\_\_\_\_, Page \_\_\_\_\_, Deed Records, \_\_\_\_\_ County, Texas, together with the right of ingress and egress over Grantors' adjacent lands for the purpose for which the above mentioned rights are granted. **This easement shall be exclusive to the Grantee.** The easement hereby granted shall be (and not less than) 15' in width, the centerline thereof to be located across said land as follows:

There shall be a construction easement of equal width parallel and adjacent with said easement for the period necessary to construct and test public utility pipelines and such other utility plant with the easement. After the newly constructed pipeline, utility plant or other facilities have been constructed and placed into commercial operation, this construction easement shall terminate. Thereafter the easement shall be only 15' in width.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein, and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described lands and that said lands are free and clear of all encumbrances and liens except the following:

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

If Grantor, his heirs, successors or assigns breach the covenant of exclusivity, Grantor, his heirs, successors or assigns shall provide Grantee with a suitable alternate exclusive easement and relocate all of Grantee's pipelines and/or other utility plant to such alternate exclusive easement at Grantor, his heirs, successors or assigns' sole expense.

IN WITNESS WHEREOF the said Grantors have executed this instrument this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Grantor

\_\_\_\_\_  
Grantor

**ACKNOWLEDGEMENT**

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_ known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he(she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

SEAL

\_\_\_\_\_  
Notary Public in and for the State of Texas

Print name: \_\_\_\_\_

Commission expires: \_\_\_\_\_

# RIGHT OF WAY AND UTILITY EASEMENT

(General Type Easement)

KNOW ALL MEN BY THESE PRESENTS, that \_\_\_\_\_ (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by August Lakes Water Supply Corporation, a Texas non-profit water supply and sewer service corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install, and lay and thereafter use, operate, inspect, repair, maintain, replace, and remove public utility pipelines and such other utility plant as may be necessary to provide continuous and adequate service to the affected property and the Grantee's service area over and across \_\_\_\_\_ acres of land, more particularly described in instrument recorded in Vol. \_\_\_\_\_, Page \_\_\_\_\_, Deed Records, \_\_\_\_\_ County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. **This easement shall be exclusive to the Grantee.** The easement hereby granted shall be (and not less than) 15' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) or plant is installed, the easement herein granted shall be limited to a strip of land 15' in width the centerline or center-point thereof being the pipeline as installed /constructed.

There shall be a construction easement of equal width parallel and adjacent with said easement for the period necessary to construct and test public utility pipelines and such other utility plant with the easement. After the newly constructed pipeline, utility plant or other facilities have been constructed and placed into commercial operation, this construction easement shall terminate. Thereafter the easement shall be only 15' in width.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline/facilities as relocated.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantor's premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described land and that said lands are free and clear of all encumbrances and liens except the following:

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of the Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

If Grantor, his heirs, successors or assigns breach the covenant of exclusivity, Grantor, his heirs, successors or assigns shall provide Grantee with a suitable alternate exclusive easement and relocate all of Grantee's pipelines and/or other utility plant to such alternate exclusive easement at Grantor, his heirs, successors or assigns' sole expense.

IN WITNESS WHEREOF the said Grantors have executed this instrument this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Grantor

\_\_\_\_\_  
Grantor



**ACKNOWLEDGEMENT**

STATE OF TEXAS

§  
§  
§

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared \_\_\_\_\_ known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

SEAL

\_\_\_\_\_  
Notary Public in and for the State of Texas

Print name: \_\_\_\_\_

Commission expires: \_\_\_\_\_

# **AUGUST LAKES WATER SUPPLY CORPORATION**

## **NON-STANDARD SERVICE AGREEMENT**

THIS AGREEMENT is made and entered into by and between \_\_\_\_\_, hereinafter referred to as "Developer", and August Lakes Water Supply Corporation, hereinafter referred to as "WSC".

WHEREAS, Developer is engaged in developing that certain \_\_\_\_\_ acres of land in \_\_\_\_\_, County, Texas, more particularly known as the \_\_\_\_\_ subdivision, according to the plat thereof recorded at Vol. \_\_\_\_\_, Page \_\_\_\_\_ of the Plat Records of \_\_\_\_\_ County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, WSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, Developer has requested WSC to provide such water service to the Property through an extension of WSC's water system, such extension being hereinafter referred to as "the Water System Extension";

NOW THEREFORE: KNOW ALL MEN BY THESE PRESENTS: THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and WSC agree as follows:

