



Control Number: 44642



Item Number: 9

Addendum StartPage: 0

Sharyland Water Supply Corporation

P.O. Box 1868

Mission, Texas 78573-0031

956-585-6081

2019 JAN 24 AM 10:10
PUBLIC UTILITY COMMISSION
FILING CLERK

January 18, 2019

**Public Utilities Commission of Texas
Central Records
1701 N. Congress
P.O. Box 13326
Austin, Texas 78711-3326**

Re: Amended Tariff, CCN No. 10558 – Docket #44642

To Whom it May Concern:

Enclosed is a revised Tariff for Sharyland Water Supply Corporation effective November 27, 2018.

Should you or your staff have any questions, please call me at (956) 585-6081.

Sincerely,


**Sherryn Dahlberg
General Manager**

SD/es

Enclosure

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED
CMR: 7017 0530 0000 5616 5109**

TARIFF

**SHARYLAND WATER SUPPLY CORPORATION
P.O. BOX 1868, MISSION, TEXAS 78573**

**CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 10558
WAS ISSUED TO SHARYLAND WATER SUPPLY CORPORATION
ON 1 NOVEMBER 1979.**

**THIS UPDATE OF THE ORIGINAL TARIFF OF SHARYLAND
WATER SUPPLY CORPORATION BECAME EFFECTIVE
27 NOVEMBER 2018.**

SHARYLAND WATER SUPPLY CORPORATION

DOES NOT PROVIDE FIRE PROTECTION

SWSC IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER.

IF YOU WISH TO FILE A CIVIL RIGHTS PROGRAM COMPLAINT OF DISCRIMINATION, COMPLETE THE USDA PROGRAM DISCRIMINATION COMPLAINT FORM, FOUND ONLINE AT http://www.ascr.usda.gov/complaint_filing_cust.html OR AT ANY USDA OFFICE, OR CALL (866) 632-9992 TO REQUEST THE FORM. YOU MAY ALSO WRITE A LETTER CONTAINING ALL OF THE INFORMATION REQUESTED IN THE FORM. SEND YOUR COMPLETED COMPLAINT FORM OR LETTER TO US BY MAIL AT U.S. DEPARTMENT OF AGRICULTURE, DIRECTOR, OFFICE OF ADJUDICATION, 1400 INDEPENDENCE AVE, S.W., WASHINGTON, D.C. 20250-9410, BY FAX (202) 690-7442 OR EMAIL AT program.intake@usda.gov.

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SECTION A: BOARD RESOLUTION

RESOLVED BY THE BOARD OF DIRECTORS OF THE SHARYLAND WATER SUPPLY CORPORATION THAT:

1. This Tariff, of the Sharyland Water Supply Corporation, serving Hidalgo County, Texas, consisting of Sections A through H inclusive, is hereby adopted and enacted as the current regulations which shall supersede all policies passed by the Board of Directors before 27 November 2018, to the extent provided for in a paragraph 2 hereof.

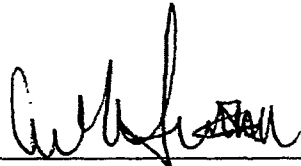
2. No prior agreement executed by the Board of Directors is repealed by any provision contained herein, save and except as provided for in the terms of that agreement.

3. The adoption of the provisions of this Tariff shall not affect any offense or act committed or done, or any penalty of forfeiture incurred, or any contract or vested right established or accruing before the effective date of this Tariff.

4. An official copy of this policy shall be available to the membership of this Corporation during regular business hours. The Secretary-Treasurer of the Corporation shall maintain the original copy as approved, and clearly exhibit all additions, deletions, and amendments separately.

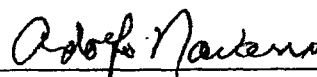
5. This Tariff shall take effect immediately upon approval by the Board of Directors of the Corporation, as provided by law, and according to its terms. Rules and regulations of State and Federal agencies having applicable jurisdiction promulgated under any applicable State or Federal Law shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected thereby.

PASSED and APPROVED this 27 November 2018.



Andrew H. Smith III, President

ATTEST:



