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**TARIFF
OF**

PLEASANT GROVE WATER SUPPLY CORPORATION

**P. O. BOX 695
FAIRFIELD, TEXAS 75840
(903) 389-3936**

**CCN # 10756
FREESTONE AND NAVARRO COUNTIES, TEXAS**

REVISED JULY 6, 2006

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**TEXAS COMMISSION
ON
ENVIRONMENTAL QUALITY**

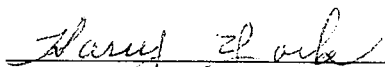
SECTION A.
RESOLUTIONS

THE BOARD OF DIRECTORS OF **PLEASANT GROVE** WATER SUPPLY CORPORATION
ESTABLISHES THAT:

1. This Tariff of the PLEASANT GROVE Water Supply Corporation, serving in FREESTONE AND NAVARRO counties consisting of Sections A. through H. and forms inclusive, is adopted and enacted as the current regulations and policies effective as of July 6, 2006.
2. Only those preexisting written contracts or agreements executed by the present or previous Board of Directors shall remain in effect, unless the contract or agreement requires compliance with changes of the tariff from time to time.
3. The adoption (or revisions) of this tariff does not prohibit or limit the Corporation from enforcing previous penalties or assessments from before the current effective date.
4. An official copy of this and all policies or records shall be available during regular office hours of the Corporation. The Secretary of the Corporation shall maintain the original copy as approved and all previous copies for exhibit.
5. Rules and regulations of state or federal agencies having jurisdiction shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, word, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected.
6. This tariff has been adopted (revised) in compliance in Open Meeting in compliance with the Open Meeting Act, Chapter 551 of the Texas Government Code.

PASSED and APPROVED this 6 day of July, 2006.

HARRY YORK

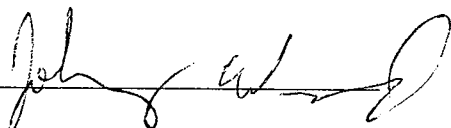


President, Pleasant Grove Water Supply Corporation

SEAL

ATTEST:

JOHNNY WARD



Secretary, Pleasant Grove Water Supply Corporation

Approved this 6 day of July, 2006.

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SECTION B. **STATEMENTS**

1. **Organization.** The PLEASANT GROVE Water Supply Corporation is a member-owned, non-profit corporation incorporated pursuant to the Texas Water Code Chapter 67, Nonprofit Water Supply or Sewer Service Corporations and as supplemented by the Texas Non-Profit Corporation Act, Tex. Rev. Civ. Stat. Ann., Article 1396-1.01, et seq. (West 1980, Vernon Supp. 1996 as amended) for the purpose of furnishing potable water utility service. Corporation operating policies, rates, and regulations are adopted by the Board of Directors elected by the Members of the Corporation.
2. **Non-Discrimination Policy.** Membership in the Corporation and service is provided to all Applicants who comply with the provisions of this Tariff regardless of race, creed, color, national origin, sex, disability, or marital status.
3. **Policy and Rule Application.** These policies, rules, and regulations apply to the water services provided by the PLEASANT GROVE Water Supply Corporation, also referred to as Corporation, PGWSC. Failure on the part of the Member, Consumer, or Applicant to observe these policies, rules and regulations gives the Corporation the authority to deny or discontinue service according to the terms of this Tariff as amended from time to time by the Board of Directors of the Corporation.
4. **Corporation Bylaws.** The Corporation Members have adopted bylaws (see Article 1396-2.09) which establish the make-up of the Board of Directors and other important regulations of the Corporation. The bylaws are on file at the Corporation's office.
5. **Fire Protection Responsibility.** The Corporation does not provide nor imply that fire protection is available on any of the distribution system. All hydrants or flush valves are for the operation and maintenance of the system and may be used for refill only by authorized fire departments. The Corporation reserves the right to remove any hydrant, due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or compensation to the contributors unless such hydrants are installed pursuant to the terms of a Non-Standard Service Contract as provided for in Section F, in which event the terms and conditions of the Contract shall apply.
6. **Damage Liability.** The PLEASANT GROVE WSC is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limits of liability of the PLEASANT GROVE WSC are the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability.
7. **Information Disclosure.** The records of the Corporation shall be kept in the Corporation office in Fairfield, Texas. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Public Information Act. An individual customer may request in writing that their name, address, telephone number, or social security number be kept confidential. Such confidentiality does not prohibit the utility from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the Corporation acting in connection with the employee's duties.