1. **Engineering and Design of the Water System Extension.**

- (a) The Water System Extension shall be engineered and in accordance with the applicable specifications of the WSC and all governmental agencies having jurisdiction by WSC's consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension and the commencement of any utility system construction on the property. After completion of the plans and specifications by the WSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the property based on plans for the development of the Property provided to WSC by the Developer. If the property is to be developed in phases and the Developer desires the water system to be constructed in corresponding phases and such phased construction is deemed desirable and acceptable to WSC at its sole discretion, Developer shall be required to execute a separate Non-Standard Service Agreement for each development and construction phase. The execution of one or more separate Non-Standard Service Agreement(s) will not provide to or vest in the Developer any capacity reservations or service rights for any property not expressly covered by the executed agreement(s). The property to be covered and served under each agreement shall be clearly designated in a plat reviewed and approved by WSC's consulting engineer and Board of Directors to be appended to the agreement and incorporated therein for all purposes.
- (c) WSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of the WSC, subject to the obligation to reimburse the Developer for any such oversizing as provided below.
- (d) Due to the variable market for needed materials and supplies, quotations for the cost of construction of utility plant and/or upgrades that will be necessary to meet the service demands of

the service application shall be good only for the date of presentation by the Corporation's engineer and/or contractor. Following the date of presentation, materials and supplies for construction may include an adjustment to reflect current market prices

2. **Required Easements or Rights-of-Way.**

- (a) Developer shall be responsible for dedicating or acquiring any easements across privately owned land which are necessary for the construction of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water System Extension in public right-of-way.
- (b) The easement hereby granted shall be (and not less than) 15' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) or plant is installed, the easement herein granted shall be limited to a strip of land 15' in width the centerline or center-point thereof.
- (c) There shall be a construction easement of equal width parallel and adjacent with said easement for the period necessary to construct and test public utility pipelines and such other utility plant with the easement. After the newly constructed pipeline, utility plant or other facilities have been constructed and placed into commercial operation, this construction easement shall terminate. Thereafter the easement shall be only 15' in width.
- (d) Any easements acquired by the Developer shall be assigned to WSC upon proper completion of the construction of the Water System Extension. The validity of the legal instruments by which the Developer acquires any such easements and by which Developer assigns such easements to WSC must be approved by WSC's attorney.

3. **Construction of the Water System Extension.**

- (a) WSC's consulting engineer, at Developer's expense, shall advertise for bids for the construction of the Water System Extension in accordance with generally accepted bidding practices and shall award the contract for the construction of the Water System Extension subject to the approval of the WSC's Board of Directors. WSC may reject any bid, contractor or subcontractor. No construction will commence until plans and specifications for the Water System Extension have been submitted to and approved by the Texas Commission on Environmental Quality and any other required regulatory agency, as may be required by law. WSC shall have no liability of any kind to Developer occasioned by delays or difficulties in obtaining any required governmental approvals, permits, licenses or certificates.
- (b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. WSC shall have the right to inspect all phases of the construction of the Water System Extension. Developer must give written notice to WSC of the date on which construction is scheduled to begin so that WSC may assign an inspector. WSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

4. **Dedication of Water System Extension to WSC.**

Upon proper completion of construction of the Water System Extension and final inspection thereof by WSC, the Water System Extension shall be dedicated to the WSC by an appropriate legal instrument approved by WSC's Attorney. Any costs of remediation or rehabilitation necessary to bring the Water System Extension into compliance with all state, federal, and WSC standards prior to acceptance by WSC shall be borne by Developer. WSC shall have to the sole decision of when the Water System Extension is acceptable. The Water System Extension shall thereafter be owned and maintained by WSC; however, Developer shall warrant the construction and suitability of the same for a period of one (1) calendar year and shall bear all costs of repairs and improvements during this warranty period.

5. **Subdivision Restrictions.**

Developer shall create and enforce permanent and irrevocable subdivisions deed, plat or other restrictions and/or covenants running with the land that shall prohibit the construction of private potable water systems or water wells within the subdivision. These prohibitions need not apply to non-potable water sources used for irrigation purposes only if they do not encroach on or in any way may hazard the WSC's source of water. No interconnection between a private water supply and the WSC's water supply may be constructed or maintained except in strict conformance with applicable state or federal health, safety, environmental or utility regulations.