Adolfo Navarro
Secretary-Treasurer

SECTION B: STATEMENTS

1. Organization. The Sharyland Water Supply Corporation is a member owned, non-profit corporation, incorporated pursuant to the provisions of Tex. Rev. Civ. Stat. Ann., art. 1434a, as supplemented by the Texas Non-Profit Corporation Act, Tex. Rev. Civ. Stat. Ann., art. 1396, and is organized exclusively for the purpose of acquiring, storing, transporting, selling, and distributing potable water for public use. Corporation operating policies, rates, tariffs, and regulations are formulated and effected by a Board of Directors elected by the members of the Corporation.
2. Non-Discrimination Policy. Membership in the Corporation and water service shall be provided to all applicants who comply with the provisions of this Tariff and the Corporation Bylaws, regardless of race, creed, color, national origin, sex or marital status. This is an Equal Opportunity Program. Complaints of discrimination may be filed with the Director of Agriculture, USDA, Washington D.C. 20250-9410.
3. Rules Application. The rules and regulations specified herein apply to water services furnished by the Sharyland Water Supply Corporation, herein after referred to as Corporation. Failure on the part of the member or applicant to observe these rules and regulations, after due notice has been given, shall automatically authorize the Corporation to deny, or to discontinue water service as herein provided.
4. Corporation Bylaws. The Corporation has adopted Bylaws which establish the make-up of the Board of Directors; the members voting rights; provisions for annual members meetings; establishment of a reserve account, and rights of the members. These Bylaws are included by reference herein, as amended from time to time by the membership, and are on file for inspection in the Corporation's office during normal business hours.
5. Damage Liability. The Corporation accepts no liability for damages caused by service interruptions, acts of God, or events beyond its control such as normal system failures. By acceptance of membership in the Corporation the member agrees to waive any claims of liability against the Corporation, as set out above.
6. Information Disclosure. The records of the Corporation shall be kept in the Corporation office in Hidalgo County, Texas. These records may, upon request, and with reasonable notice, be examined by any member of the Corporation, or their duly authorized representative, during normal business hours. The records may not be removed from the Corporation's office and the Corporation staff reserves the right to require reasonable notice, and the opportunity to consult its governing body and/or legal counsel prior to disclosure. The Corporation may assess reasonable charges for providing copies of records or files.
7. Water Rate Change Notice Provisions. The Corporation shall give written notice of all water rate changes to all members at least 30 days prior to the effective date of a rate change. The notice shall contain the old rate, the new rate, and the date the new rate will become effective. The Notice shall also give the date the Board of Directors adopted the new rate, and the name and phone number of the person designated by the Corporation to answer inquiries about the new rate.

8. Member Grievance Procedures. Any member of the Corporation shall be given an opportunity to voice concerns or grievances to the Corporation by following the procedures as outline below:

- a. By presentation of concerns to the Corporation's General Manager or authorized staff member for discussion and resolution. If, through this process, the member's concerns are not resolved to their satisfaction they may then;
- b. Present a letter requesting a hearing before the Board of Directors. The letter shall state the individual's complaint in narrative form, outlining the relief requested.
- c. The Board of Directors shall review the member's request and determine the best means by which to resolve the complaint.
- d. The President of the Board of Directors shall determine a date and time for all hearings, and such date shall not be beyond 45 days of the date of receipt of the letter of complaint.
- e. The Board of Directors shall act upon the information available and after making their decision, direct the General Manager or other representative of the Corporation to respond to the complaint by communicating the decision to the member, orally or in writing, whichever is appropriate.
- f. Payment of any charges or fees contested as a part of the complaint to be reviewed under this policy shall be suspended until a final decision has been made by the Board of Directors. The decision of the Board of Directors shall be final.

SECTION C: DEFINITIONS

ACTIVE SERVICE – The status of a member's standing in the Corporation who is currently receiving water service, or is paying a reserved service charge under the provisions of this Tariff.

APPLICANT – Any person, partnership, corporation, agency, public or private organization, who has applied to the Corporation for water service.

BOARD OF DIRECTORS – Those members of the Corporation elected by the membership of the Corporation to serve as Directors as prescribed by Article IV of the Bylaws.

BYLAWS – The rules pertaining to the governing of the Sharyland Water Supply Corporation, as adopted by the members of the Corporation.

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) – That authorization granted by the Texas Water Code, Chapter 13, allowing the Sharyland Water Supply Corporation to provide water utility service within a defined geographic area. Sharyland Water Supply Corporation has Certificate Number 10558. The area defined in the CCN shall be the Corporation's Certificated Service Area.

COMMERCIAL METER – A service connection provided to property on which a commercial enterprise is undertaken.

NOTE: Water service is not necessarily required to be provided to the building or other structure used in the commercial enterprise for a meter to be classified as a commercial meter. The General Manager shall determine the classification of all service connections.

CORPORATION – The Sharyland Water Supply Corporation.

DISCONNECTION OF SERVICE – The locking or removal of a water meter to prevent the use of water by a member or user.

EASEMENT – A private perpetual dedicated right-of-way used for the installation of water pipelines and necessary facilities which allows access to property for future maintenance, facility replacement, and/or installation of additional pipelines (if applicable).

RURAL DEVELOPMENT (RD) – Formally known as FARMERS HOME ADMINISTRATION (FmHA) – An agency of the U.S. Department of Agriculture (USDA), providing loan and grant funds for development of rural water supply systems.

FINAL PLAT – A complete and exact plan for the subdivision of a tract of land into lots, which has been approved by all regulatory agencies having jurisdiction over approval of the design, planning, and specifications of the facilities of such subdivisions. The General Manager of the Corporation shall determine if a plat submitted for the purposes of this Tariff shall qualify as a final plat.

HAZARDOUS CONDITION – A condition which jeopardizes the health and welfare of the members or users of the Corporation's system, as determined by the Corporation's representative or other regulatory authority.

LIQUIDATED MEMBERSHIP – A membership which has been canceled due to delinquency, or for other reasons as specified in this Tariff. Service shall not be provided to any person whose membership has been liquidated until a new membership fee has been paid and all other applicable requirements for service have been satisfied, as provided for in the Bylaws and this Tariff.

MEMBER – A person who has paid the required membership fee, signed a service agreement, and is receiving water utility service from the Corporation by the payment of the minimum monthly charge or the reserve service charge.