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8. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each member on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with a meeting of the Corporation's members. The Corporation shall give its applicants and customers notice of rights to confidentiality under this policy and all prevailing associated fees for such request.
9. **Grievance Procedures.** Any Member of the Corporation or individual demonstrating an interest under the policies of this Tariff in becoming a Member of the Corporation shall have an opportunity to voice concerns or grievances to the Corporation by the following means and procedures:
 - a. By presentation of concerns to the Corporation's manager or authorized staff member. If not resolved to the satisfaction of the aggrieved party then,
 - b. By presenting a letter to the Board of Directors stating the individual's grievance or concern and the desired result.
 - c. The Board of Directors shall respond to the complaint by communicating the Board's decision in writing.
 - d. Any charges or fees contested as a part of the complaint in review by the Corporation under this policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors.
9. **Customer Service Inspections.** The Corporation requires that a customer service inspection certification be completed prior to providing continuous water service to new construction and for all new members as part of the activation of standard and some non-standard service. Customer service inspections are also required on any existing service when the corporation has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction or addition to the members' water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contaminant hazards and illegal lead materials. (30 TAC 290.46(i-j))
10. **Submetering Responsibility.** Submetering and Non-Submetering by Master Metered Accounts may be allowed in the Corporation's water distribution provided the Master Metered Account customer complies with the Texas Commission on Environmental Quality Chapter 291 Subchapter H rules pertaining to Submetering. The Corporation has no jurisdiction over or responsibility to the tenants. Tenants receiving water under a Master Metered Account are not considered customers of the Corporation. Any interruption or impairment of water service to the tenants is the responsibility of the Master Metered Account Customer. Any complaints regarding submetering should be directed to the Texas Commission on Environmental Quality.

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NOTE: The system should check with the Master Metered Account Customer to:

1. See if they have registered with the TCEQ, (Chapter 13 Texas Water Code Subchapter M.)
2. See that they do not charge their tenants more than the total amount of charges that you have billed. If the aggregate bill is greater than the Corporation's charge, the Master Metered Account Customer is considered by the TCEQ to be a separate Public Water System and will be required to comply with all TCEQ regulations.
3. Protect the System's CCN. Should the Master Metered Account Customer continue to violate these or other State regulations, the Corporation will need to request a Cease and Desist Order from the TCEQ. (Texas Water Code Chapter 13.252 and 30 TAC Chapter 291.118)

Date approved: _____

PGWSC

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SECTION C. DEFINITIONS

Active Service -- The status of any Member receiving authorized service under the provisions of this Tariff.

Applicant -- A person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with the Pleasant Grove Water Supply Corporation.

Board of Directors -- The governing body elected by the Members of the Pleasant Grove Water Supply Corporation. (Article 1396-1.02 (7))

Bylaws -- The rules pertaining to the governing of the Pleasant Grove Water Supply Corporation adopted by the Corporation Members. (Article 1396-1.02 (5))

Certificate of Convenience and Necessity (CCN) -- The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for Pleasant Grove Water Supply Corporation to provide water utility service within a defined territory. Pleasant Grove Water Supply Corporation has been issued Certificate Number 10756. Territory defined in the CCN shall be the Certificated Service Area. (See Section D. Certificated Service Area Map)

Corporation -- The Pleasant Grove Water Supply Corporation. (Section B. 3 of this Tariff)

Developer -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who subdivides land or requests two (2) or more water or sewer service connections on a single contiguous tract of land [as defined in Chapter 13.2502 (e)(1) of the Water Code].

Disconnection of Service -- The discontinuance of water or sewer service by the Corporation to a Member/Customer.

Easement -- A private perpetual dedicated right-of-way for the installation of water pipelines and necessary facilities which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable). This may also include restrictions on the adjacent area to limit the installation of facilities that would restrict the use of any area of the easement. (See Sample Application Packet, FmHA Form 442-8 or FmHA Form 442-9)

Equity Buy-In Fee -- Each Applicant shall be required to achieve parity with existing Members. This fee shall be assessed 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. (Section G. 5., also see Miscellaneous)

Final Plat -- A complete plan for the subdivision of a tract of land. The Pleasant Grove Water Supply Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. (30 TAC 291.85)

Hazardous Condition -- A condition that jeopardizes the health and welfare of the Members/Consumers of the Corporation as determined by the Corporation or regulatory authority.

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Indication of Interest Fee -- A fee paid by a potential Member of the Corporation for the purpose of determining the feasibility of a construction and /or expansion project. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. This also applies to applicants applying for, or receiving, Temporary Service. (Section E. 6. b., and Sample Application Packet - USDA RUS-TX Bulletin 1780-9 (Rev. 5/99))

Liquidated Membership -- A Membership that has been canceled due to delinquent charges exceeding the Membership Fee or for other reasons as specified in this Tariff.

Member -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who holds a membership in the Corporation and who is a record owner of a fee simple title to the property served, that has qualified for service and been certified as a member in accordance with the Corporation's Tariff. (TX Water Code Chapter 13.0010, TX Water Code Chapter 67)

Membership -- A non-interest bearing stock purchased from the Corporation evidencing a Member's interest in the Corporation. (See Tariff Section E. 6 b and Article 1396-2.08 D)

Membership Fee -- A fee qualified as such under the terms of the tariff and the bylaws of the Corporation assigned to the real estate designated to receive service. The membership fee shall be refundable upon termination of service and surrendering the Membership. (30 TAC 291.3 Definitions. Texas Water Code 13.043(g))

Proof of Ownership -- For the purpose of this tariff, applicants for service and membership shall provide proof of ownership by deed of trust, warranty deed, or other recordable documentation of fee simple title to real estate to be served. (Texas Water Code 67.016 (d))

Rural Utilities Service (RUS) -- An Agency of the United States Department of Agriculture Rural Development Mission Area that provides loan and grant funds for development of rural water and sewer systems serving communities with a population of less than ten thousand (10,000) people.