6. **Cost of the Water System Extension.**

- (a) Developer shall pay all costs associated with the Water System Extension as a contribution in aid of construction, including without limitation to the cost of the following:
  - (1) engineering and design;
  - (2) easement or right -of-way acquisition;
  - (3) construction;
  - (4) inspection;
  - (5) attorneys' fees;
  - (6) governmental or regulatory approvals required to lawfully provide service, including all costs of amending WSC's certificate of convenience and necessity;
  - (7) WSC's prescribed capital recovery (impact) fee (by anticipated meter size) and/or capacity reservation charge for each lot and/or service connection for which the Water System Extension is designed to serve less credit for any production, treatment, storage, pressure and transmission facilities added to WSC's utility system at Developer's expense to serve the property in question; however, no credit shall be provided for distribution lines, valves, taps, services, flush valves and appurtenances thereto (together the "distribution system infrastructure") constructed at Developer's expense and the total offset credit received shall never exceed the total amount of WSC's prescribed impact or capital recovery fee (by anticipated meter size) and/or capacity reservation charge which would otherwise be collected.
  - (8) WSC's prescribed right-of-way acquisition fee (by anticipated meter size) and/or capacity reservation charge for each lot and/or service connection for which the Water System Extension is designed to serve.
- (b) Developer shall indemnify WSC and hold WSC harmless from all of the foregoing costs.
- (c) Payment of Contribution in Aid of Construction:
  - (1) A Non-Standard Service Investigation Fee in an amount set by the WSC's General Manager, in consultation with the WSC's consulting engineer and counsel, shall be paid by cashier's check payable to the WSC at the time of initial application for service.
  - (2) The WSC's Capital Recovery Fee, Right-of-Way Acquisition Fee and Membership Fee, as defined by the WSC's tariff, shall be paid by cashier's check payable to the WSC within ten (10) business days of the latter of approval of the consulting engineer's plans for the Service Extension by the WSC or the Texas Commission on Environmental Quality. Failure to deliver the funds to the WSC's business offices within the 10 business day period shall void the application for non-standard service and the Developer shall

have to reapply and repay all applicable Non-Standard Service Investigation Fees. Upon timely payment of the Capital Recovery Fee, WSC's consulting engineer shall proceed with issuing proposals for bids for construction.

- (3) All funds required for the Water System Extension construction shall be escrowed in an interest bearing, federally insured, account in a state chartered bank within sixty (60) days of the acceptance of construction bid(s) by WSC. The account shall be in the name of and under the sole control of the WSC. Interest accrued thereon shall be retained in the account for the benefit of the Developer. All escrow and other charges associated with the creation and maintenance of this account shall be borne by Developer. If the amount of the funds to be escrowed exceed \$100,000, the bank shall provide suitable collateral in the form of United States or State of Texas treasury bonds, bills or certificates of obligation suitable as collateral under the Texas Public Funds Investment Act said collateral to be held by an agent acceptable to WSC. Developer shall be required to maintain the level of funds in said escrow account at no less than ten percent (10%) of the total estimated cost of the Water System Extension. If phased development and construction under multiple Non-Standard Service Agreements will be followed, the parties may establish and utilize a single escrow account. All funds remaining in the escrow account at the expiration of the Developer's one-year warranty of the Water System Extension (or the final warranty year if phased development and construction is followed) shall be refunded to Developer. Developer-paid impact or capital recovery fees or capacity reservation charges shall be paid directly to WSC at execution of this Agreement and shall not be subject to escrow but shall be the unrestricted funds of WSC. Failure to deliver the funds to the WSC's business offices within the 60-day period shall void the application for non-standard service and the Developer shall have to reapply and repay all applicable Non-Standard Service Investigation Fees. Upon timely delivery of these funds to the selected bank, WSC shall authorize construction to commence
- (d) Provided, however, except for the one-year warranty provide in the Agreement, nothing herein shall be construed as obligating the Developer to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by WSC and the expiration of the warranty period.
- (e) If WSC has required the Water System Extension to be oversized in anticipation of the needs of the other customers of WSC, WSC shall reimburse Developer for the additional costs of construction attributable to the oversizing, as determined by the WSC's consulting engineer, in three equal annual installments without interest beginning one year after dedication of the Water System Extension to WSC.
- (g) If the Developer requests WSC to install meters at service locations during the construction of the distribution system infrastructure, Developer shall pay the normal monthly service rates for each meter beginning with the date of installation. Unless the service meter is for the Developer's own permanent use and not for property to be resold to the public in the ordinary course of business, Developer shall pay a customer service deposit of \$100.00 per 5/8 inch meter. The deposit shall be increased by the meter equivalency factors in WSC's approved tariff for larger meters. These customer service deposits shall be payable in lieu of the WSC's customary membership fee and shall be managed and refundable in the same fashion as a membership fees under WSC's by-laws and tariff. Failure to timely pay the service charges and/or deposits for any individual meter shall be grounds for discontinuance and/or refusal of service for all other meters held by Developer.