MINIMUM MONTHLY CHARGE – The term Minimum Monthly Charge (proper name) is defined as the monthly charge assessed each member of the Corporation utilizing service, or each member who has the opportunity to utilize service via a metering device installed by the Corporation. In the text of this Tariff, minimum monthly charge (common name) may be used generically to describe Minimum Monthly Charge or Reserved Service Charge, the two monthly charges assessed each member entitled to service. See definition of Reserved Service Charge.

PERSON – Any natural person, partnership, corporation, association, agency, public or private organization which is classified under laws of the State of Texas as a legal entity.

RENTER – A consumer who rents property from a member and may otherwise be defined as a lessee or tenant.

RESERVED SERVICE CHARGE – A minimum monthly charge assessed each member who has applied for service with the Corporation but has delayed the installation of meter(s) on the lot or property for which service has been requested. The purpose of this fee is to reserve service capacity for an applicant at a desired location pending their decision for the exact location of the meter on their property. This fee is paid monthly in lieu of the Minimum Monthly Charge until such time as a service connection (meter) is provided as requested.

SERVICE CLASSIFICATION – A classification of service which warrants a specific charge based on criteria such as usage, meter size, demand, type application, etc., as determined by the Corporation upon evaluation of the service requirements of the applicant.

SERVICE AGREEMENT / APPLICATION – A written agreement between the member/applicant and the Corporation outlining the responsibilities of each party regarding water service.

SURRENDERED MEMBERSHIP – A membership for which, at the request of the member, service has been discontinued and all indebtedness to the Corporation has been paid in full.

TARIFF – The Corporation's published rates, fees, and conditions of service. This document.

TRANSFeree – An applicant receiving a Corporation membership, by legal means, from a person or entity desiring to transfer their current rights under membership to a another person or entity.

TRANSFEROR – A member who transfers membership, by legal means, to another person or entity desiring service.

SECTION D: SERVICE RULES AND REGULATIONS

1. Service Entitlement. An applicant shall be considered fully qualified and entitled to water service when proper application has been made, terms and conditions of SERVICE AND MEMBERSHIP have been met in accordance with the Bylaws and this Tariff, and all fees have been paid.

2. Application Procedures and Requirements. For the purposes of this Tariff, service requested by an applicant shall be divided into two classes, Standard Service and Non-Standard Service:

a. Standard Service is defined as service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include only 5/8" X 3/4", or 3/4" meters set on an existing pipeline.

b. Non-Standard Service is defined as any service applied for which is other than Standard Service. In addition to the following, other conditions for service as prescribed by this Tariff shall be required of the Non-Standard Service applicant prior to extension of such pipelines or service facilities.

c. Requirements for Standard and Non-Standard Service.

(1) The Corporation's Service Agreement Form shall be completed in full and signed by the applicant. (See Sample Application Packet.)

(2) The applicant may be required to provide proof of ownership or title to property for which service has been requested in a manner acceptable to the Corporation.

(3) All approved service applications and cost of service fees quoted by the Corporation, shall be presented to the applicant and shall stand approved as quoted for a period not to exceed 30 calendar days. After 30 calendar days the applicant shall re-apply for service under the terms of this Tariff.

(4) Applicants requiring the services of a professional engineer shall bear all expenses incurred for these services and the engineer selected to perform the required services shall be approved by the Corporation.

(5) Any applicant who has previously been a member of the Corporation, and whose membership was canceled for nonpayment of charges, shall be required before service is rendered to pay all delinquent amounts due the Corporation on all previously canceled accounts.

(6) If an applicant requests Non-Standard Service, and that service requires other than the standard service and meter provided by the Corporation, the applicant will be required to pay all expenses incurred by the Corporation in providing such service.

(7) An applicant for a new service account or a transfer of an existing account to a new member or relocation of a service account shall grant the Corporation an easement of 20 feet in width over, under and across the applicant's property, such easement shall be adjacent to the applicant's property boundaries [as they may exist along road ways and alley ways] in a form to be provided by the Corporation and shall pay the charges allowed in this Tariff for recording this easement.

3. Activation Of Standard Service.

a. Installation Fee.

The Corporation shall charge a service installation fee as required by this Tariff. The service installation fee shall be quoted to the applicant, and must be paid in advance. The fee is non-refundable after the installation of the service has been completed.

b. Corporation Water Main in Place on Applicant's Property.

After proper application has been made by the applicant, and the Corporation is in receipt of applicable membership and installation fees, the Corporation's designated representative shall effect the installation of a meter box and water meter at a mutually agreeable point on the applicant's property, but not more than five feet in distance inside the applicant's property. (NOTE: See paragraph 27, Members Responsibility, for more information on location of meter.) In the event the Corporation water main does not have sufficient capacity to serve the new applicant without reducing service to existing users below regulatory standards, the applicant, in addition to paying the regular installation and membership fee, shall pay for such additional facilities that may be required to provide service, and all facilities so provided by the applicant shall become the property of the Corporation.

c. Corporation Water Main Not on Applicant's Property.