Renter -- A consumer who rents or leases property from a Member or who may otherwise be termed a tenant. (See Tariff Section E. 7.)

Re-Service -- Providing service to an Applicant at a location for which service previously existed. Costs of such re-servicing shall be based on justifiable expenses. (See Tariff Section E. 3. b., E. 4. b., and Miscellaneous)

Reserved Service Charge -- A monthly charge assessed for each property where service is being reserved. (See Tariff Section F. 6. d., e)

Service Availability Charge -- (Also known as "minimum monthly charge", "minimum", or the "base rate") The monthly charge assessed each Member/Customer for the opportunity of receiving service. The Service Availability Charge is a fixed rate based upon the meter, service size, or equivalent dwelling unit(s). (See definition of Reserved Service Charge)

Service Application and Agreement -- A written agreement between the Member/Applicant and the Corporation defining the specific type of service requirements requested on the current service

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application and agreement form, and the responsibilities of each party required before service is furnished. (See Sample Application Packet RUS-TX Bulletin 1780-9 (Rev. 5/99) or Non-Standard Service Contract)

Service Unit -- The base unit of service used in facilities design and rate making. For the purpose of this Tariff, a service unit is a 5/8" X 3/4" water meter. (See Tariff Section G. 6. a., Miscellaneous)

Subdivide -- To divide the surface area of land into lots or tracts. (Local Government Code Chapter 232, Section 232.021 Definitions)

Subdivider -- An individual, firm, corporation, or other legal entity that owns any interest in land and that directly or indirectly subdivides land into lots as a part of a common promotional plan in the ordinary course of business. (Local Government Code Chapter 232, Section 232.021 Definitions)

Subdivision -- An area of land that has been subdivided into lots or tracts. (Local Government Code Chapter 232, Section 232.021 Definitions)

Tariff -- The operating policies, service rules, service extension policy, service rates, rationing policies, sample application packet, and miscellaneous transaction forms adopted by the Board of Directors. A copy of this Board approved tariff is on file at the Corporation office and as required since September 1, 1989 at the State office of the TCEQ.

Temporary Service -- The classification assigned an applicant that is in the process of construction. This could also apply to service for uses other than permanent (agricultural, road construction, drilling, livestock, etc.). The Board will set the length of time associated with this classification. This classification will change to permanent service after requirements in Section E. 1, E. 2, E. 3, and E. 5 are met. Applicant must have paid an Indication of Interest Fee.

Texas Commission on Environmental Quality (TCEQ) -- State regulatory agency having jurisdiction of water and sewer service utilities and appellate jurisdiction over the rates and fees charged by Non-Profit Water and Sewer Service Corporations.

Transferee -- An Applicant receiving a Pleasant GroveWSC Membership by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity. (See Tariff Section E. 6 c., Miscellaneous Transaction Forms)

Transferor -- A Member who transfers Membership by legal means to another person or entity desiring to qualify for service at a property for which the Membership is currently issued or to the Corporation. (Texas Water Code, Chapter 67.016)

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SECTION D.
GEOGRAPHIC AREA SERVED

This section should include an area map that shows the Corporation's Certificated Service Area. Therefore, the Corporation must make sure that its current service area corresponds to the area and/or facilities as approved by the TCEQ in its Certificate of Convenience and Necessity. **It is the responsibility of the Corporation to properly file a map showing its service area with the TCEQ and to file for any changes in that service area. This copy of the Commission's official service map will serve as documentation in the event of future disputes over service areas.**

CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide (Water or Sewer) Service Under V.T.C.A., Water Code
and Texas Commission on Environmental Quality Substantive Rules

Certificate No. 10756

I. Certificate Holder:

Name: PLEASANT GROVE WATER SUPPLY CORPORATION

Address: P. O. BOX 695
FAIRFIELD, TEXAS 75840

II. General Description and Location of Service Area:

The area covered by this certificate is located approximately 2 miles north of Fairfield, Texas on TX. Highway 75. The service area is generally bounded on the east by the Steward's mill Community, on the North on hwy 75, 4 miles south of Streetman TX. And on Hwy 80 2 miles south of Richland, TX. Into Navarro county. On the west the lines run approximately 3 miles west of Kirvin TX.