7. **Service From the Water System Extension.**

- (a) After proper completion and dedication of the Water System Extension to WSC, WSC shall provide continuous and adequate water service to the Property under the requirements of WSC's state-issued certificate of convenience and necessity, the regulations of the Texas Commission on Environmental Quality and all duly adopted rules and regulations of WSC and payment of the following:
  - (1) All standard rates, fees and charges as reflected in WSC's approved tariff;
  - (2) Any applicable impact or capital recovery fee adopted by WSC;
  - (3) Any applicable reserved service charge adopted by WSC.
- (b) It is understood and agreed that the obligation of WSC to provide water service in the manner contemplated by this Agreement is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (c) Unless the prior approval of WSC is obtained, the Developer shall not:
  - (1) construct or install additional water lines or facilities to service areas outside the Property;
  - (2) add any additional lands to the Property for which water service is to be provided pursuant to this agreement; or
  - (3) connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

8. **Effect of Force Majeure.**

In the event either party is rendered unable by force majeure to carry out any of its obligations under this

Agreement, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

9. **Notices.**

Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to the WSC shall be addressed:

August Lakes Water Supply Corporation  
Attn: General Manager  
3310 Lakes of Katy Lane  
Katy, TX 77493

Any notice mailed to Developer shall be addressed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Either party may change the address for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

10. **Severability.**

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

11. **Entire Agreement.**

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

12. **Amendment.**

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of the WSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

13. **Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable within the state-certificated service area of WSC.

14. **Venue.**

Venue for any suit arising hereunder shall be in Guadalupe County, Texas.

15. **Successors and Assigns.**

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

16. **Assignability.**

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of the WSC.

17. **Effective Date.**

This Agreement shall be effective from and after the date of due execution by all parties.

18. **Conflict.**

In the event there is determined to be a conflict between the terms of this Agreement and the provisions in the WSC's tariff governing the same matter, the tariff shall prevail.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

"WSC"

DEVELOPER

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## AGREEMENT FOR TEMPORARY WATER SERVICE

The water utility service applicant indicated below ("Customer") has applied for water utility service from August Lakes Water Supply Corporation ("Utility") at the service location indicated below. Under state public health and water utility service regulations [30 TAC 290.46(j)], Utility may not provide continuous potable water utility service to any new construction, to any existing service location where significant plumbing modifications have been made, or to any location where Utility has reason to believe that a cross-connection or other undesirable or unsafe condition exists until the service applicant or customer presents Utility with an executed Customer Service Inspection Certificate (30 TAC 290.47-Appendix D). It is Customer's sole obligation and responsibility, at his/her expense, to have the necessary inspection performed by a properly licensed inspector.

Notwithstanding this inspection requirement before permanent water service can be provided, Utility is allowed to provide Customer with temporary water service for construction purposes only. Utility agrees to provide such temporary construction water service at its standard rates and conditions of service upon Customer's agreement that:

- 1. The water service provided will be used for construction or landscaping purposes only.**
- 2. The water provided will not be consumed by humans or animals.**
- 3. Customer will notify Utility in writing when to initiate the temporary construction service.**
- 4. Customer will notify Utility in writing when construction at the indicated service location has ended,**
- 5. Customer agrees not to occupy or reside in the indicated service location until Customer has delivered a fully executed Customer Service Inspection Certificate to Utility.**

If Customer fails to abide by any provision of this agreement, water service to the indicated service location will be terminated and will not be restored under any circumstances until a fully executed Customer Service Inspection Certificate has been delivered to Utility. Termination will be made without notice if, in the opinion of Utility's licensed operator(s), Customer's service creates an immediate hazard to public health and safety. If no such hazard exists, Customer shall be notified and given a limited time to come into compliance. Utility's state-approved reconnect fee will be charged as a condition of service restoration if temporary water service is terminated for breach of this agreement.

1. Customer name: \_\_\_\_\_
  2. Customer's billing address: \_\_\_\_\_  
\_\_\_\_\_
  3. Customer's phone number: (\_\_\_\_) \_\_\_\_-\_\_\_\_\_
  4. Service location: \_\_\_\_\_  
\_\_\_\_\_
- Subdivision: \_\_\_\_\_

Entered into in \_\_\_\_\_ County, Texas on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Customer:

BY: \_\_\_\_\_

August Lakes Water Supply Corporation:

BY: \_\_\_\_\_