In the event an applicant desires water service on property which does not currently have a Corporation water main in place, or the applicant is applying for service for a subdivision, in addition to paying the appropriate installation and membership fees, the applicant shall sign and agree to comply with all requirements as set out in the Corporation's SUBDIVISION APPLICATION CHECKLIST, and pay for additional facilities as may be required to provide the service, and all facilities so provided shall become the property of the Corporation. In those instances where water main has been located in the public right-of-way adjacent to the applicant's property due to the applicant's previous refusal to grant easement to the Corporation for the purpose of installing the water main, and appurtenances, the applicant, prior to receiving service, shall, if required, grant easement to the Corporation and shall pay to the Corporation, in addition to the standard installation and membership fee, such sums as are necessary for the removal of the water main from the public right-of-way to the applicant's property.

d. Corporation's Water Main as the result of Condemnation.

If a property owner fails to provide the Corporation a right-of-way easement upon request, and the Corporation must obtain the easement via condemnation or settlement agreement, the property owner and future property owners will be required to reimburse Corporation for all condemnation costs or for all costs related to the settlement agreement, as determined and documented by the Corporation, before standard or non-standard service will be provided. Costs will include all legal fees, expert fees, and expenses necessary to obtain easement via condemnation or settlement agreement. Interest on these costs will also apply to the applicant and will be calculated on annual compounding at two percentage points above rate for the 10-year Treasury Note, or at the closest maturity Treasury Note, if the 10-year Treasury Note is discontinued.

e. Insufficient Applicant Information.

If an applicant/transferee fails to provide all documentation required at the time of application, the Corporation will issue written notice informing the applicant they have 10 days in which to provide the proper information or the service will be terminated. This will apply to Standard and Non-Standard request(s). (See Miscellaneous Transaction Forms – APPLICANT’S NOTICE OF INSUFFICIENT INFORMATION).

f. Regulatory Requirements for Service.

Service applicants may be required to comply with any precondition to receiving service not printed herein as may exist under Texas Commission on Environmental Quality (TCEQ) rule, United States Environmental Protection Agency (USEPA) rule, Texas Water Development Board (TWDB) rule, or health department rule.

4. Activation of Non-Standard Service. Activation of Non-Standard Service shall be subject to the same provisions required for Activation of Standard Service, and in accordance with all other requirements of this Tariff.

5. Changes in Service Classification. If at any time the Corporation determines the member service needs have changed from their original needs to a different service classification, and that additional or different facilities are necessary to provide adequate service, the applicant/member shall re-apply for service under the terms and conditions of this Tariff. Applicants/members failing to comply with this provision shall be subject to the Disconnect With Notice Provisions of this Tariff.

6. Membership.

a. Eligibility for membership shall not guarantee service to the applicant or transferee; however, qualification for service is a prerequisite to membership eligibility for new applicants, or continued membership for membership transferees. Eligibility requirements must be met as prescribed by Article VIII of the Corporation Bylaws.

b. Membership entitlements shall be as set out in Article VIII, Sections 1 & 2, of the Corporation Bylaws.

7. Transfers of Membership.

(1) A member is entitled to transfer membership in the Corporation only with the prior approval of the Corporation, and only under the following conditions:

(a) The membership may be transferred by will to a person related to the transferor within the second degree by consanguinity; or

(b) The membership may be transferred without compensation to a person related to the transferor within the second degree by consanguinity; or

(c) The membership may be transferred without compensation or by sale to the Corporation; or

(d) The membership may be transferred as a part of the conveyance of real estate from which the membership arose.

(2) In the event that membership is transferred pursuant to the provisions of Sub-Section 7. (1), such transfer shall not be completed or recorded on the books and records of the Corporation until such time as

the transferor has provided satisfactory evidence to the Corporation of such transfer. A transfer of membership shall not be binding on the Corporation until such transfer has been approved as provided by Sub-Section 7. (3).

(3) Qualifications for water service upon transfer of membership set forth in Sub-Section 7. (1) and 7. (2) shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon the following terms and conditions:

- (a) A Membership Transfer Form has been completed by the transferor and transferee and;
- (b) The transferee has completed all required forms in the Application Packet;
- (c) A Membership Transfer Fee has been paid, and all indebtedness due on the membership being transferred has been paid in full;
- (d) The membership has been surrendered, properly endorsed, by the record transferor; and
- (e) The transferee demonstrates satisfactory evidence of ownership of the property designated to receive service.

8. Cancellation of Membership at Member's Request. To keep a membership in good standing, a minimum monthly charge must be paid to the Corporation whether or not water is used. Failure to pay the monthly charges due shall jeopardize the membership standing. A member may be relieved of the obligation to pay the minimum monthly charge by surrendering the membership to the Corporation. The member must complete a Membership Cancellation Request form prior to termination of service. (See Misc. Transaction Forms) Cancellation of the membership does not relieve the member of any obligations incurred prior to the date of surrender of membership and termination of service. Rights to future service shall be extended on an as-available basis and subject to the terms of this Tariff and the Bylaws.

9. Cancellation of Membership Due to Policy Non-Compliance. The Corporation may cancel a membership anytime a member fails to comply with policies of the Corporation as set out in this Tariff and the Corporation Bylaws, or other regulations as prescribed by the laws of the State of Texas.

10. Cancellation of Membership Due To Delinquency. Failure to pay all fees and charges for water deliveries, as set out in this Tariff, shall result in membership cancellation and removal of the service connection. In the event a membership is canceled due to delinquency, and the person or entity whose membership was canceled possesses another active membership(s) with the Corporation, the total amount due on the canceled membership shall be transferred and added to any remaining active membership balance.