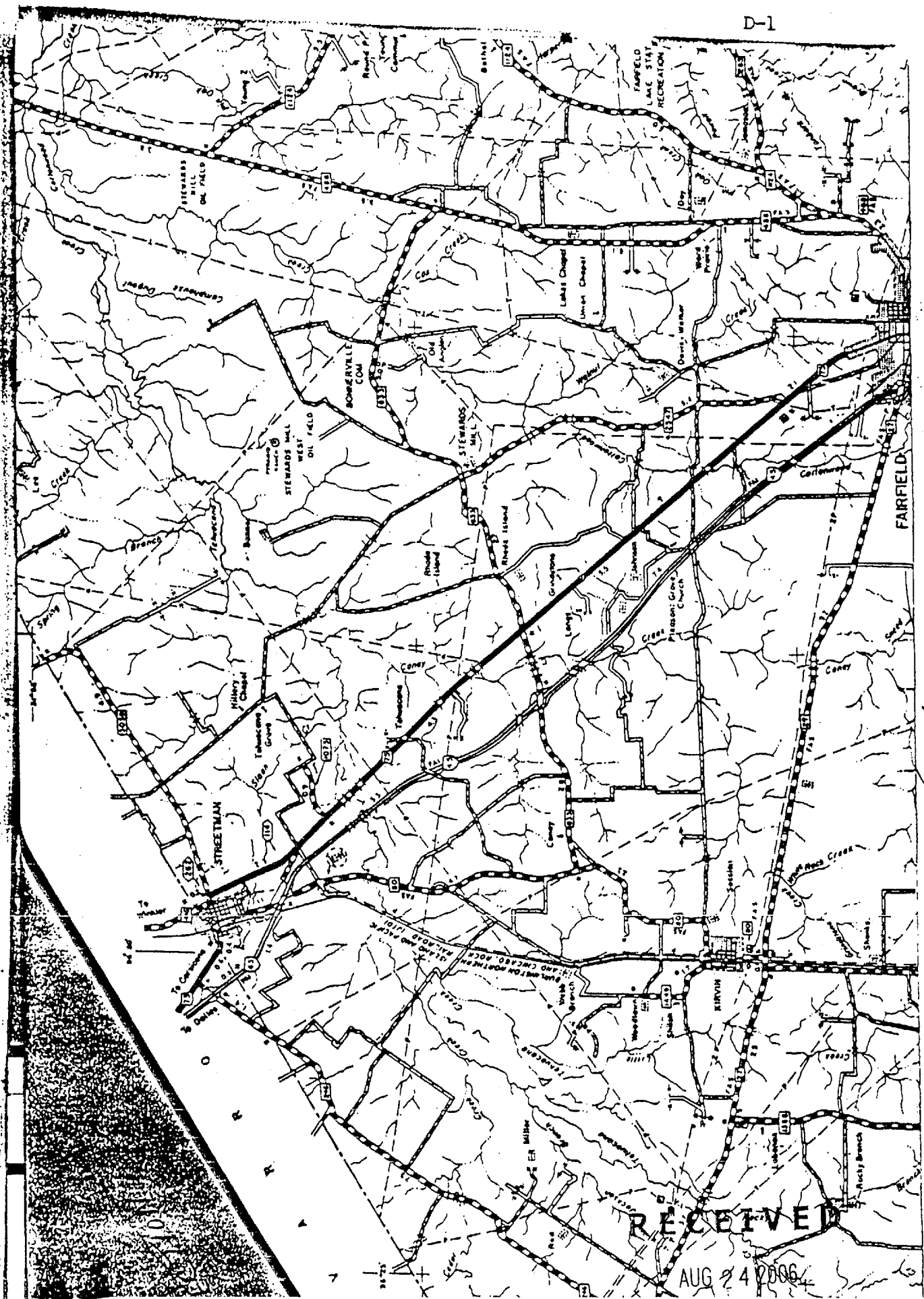
III. Certificate Maps:

The certificate holder is authorized to provide water service in the area identified on the Commission's official service area map, WRS-255, maintained in the offices of the Texas Commission on Environmental Quality, 12015 Park 35 Circle, Austin, Texas with all attendant privileges and obligations.

This certificate is issued under Application No. 30999-C and subject to the rules and orders of the Commission, the laws of the State of Texas, conditions contained herein and may be revoked for violations thereof. The certificate is valid until amended or revoked by the Commission.

Issued Dated:_____.

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ATTEST: _____

For the Commission

MAP OF CCN AREA

(insert your map here)

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SECTION E.
SERVICE RULES AND REGULATIONS

1. ***Service Entitlement.*** An Applicant shall be considered qualified and entitled to water and or sewer utility service when proper application has been made, terms and conditions of Service and Membership have been met and continue to be met, and all fees have been paid as prescribed. (30 TAC 291.85 (a))
2. ***Application Procedures and Requirements.*** For the purposes of this Tariff, service requested by an Applicant shall be for real estate designated to receive the service provided by the Corporation and shall be divided into the following two classes:
 - 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 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines or 4" gravity sewer taps, pressure collection facilities installed or connected to collection lines no more than five feet in depth.
 - b. **Non-Standard Service** is defined as any service request which requires a larger meter service, service to a Master Metered Account (see E. 2. c. (4) of this section), or an addition to the supply, storage and/or distribution/collection system. The service requirements as prescribed by Section F of this Tariff shall be required of the Non-Standard Service Applicant prior to providing service.
 - c. **Requirements for Standard and Non-Standard Service.**
 - 1) The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant. (See Sample Application RUS-TX Bulletin 1780-9 (Rev. 5/99))
 - 2) A Right-of-Way Easement Form, Sanitary Control Easement, or other such easement form, required by the Corporation, must be completed by the Applicant for the purpose of allowing future facility additions. (See Sample Application - RUS-TX Bulletin 1780-9 (Rev. 5/99), 30 TAC 290.47 Appendix C.) **NOTE:** This requirement may be delayed for Non-Standard Service requests.
 - 3) The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the Corporation. Proof of ownership shall consist of warranty deed, deed of trust or other recordable documentation of fee simple title to the real estate designated to receive service. (Texas Water Code 67.016 (e), and 13.002 (11).
 - 4) On the request by the property owner or owner's authorized agent, the Corporation shall install individual meters owned by the Corporation in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction begins after January 1, 2003, unless the Corporation determines that installation of individual meters are not feasible. If the Corporation determines that installation of meters is not feasible, the property owner or manager shall install a plumbing system that is compatible with the installation of submeters or individual meters. The Corporation shall be entitled to the payment of costs, including the costs of individual meter installations, as provided in Section F.4. The cost of individual meter installation shall be prepaid by the property owner as well as the cost of any additional facilities or supply occasioned by the total water service demand represented by full occupancy of the property, as determined under applicable provisions of Section F. It shall be the