11. Member and Renter/Lessee. Any member renting or leasing property to other parties is responsible for all charges due the Corporation in the event a renter/lessee fails to pay the bill. The Corporation will bill the renter/lessee for water service as a third party, but the member is fully responsible for all unpaid bills left by the renter/lessee. The member must authorize the Corporation to send a bill to a renter/lessee. The Corporation may, at the member's request, notify the member of a renter/lessee's failure to pay past due amounts on the member's account.

12. Refusal of Service. The Corporation may refuse to provide service for the following reasons:

- a. Failure of an applicant or transferee to complete all required forms and pay all required fees and charges;

- b. Failure of an applicant or transferee to comply with all rules, regulations, policies, tariff, or bylaws of the Corporation.
- c. The existence of a hazardous condition at the applicant's property which would jeopardize the health or welfare of the other members/users if the applicant connected to the system;
- d. Failure of an applicant or transferee to allow representatives, or employees of the Corporation, reasonable access to property for which water service has been requested, when there is reason to believe that a hazardous condition may exist which would jeopardize the health or welfare of the members/users of the system;
- e. Failure of an applicant or transferee to comply with all rules and regulations of State and Federal Regulatory Agencies that establish requirements for providing potable water service to the public;
- f. Failure of an applicant or transferee to provide proof of ownership of property for which water service has been requested;
- g. When an applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.
- h. If an applicant or transferee is indebted to the Corporation, or any other utility for the same type of service, until all such debts are paid.
- i. Failure of an applicant to provide an easement as requested across applicant's property or to pay the Easement Recording Fee provided in the Tariff.

13. Applicant's or Transferee's Recourse if Refused Service. If an applicant is refused service for failure to comply with the provisions of this Tariff, or the Corporation's Bylaws, the applicant shall be notified and given the reason(s) for refusal of service, and service shall continue to be denied until the applicant corrects all deficiencies noted in the reason(s) for refusal of service. If the applicant feels the reason(s) for refusal of service are incorrect, or not justified under the rules of the Corporation they may file an appeal, in writing, with the Board of Directors explaining their position in the matter. The Board of Directors shall review the appeal and issue a final decision concerning continued denial of service.

14. Insufficient Grounds for Refusal of Service. The following shall constitute insufficient cause for refusal of service:

- a. Failure to pay a bill to correct previous under billing due to misapplication of rates more than 12 months prior to the date of application.
- b. Violation of Corporation's rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, unless the member has first been notified and been afforded reasonable opportunity to comply with said rules;
- c. Failure to pay a bill of another member as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service.
- d. Delinquency in payment for service by a previous occupant of the premises to be served;

- e. Failure to pay for materials or charges for non-utility service provided by the Corporation.

15. Deferred Payment Agreement. The Corporation, at its General Manager's, or General Manager's designees discretion, may offer a deferred payment plan ("Plan"), on terms acceptable to Corporation, to a member or applicant who is unable to pay in full an outstanding monthly service charge balance, applicable late fees, and/or required service fees detailed in Section F. The Plan shall also include the current monthly charges for water and other applicable utility services. Failure to make payments in accordance with the Plan shall be cause for discontinuance of service. Service will only be reestablished upon payment in FULL of the current account balance and the Plan balance. (See Misc. Transaction Forms)

16. Charge Distribution and Payment Application.

- a. The Minimum Monthly Charge, or the Reserved Service Charge, is applied from approximately the third week of the month, to approximately the third week of the following month; normally about 30 days. Billings for these charges shall be mailed, on or about, the first business day of each month.

ALL MEMBERS SHALL BE SUBJECT TO THIS CHARGE, AND USE OF WATER SHALL NOT BE A REQUIREMENT.

- b. The Gallons Used charge is applied to all water used that exceeds the monthly minimum allotment of 2,000 gallons, and shall be billed at the charge specified in the Water Rate Schedule. Amounts billed shall be calculated using the monthly meter reading taken at the end of each month by Corporation employees or representatives.

- c. All payments shall be posted against previous balances prior to posting against current billings.

17. Due Date, Delinquent Bills, and Service Disconnection Date. The Corporation shall mail all bills on or about the 1st of the month. All bills shall be due by the date indicated on the bill (allowing approximately 15 days to pay, after which time a \$5.00 Late Payment Fee shall be applied. A bill is delinquent if not paid by the close of business (5:00 P.M., CST) on the due date. Payments made by mail will be considered late if not received by the Corporation on or before the due date. Final notices shall be mailed allowing 10 days for payment prior to disconnection. The 10 additional days shall begin on the day the final notice is deposited with the U.S. Postal Service. If the due date for the regular or final billing is on a weekend or holiday, the due date for payment purposes shall be the next regular business day the Corporation office is open. For all disputed payment deadlines, the date the bill is deposited with the U.S. Postal Service will determine the beginning of each billing cycle or final notice mailing. **It shall be the member's responsibility to provide the Corporation office with their most current mailing address, and to notify the Corporation in the event of a change.**

18. Rules for Disconnection of Service. The following are rules and conditions for disconnection of service.

- a. Disconnection With Notice. After proper notification has been given, water service may be disconnected for any of the following reasons:

- (1) If a member/customer remits a payment to the Corporation or for the Corporation's benefit for services provided as outlined in this Tariff, and the payment is rejected by the bank or other similar institution for any reason, the Corporation shall mail a notice requiring redemption of the rejected payment within 10 days of the date of the notice. Redemption of the rejected payment shall be made by cash, money order, or certified check. Failure to redeem the payment within 10 days shall be cause for disconnection of service.

- (2) Failure to pay a delinquent account for water service provided, or failure to comply with the terms of a deferred payment agreement;
- (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, when 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 Service Agreement, Tariff, Bylaws, or Special Contract, provided the Corporation has given notice of said failure, and the member has failed to comply within a specified time after notification;
- (5) Failure to provide access to the meter under the terms of this Tariff and the Service Agreement, or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists;
- (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 a member to meet requirements of any regulatory authority for the construction or maintenance of on-site sewage facilities;
- (8) Failure of a member to re-apply for service upon notification by the Corporation that the member no longer meets the terms of the service classification originally applied for under Service Application/Agreement.

b. Disconnection Without Notice. Water service may be disconnected without notice for any of the following reasons:

- (1) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, 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;
- (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.

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, or at the meter connection, whichever is appropriate, immediately after service has been disconnected.

c. Disconnection Prohibited. Water 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, unless an agreement exists between the member 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 water 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 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 to the meter error;
- (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 a member/owner of rental property where the renter is billed directly by the Corporation as authorized by the member/owner, and the member'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 Friday or a Holiday, or on a day preceding a day, when personnel of the Corporation are not available to the public for the purpose of reconnecting service.

e. Disconnection Due to Utility Abandonment. The Corporation may not abandon a member or a Certificated Service Area without written notice to the affected members and all similar neighboring utilities, and may only abandon a part of its Certificated Area with prior approval from the Texas Commission on Environmental Quality (TCEQ).

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 16 days of issuance of the bill. A written statement must be received by the Corporation from the attending physician within 26 days of the issuance of the water bill. The prohibition against service termination shall last 63 days from the issuance of the water 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.

19. Billing Cycle Changes. The Corporation reserves the right to change its billing cycles if the work load requires such.

20. Back-billing. The Corporation may back-bill a member for up to two years (24 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 months billing will result in disconnection of service.

21. Disputed Bills. In the event of a dispute between the member and the Corporation regarding any bill, the General Manager shall forthwith conduct an investigation, as shall be required by the particular case, and report the results of the investigation to the member. All disputes under this Subsection must be submitted by the member to the Corporation, in writing, prior to the due date posted on said bill, except in cases involving the transfer of membership conditioned on payment of delinquent obligations by the transferee.

22. Meter Readings. As a matter of general practice, service meters shall be read at monthly intervals, and as nearly as possible on the corresponding day of each month, but may be read at other than the specified monthly intervals, if circumstances so warrant.

23. Inoperative Meters. Water meters found to be 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 average units used, but not metered, for a period not to exceed three months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

24. Meter Tests on Request of Customer. The Corporation shall, upon the request of a member, and in his presence, or in the presence of his authorized representative, test the accuracy of the member's meter without a charge. The test shall be made during the Corporation's normal working hours at a time convenient to the member and the Corporation. The test shall be made on the member's premises, but may, at the Corporation's discretion, be made at the Corporation's warehouse. If the meter has been tested by the Corporation, or by an authorized agency, at the member's request within a period of four years and the member requests a new test, the Corporation shall make the test, but if the meter is found to be within the accuracy standards established by American Water Works Association, the Corporation may charge the member a fee which reflects the cost to test the meter, but this charge shall in no event be more than \$25.00 for a residential connection. Following the completion of any requested test, the Corporation shall promptly advise the member of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

25. Bill Adjustment Due to Meter Error. If any meter is found to be outside of the accuracy standards established by the American Water Works Association, proper correction shall be made of previous readings for the period of six months immediately preceding the removal of such meter from service for test, or from the time the meter was in service since last tested, but not exceeding six months, as the meter shall have been shown to be in error by such test, and adjusted bills shall be rendered. No refund is required from the Corporation except to the member last served by the meter prior to the testing. If a meter is found not to register for any period, unless bypassed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed three months based on amounts used under similar conditions during periods preceding or subsequent thereto, or during corresponding periods in previous years.

26. 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 meter or equipment, by-passing the same, or other instances of diversion, such as removing a locking or shut-off device used by the Corporation to discontinue service, physically disorienting the meter, attaching objects to the meter to divert service or to by-pass, inserting objects into the meter, 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 the responsibility of the Corporation. Photographic evidence, or any other reliable and credible evidence may be used as evidence, but shall be accompanied by a sworn affidavit signed by a member of the Corporation's staff when any action regarding meter tampering 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 fullest extent allowed by law.

27. Member's Responsibility.

a. **The member shall provide access to the meter at all reasonable times for the purpose of reading, installing, checking, repairing, or replacing the meter.** If entry to the member's premises is denied due to a locked gate or other obstruction caused by the member preventing the reading of the meter, an estimated bill shall be rendered for the month in question and a notice shall be sent to the member explaining that access to the meter could not be gained. Should the gate remain locked, or should the obstruction remain for three consecutive months after proper notification to the member, service shall be discontinued and the meter removed without further notice.

b. The member is responsible for all personal plumbing connections, which shall comply with all Texas Department of Health Rules and Regulations.