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responsibility of the property owner to obtain the memberships required for each individual meter. The Corporation shall consider master metering and/or non-standard sewer service to apartments, condos, trailer /RV parks, or business centers and other similar type enterprises at an Applicant's request provided the total number of units to be served are all:

- (a) owned by the same person, partnership, cooperative, corporation, agency, public or private organization of any type but not including a family unit,
 - (b) directly inaccessible to public right-of-way, and
 - (c) considered a commercial enterprise i.e. for business, rental, or lease purposes.
- 5) Notice of application approval and costs of service determined by the Corporation shall be presented to the Applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the Applicant must re-apply for service. (30 TAC 291.81 (a) (1))
- 6) If the water main has been located in the public right-of-way and is adjacent to Applicant's property due to the current or previous landowner's refusal to grant easement to the Corporation for the purpose of installing the water main and appurtenances, and the Corporation has documentation of such refusal, the Applicant, prior to receiving the requested service, shall grant easement required under this Tariff and in addition to the normally required fees for new customer service, shall pay such sums as are reasonably necessary to cap the existing line in the ROW and construct the appropriate line or lines within that easement for the Corporation's system-wide service. (see Miscellaneous Transaction Forms)

3. *Activation of Standard Service.*

- a. **New Tap** -- The Corporation shall charge a non-refundable service installation fee as required under Section G of this tariff. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid or a deferred payment contract signed in advance of installation. (30 TAC 291.86 (a)(1)(A))
- b. **Re-Service** -- On property where service previously existed, the Corporation shall charge the Membership Fee, where the Membership Fee has been liquidated, and costs necessary to restore service. In addition, the Corporation shall charge accumulated Reserved Service Fees that have been entered on the in-active account as monthly debits. This is allowing the Corporation to recover the costs of reserving capacity at the location for which re-service has been requested. If restoration of service is not requested, this fee will accumulate monthly until the total balance of Reserved Service Fees equals the amount of the Equity Buy-In Fee. After this time the service equipment may be removed by the Corporation and future request for service shall be treated as a new application. (see Miscellaneous Section)
- c. **Performance of Work** -- After approval is granted by proper authorities, all tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative. The tap shall be completed within five (5) working days after approval and receipt of payment of quoted fees. This time may be extended for installation of equipment for Non-Standard Service Request. (see Section F. , 30 TAC 291.85)
- d. **Inspection of Customer Service Facilities** -- The property of the Applicant/ Member shall be inspected to insure compliance with state required Minimum Acceptable Operating Practices For Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. (30 TAC 290.46(j))

4. *Activation of Non-Standard Service.*

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- a. **Activation of Non-Standard Service** shall be conducted as prescribed by terms of Section F of this Tariff.
 - b. **Re-Service** - The same terms which apply under the Activation of Standard Service Sub-Section on Re-Servicing shall be applied to Non-Standard Re-Service requests. (Section E. 3. b)
5. **Changes in Service Classification.** If at any time the Corporation determines that the customer service needs changed from those originally applied for to a different service classification and the Corporation determines that additional or different facilities are necessary to provide adequate service, the Corporation shall require the Applicant/Member to re-apply for service under the terms and conditions of this Tariff. Applicant/Members failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this Tariff, Sub-Section 15.a.
6. **Membership.**
- a. **Eligibility** - 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 Transferees.
 - b. **Membership** - Upon qualification for service, qualification for Membership, and payment of the required fees, the Corporation shall certify the Applicant as a Member. The Membership shall entitle the Member to one (1) connection to the Corporation's water/sewer utility service and one (1) share of Corporation Stock. The Membership entitles the Member to one (1) vote in the election of directors and in such other matters requiring the approval of the Corporation's Members at any Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. Ownership of more than one (1) Membership shall not authorize the Member to cast more than one (1) vote at any annual or special meeting. Each Membership and Stock thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. (Texas Water Code 67.016) **NOTE (1):** In the event that the Corporation is conducting a potential Members survey for indications of interest in future service for the purpose of determining the feasibility of an initial construction or expansion project under RUS guidelines (see Sample Application Packet - RUS TX Bulletin 1780-8, Membership Survey Data Sheet), regular application procedures may be modified. An Indication of Interest Fee may be required prior to qualifications for receipt of service by the Applicant but shall only be used or applied as a Membership Fee for Membership purposes (upon issuance of a Membership) if service is ultimately received or reserved by the Applicant as a result of the planned project facilities. If service is not provided within the scope of this project, Indication of Interest Fees shall be refunded, less expenses, within sixty (60) days of the loan closing with the Rural Utilities Service. **NOTE (2):** In the event the applicant is in the process of construction the Membership will be considered TEMPORARY until such time as the final Customer Service Inspection is completed and the forms are returned as required. (See Section C., Section E. Sub-Section 1. Service Entitlement)
 - c. **Transfers of Membership.** (Texas Water Code 67.016)
 - 1) A Member is entitled to transfer Membership in the Corporation only under the following circumstances:
 - (a) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
 - (b) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
 - (c) The Membership is transferred without compensation or by sale to the Corporation; or
 - (d) The Membership is transferred as a part of the conveyance of real estate from which the

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Membership arose.

- 2) In the event that Membership is transferred pursuant to the provisions of Sub-Section 6.c. (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 6.c. (3).
- 3) Qualifications for service upon transfer of Membership set forth in Sub-Section 6.c.(1) and 6.c.(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 Transfer Authorization Form has been completed by the Transferor and Transferee;
 - (b) The Transferee has completed the required Application Packet;
 - (c) All indebtedness due the Corporation has been paid; and
 - (d) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
- 4). If the application packet and other information is not completed on the day transfer of membership is requested the corporation will give the transferee written notice of 10 additional days to produce completed documentation to the corporation office. Service will be disconnected on the day following the 10th day according to disconnection with notice requirements. Additional time may be allowed at the directions of the manager or board.
- d. **Cancellation of Membership** -- To keep a Membership in good standing, a Service Availability Charge or a Reserved Service Charge must be paid monthly to the Corporation, whether or not water is used. Failure to pay this monthly charge to the Corporation shall jeopardize the Member's Membership standing and give rise to liquidation of the Membership Fee and forfeiture of the Membership. A Member may be relieved of this obligation to pay by surrendering the Membership, properly documented, to the Corporation. The Member shall also complete a Service Discontinuance Request Form prior to termination of service. (See Misc. Transaction Forms.) However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership prior to termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Service Sub-Section E.3.a. of this Tariff. (Texas Water Code 67.016)
- e. **Liquidation Due To Delinquency** -- When the amount of the delinquent charges owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated and the Membership canceled and transferred back to the Corporation. In the event the Member leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership, the Corporation may liquidate as many of the Member Guarantor's Membership Fees as necessary to satisfy the balance due the Corporation, provided proper notice has been given (see Tariff Section E, Subsection 15.1a.(4)). The Corporation shall collect any remaining account balances by initiation of legal action. Re-instatement of service shall be subject to the terms of the Activation of Service Sub-Section E. 3. a. of this Tariff.
- f. **Cancellation Due To Policy Non-Compliance** -- The Corporation may cancel a Membership anytime a Member fails to comply with policies of the Corporation, including but not limited to Member's failure to provide proof of ownership of the property from which the Membership arose. (Texas Water Code 67.016)
- g. **Re-assignment of Canceled Membership** -- The Corporation, upon cancellation of Membership under the provisions of this Tariff, may re-assign the Membership rights thereby granted to any person who satisfactorily demonstrates eligibility for Membership, including but not limited to proof of ownership of the property from which the Membership arose. (Texas Water Code

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- h. **Mortgaging of Memberships** -- Nothing herein shall preclude a Member from mortgaging his/her Membership. However, notification to the holder of any security interest (mortgagee/lien-holder) of account status of Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage Agreement (See Miscellaneous Transaction Forms). Prior to the cancellation of any Membership as provided under Sub-Section E. 6.d. (Cancellation of Membership), the Corporation will notify the holder of any security interest in the Membership. The holder of the security interest also must hold a security interest in the real property at which water service is provided under the Membership. The Corporation may transfer the Membership to the holder of such security interest in lieu of cancellation, provided the holder of the security interest pays in full all delinquent and unpaid obligations and provided further that the holder of the security interest has secured title to the real property from which the Membership arose. The Corporation may withhold cancellation of a Membership pending the resolution of any foreclosure proceedings or similar legal proceedings by the holder of the security interest.
 - i. **Cancellation and Re-Assignment of Membership as a Result of Bankruptcy Proceedings** -- Upon notice of the filing of a petition in bankruptcy, the Corporation may require the posting of a deposit or other form of security, acceptable to the Corporation, as a condition for continuing utility service. Unless special circumstances require otherwise, the amount of security shall equal the amount of charges for the month of greatest use during the preceding 12 months. The Corporation shall not require the payment of any security prior to the expiration of 20 days following the date on which the petition is filed. Failure to provide this security by the date specified by the Corporation may result in termination of service according to the Disconnection With Notice Provisions of Section E (15) (a) of this tariff, with a copy of the notice to the bankruptcy Trustee.
7. **Owners and Renters.** Any Member, renting or leasing real estate property designated to receive service according to the terms of this tariff to other parties, is responsible for all charges due the Corporation. The Corporation may bill the renter or lessee for utility service (at Member Request) as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The owner shall be required to sign an Alternate Billing Agreement. (See Miscellaneous Transaction Forms.) The Member shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The Corporation may notify the Member of the renter's past due payment status subject to service charges (see Section: Miscellaneous Transaction Forms).
8. **Denial of Service.** The Corporation may deny service for the following reasons:
- a. Failure of the Applicant or Transferee to complete all required easements, forms and pay all required fees and charges;
 - b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the Corporation;
 - c. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Members/Users of the Corporation upon connection;
 - d. Failure of Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property, for which service has been requested;
 - e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the Corporation's tariff on file with the state regulatory agency governing the service applied for by the Applicant;