(1) All connections shall be designed to ensure against back-flow or siphoning 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.

(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.

c. A member owning more than one membership shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable as per this Tariff and the signed Service Agreement executed by the member.

d. The Corporation's ownership and maintenance responsibility for equipment shall end at the point where the member connects to the Corporation's meter. **The member is responsible for all water usage registering upon, and/or damages occurring to the metering equipment, and shall be subject to charges as determined by this Tariff, as amended from time to time by the Board of Directors.**

SECTION E: RATES & SERVICE FEES

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

1. Membership Fee. The Membership Fee shall be \$150.00 which shall entitle the member to one connection to the water main of the Corporation. A person may own more than one membership but each member shall be entitled to only one vote, regardless of the number of memberships owned. (See Article VIII, Section 3, of the Corporation Bylaws.)

2. Service Investigation. The Corporation shall conduct a service investigation for each service application submitted. An initial determination shall be made to determine if the service requested is Standard or Non-Standard. The applicant shall then be notified of the results of the investigation, and provided with instructions on how to effect a service connection installation.

a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted to the applicant within 10 working days, if circumstances permit.

b. All Non-Standard Service requests shall be subject to a fee, unique 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 provide cost estimates of the project; to present detailed plans and specifications as per final plat; to advertise and accept bids for the project; to present a Non-Standard Service Contract to the applicant, and 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.

3. Installation Fee. The Corporation shall charge a service connection installation fee based on the following:

a. Standard Service shall include all current labor, materials, engineering, legal, and administrative costs necessary to provide individual metered service, and shall be paid for on a cost only basis. All costs for Standard Service shall be paid prior to the service connection being installed.

b. Non-Standard Service shall include all costs of construction labor materials, administration, legal, and engineering fees, as determined by the Corporation under the rules of this Tariff. All costs for a Non-Standard Service shall be paid prior to the service connection being installed.

c. Standard and Non-Standard Service Installations shall also include all costs of pipeline relocations, and all other costs that may be required in the installation of a service connection.

4. Water Rights Fee. For all service applications, the Corporation will determine the quantity and fee for MUNICIPAL water rights. The required amount of MUNICIPAL water rights for STANDARD service will be equal to the size of the requested water meter(s) expressed in the number of equivalent 5/8" meter units multiplied by 0.6 acre feet. The number of equivalent 5/8" meter units will be determined using AWWA standards. The amount of MUNICIPAL water rights required for NON-STANDARD service will be determined on an individual basis. The General Manager, or General Manager's designee, will assess a fee based upon the price of pooled MUNICIPAL water rights that are available through the Corporation. This fee will also include applicable estimated administrative and legal fees. In lieu of paying the assessed fee for MUNICIPAL water rights, applicant may choose to provide Corporation with

the required MUNICIPAL water rights as detailed in the Corporation Policy adopted on 1 December 2017 by the Corporation Board of Directors.

5. Late Payment Fee. All bills shall be due by the date indicated on the bill (allowing approximately 15 days to pay), after which time a \$5.00 Late Payment Fee shall be applied. A bill is delinquent if not paid by the close of business (5:00 P.M., CST) on the due date. Payments made by mail will be considered late if not received by the Corporation on, or before, the due date shown on the bill.

6. Temporary Meter Fee. In the event a temporary meter is requested, customers must execute a Temporary Meter Agreement. This Agreement sets forth the rules, regulations, and fees that are a condition of service for a temporary meter.

7. TCEQ Revenue & Regulatory Assessment. The Corporation shall, as required by Section 5.701 of the Texas Water Code, collect from each of its retail customers a regulatory assessment as set forth by TCEQ. This Assessment is currently equal to one-half of one percent (0.5%) of the charge for retail water service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all retail water service charges pertaining to Section F, Monthly Charges & Service Fees, Sections a, b, c, and d.

8. Rejected Payment Fee. In the event a payment is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the payment is rejected by the bank or other similar institution for any reason, the account for which the payment was issued shall be assessed a Rejected Payment Fee of \$30.00, plus all other charges that may be imposed by the bank or other institution which rejected the payment.

9. Reconnect Fee. There shall be a \$35.00 reconnection fee charged after service has been disconnected for any reason provided for in this Tariff.

10. After Hours Reconnect Fee. Any member who requests reconnection during a time other than normal business hours (8:30 A.M. to 4:30 P.M., CST) shall be charged a \$75.00 reconnect fee.

11. Equipment Damage Fee. If the Corporation's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized installations, reconnection of service without authority, or other service diversion, a fee shall be charged equal to the actual costs for labor, material, and equipment necessary for repair, replacement, and other Corporation actions. This fee shall be paid before service is reestablished. If the Corporation's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized installations, or reconnection of service without authority 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 for 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. In addition to actual costs incurred by the Corporation, a flat \$90.00 Tampering Fee shall also apply.

12. Member History Report Fee. A fee of \$20.00 shall be charged to provide a copy of the member's record of past water purchases. The \$20.00 charge shall be assessed for each report year requested.

13. Membership Transfer Fee. An applicant for service who is a transferee shall complete all required application forms, and pay a Membership Transfer Fee of \$40.00.