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- f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which the tap has been requested, and/or
- g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.

9. ***Applicant's or Transferee's Recourse.*** In the event the Corporation refuses to serve an Applicant under the provisions of these rules, the Corporation must notify the Applicant, in writing, on the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the Corporation.

10. ***Insufficient Grounds for Refusal of Service.*** The following shall not constitute sufficient cause for the refusal of service to an Applicant:

- a. Delinquency in payment for service by a previous occupant of the premises to be served;
- b. Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six (6) months prior to the date of application;
- c. Violation of the Corporation's rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;
- d. Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service;
- e. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill;
- f. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations.

11. ***Deferred Payment Agreement.*** The Corporation may offer a deferred payment plan to a Member who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the Corporation, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement. (See Miscellaneous Transaction Forms)

12. ***Charge Distribution and Payment Application.***

- a. **The Service Availability Charge or the Reserved Service Charge** is for the billing period from the 1 day of the month to the 14 day of the month. Charges shall be prorated for meter installations and service termination's falling during the billing period. Billings for this amount shall be mailed on or about the 1 DAY OF THE NEXT month preceding the month for which this charge is due. All services shall be subject to this charge whether or not the service is in use by the Member.
- b. **Gallage Charge** shall be billed at the rate specified in Section G and billing shall be calculated in one hundred (100) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.
- c. **Posting of Payments** -- All payments shall be posted against previous balances prior to posting against current billings.

13. ***Due Dates, Delinquent Bills, and Service Disconnection Date.*** The Corporation shall mail all bills on or about the 24 of the month. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in Section G. A bill is delinquent if not paid on or before the past due date. Payments made by mail will be considered late if postmarked after the past due date. A 10 day grace

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period may then be allowed for delayed payments prior to mailing of final notices. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the past 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.

14. **Rules for Disconnection of Service.** The following describes the rules and conditions for disconnection of service. For the purposes of disconnecting sewer service under these policies, water service will be terminated in lieu of disconnecting sewer service. In instances of nonpayment of sewer service or other violations by a Member who is not a water customer, the Corporation has the option to disconnect the sewer tap or take other appropriate actions.

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, or certified check. Failure to meet these terms shall initiate disconnection of service. (see Miscellaneous Transaction Forms) Any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period shall be considered evidence of bad credit risk by the Corporation. 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, or cash.

- 2) Failure to pay a delinquent account for utility service, failure to timely provide a deposit or other security under Section E (6) (i), 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.
- 8) Failure to pay a delinquent account billed by the Corporation for sewer utility service provided by [Retail Public Utility] pursuant to the Corporation's Agreement with the [Retail Public Utility]. (See Miscellaneous Transaction Forms - Figure 1:50 TAC 291.85 (e)(2) Appendix A "SEWER BILLING SERVICES FOR A RETAIL PUBLIC UTILITY PROVIDED BY A NON-PROFIT WATER SUPPLY CORPORATION")

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- 9) Cancellation of membership by Member on an account that the Member holds for water service to the Member's renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement. (Note: The cancellation of membership must be in writing and signed by the Member. CORPORATION ASSUMES NO LIABILITY TO RENTER/LESSEE; MEMBER IS SOLELY RESPONSIBLE FOR COMPLIANCE WITH, AND LIABILITY UNDER ANY FEDERAL, STATE OR LOCAL LAW CREATING OR PROTECTING RIGHTS OF RENTERS/LESSEES.)
- 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.
- 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.

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- 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 (see Miscellaneous Transaction Forms).
 - 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.
 - 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.
15. **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.
16. **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.
17. **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 Sub-section 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.

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18. **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.
19. **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.)
20. **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:
- 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 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.
21. **Meter Relocation.** Relocation of services shall be allowed by the Corporation provided that:
- No transfer of Membership is involved;
 - An easement for the proposed location has been granted to the Corporation;
 - The Member pays the actual cost of relocation plus administrative fees, and
 - Service capacity is available at proposed location.
22. **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. (see Sample Application Packet RES-EX Bulletin 1780-9.

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23. Member's Responsibility.