14. Easement Recording Fee. An applicant for service for a new account or who is a transferee or an applicant who is relocating a service account shall provide the Corporation with the easement requested by the Corporation and pay a fee of \$50.00 for the first two pages and \$7.00 for each additional page to be used by the Corporation for payment of any recording fees and other expenses incurred by the Corporation in recording easements provided by applicants.

15. Customer Service Inspection Fee. A fee of \$100.00 will be charged to each member upon application for water service, relocation of water service, new construction or upon performing an additional Customer Service Inspection resulting in the discovery of noncompliance. If the Corporation deems it necessary to conduct an additional Customer Service Inspection and finds the member is in compliance no additional fee will be charged.

16. Service Trip Fee. Corporation shall charge a \$15.00 Service Trip Fee for any service call or trip to the member's service connection during normal business hours at the request of the member or tenant (not associated with an authorized action by the Corporation), or if a member or tenant fails to keep a scheduled appointment. A Service Trip Fee of \$50.00 will be charged for all after hours service calls or trips.

17. Other Fees. All services outside the normal scope of utility operations that the Corporation may be compelled to provide at the request of a member or tenant shall be charged to the recipient based on the cost of providing such service.

18. County Road Crossing Fee. The Corporation shall charge a County Road Crossing Fee in situations that the Corporation is required to apply for a Hidalgo County Road Crossing Permit. That fee is determined by the price set by the County of Hidalgo.

SECTION F

MONTHLY CHARGES & SERVICE FEES

(EFFECTIVE 27 NOVEMBER 2018)

The Minimum Monthly Charge is based upon meter size.

a. Residential Connection (5/8" or 3/4" meter) :

0 to 1,000 gallons - \$15.00.

b. Commercial Connection (5/8" or 3/4" meter) :

0 to 1,000 gallons - \$25.00.

c. Meters Larger than 5/8" or 3/4" :

1" meter / 0 to 1,000 gallons - \$40.00
 2" meter / 0 to 1,000 gallons - \$75.00
 3" meter / 0 to 1,000 gallons - \$90.00
 4" meter / 0 to 1,000 gallons - \$105.00
 6" meter / 0 to 1,000 gallons - \$145.00
 8" meter / 0 to 1,000 gallons - \$290.00

d. Charge per 1,000 gallons:

The charge per 1,000 thousand gallons, after the first 1,000 gallons of usage, for both residential and commercial connections shall be:

<u>1,001 - 5,000 gallons</u>	<u>\$1.75 per thousand gallons</u>
<u>5,001 - 19,000 gallons</u>	<u>\$2.00 per thousand gallons</u>
<u>19,001 - 49,000 gallons</u>	<u>\$2.50 per thousand gallons</u>
<u>49,001 - 74,000 gallons</u>	<u>\$3.00 per thousand gallons</u>
<u>74,001 - 99,000 gallons</u>	<u>\$3.50 per thousand gallons</u>
<u>All over - 99,000 gallons</u>	<u>\$4.00 per thousand gallons</u>

e. List of Fees and Charges:

Membership Fee -----	\$150.00
Customer Investigation Fee -----	As Determined
Installation Fee -----	As Determined
Water Rights Fee -----	As Determined
Late Payment Fee -----	\$ 5.00
Temporary Meter Fee -----	As Determined
TCEQ Revenue & Regulatory Assessment Fee -----	As Determined
Rejected Payment Fee -----	\$30.00
Reconnect Fee (Normal Business Hours) -----	\$35.00
Reconnect Fee (After Normal Business Hours) -----	\$75.00
Equipment Damage Fee -----	As Determined
Tampering Fee -----	\$90.00
Member History Report Fee -----	\$20.00
Membership Transfer Fee -----	\$40.00
Easement Recording Fee -----	\$50.00 (2 pages)
Each Additional Page -----	\$ 7.00
Customer Service Inspection Fee -----	\$100.00
Service Trip Fee (Normal Business Hours) -----	\$15.00
Service Trip Fee (After Normal Business Hours) -----	\$50.00
Other Fees -----	As Determined
County Road Crossing Fee -----	As Determined

SWSC IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER. IF YOU WISH TO FILE A CIVIL RIGHTS PROGRAM COMPLAINT OF DISCRIMINATION, COMPLETE THE USDA PROGRAM DISCRIMINATION COMPLAINT FORM, FOUND ONLINE AT http://www.ascr.usda.gov/complaint_filing_cust.html OR AT ANY USDA OFFICE, OR CALL (866) 632-9992 TO REQUEST THE FORM. YOU MAY ALSO WRITE A LETTER CONTAINING ALL OF THE INFORMATION REQUESTED IN THE FORM. SEND YOUR COMPLETED COMPLAINT FORM OR LETTER TO US BY MAIL AT U.S. DEPARTMENT OF AGRICULTURE, DIRECTOR, OFFICE OF ADJUDICATION, 1400 INDEPENDENCE AVE, S.W., WASHINGTON, D.C. 20250-9410, BY FAX (202) 690-7442 OR EMAIL AT program.intake@usda.gov.

SECTION G: WATER CONSERVATION & DROUGHT CONTINGENCY PLAN

The Water Conservation & Drought Contingency Plan is a separate document but is part of the Corporation's Tariff.

SECTION H: MAP OF CERTIFIED SERVICE AREA

The Map of Certified Service Area is a separate document but is part of the Corporation's Tariff.