- a. The Member shall provide access to the meter as per the easement and 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. (30 TAC 290.46)
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 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. (This cut-off valve may be installed as a part of the original meter installation by the Corporation.)

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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 with 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. Section 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.)
2. **Purpose.** It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions and other kinds of Non-Standard Service are determined, including the Non-Standard Service Applicant's and the Corporation's respective costs.

For purposes of the Section, the term "Applicant" shall refer to the individual or entity that desires to secure Non-Standard Service from the Corporation. The Applicant must be the same person or entity that is authorized to enter into a contract with the Corporation setting for the terms and conditions pursuant to which Non-Standard Service will be furnished to the property. In most cases, the Applicant shall be the owner of real property for which Non-Standard Service is sought. In the event that the Applicant is other than the owner of real property, the Applicant must furnish evidence to the Corporation that it is authorized to request Non-Standard Service on behalf of such owner, or that it otherwise has authority to request Non-Standard Service for the real property.

3. **Application of Rules.** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required for a single tract of property. Examples of non-standard services for a single tract of land can include, but are not limited to, road bores, extensions to the distribution system, service lines exceeding 1" diameter and service lines exceeding 30 feet. Non-residential service applications typically will be considered non-standard. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard. 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.

This Section sets forth the general terms and conditions pursuant to which the Corporation will process Non-Standard Service Requests. The specific terms and conditions pursuant to which the Corporation will provide non-standard service in response to any request will depend upon the nature of such request and may be set forth in a legally enforceable, contractual agreement to be entered into by the Corporation and the service Applicant. The agreement may not contain any terms or conditions that conflict with this Section.

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4. **Non-Standard Service Application.** The Applicant shall meet the following requirements prior to the initiation of a Non-Standard Service Contract by the Corporation:
- a. The Applicant shall provide the Corporation a completed Service Application And Agreement giving special attention to the item(s) on SPECIAL SERVICE NEEDS OF THE APPLICANT.
 - b. A final plat approved by the Corporation must accompany the Application showing the Applicant's requested service area. The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
 - c. A Non-Standard Service Investigation Fee shall be paid to the Corporation in accordance with the requirements of Section G for purposes of paying initial administrative, legal, and engineering fees. The Corporation shall refund any balance that remains after it has completed its service investigation, and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all expenses incurred by the Corporation, the Applicant shall pay to the Corporation all remaining expenses that have been, or will be incurred by the Corporation and Corporation shall have no obligation to complete processing of the request until all remaining expenses have been paid.
 - d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property located, in whole or in part, outside the area described in the Corporation's Certificate of Convenience and Necessity, service may be extended provided that:
 - 1). The service location is not in an area receiving similar service from another retail utility;
 - 2). The service location is not within another retail utility's Certificate of Convenience and Necessity; and
 - 3) The Corporation's Certificate of Convenience and Necessity shall be amended to include the entirety of Applicant's property for which service is requested. Applicant shall pay all costs incurred by Corporation in amending its CCN, including but not limited to engineering and professional fees. If the service location is contiguous to or within one-fourth (1/4) mile of Corporation's Certificate of Convenience and Necessity, Corporation may extend service prior to completing the amendment to its CCN, but will do so only upon Applicant's legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including legal, surveying and engineering fees incurred by Corporation in securing the amendment).
5. **Design.** The Corporation shall study the design requirements of the Applicant's required facilities prior to initiation of a Non-Standard Service Contract by adopting the following schedule:
- a. The Corporation's Consulting Engineer shall design, or review and approve plans for, all on-site and off-site service facilities for the Applicant's requested service within the

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Corporation's specifications, incorporating any applicable municipal or other governmental codes and specifications.

- b. The Consulting Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee under Section 4.
- c. The Consulting Engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.
- d. The Corporation's Engineer shall ensure 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 shall pay the expense of such upgrading in excess of the Applicant's facility requirements.

6. **Non-Standard Service Contract.** Applicants requesting or requiring Non-Standard Service may be required to execute 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. The service contract may include, but is 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 (Front-end Capital Contributions) required by the Corporation in addition to the other costs required under this Section.
- d. Monthly Reserved Service Charges as applicable to the service request.
- e. Terms by which service capacity shall be reserved for the Applicant and duration of reserved service with respect to the impact the Applicant's service demand 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.
- 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) Execution of the Service Agreement;
 - 4) Selection of a qualified bidder for construction;
 - 5) Dispensing advanced funds for construction of facilities required for the Applicant's service;
 - 6) Inspecting construction of facilities; and
 - 7) Testing facilities and closing the project.
- h. Terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuits in connection with the project.
- 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.

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- 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.

The Corporation and the Applicant must execute a Non-Standard Service Contract prior to the initiation of construction of facilities by the Applicant. In the event that the Applicant commences construction of any such facilities prior to execution of a Contract with the Corporation, then the Corporation may refuse to provide service to the Applicant (or require full costs of replacing/repairing any facilities constructed without prior execution of a contract from any person buying a lot or home from Applicant), require that all facilities be uncovered by the Applicant for inspection by the Corporation, require that any facilities not approved by the Corporation be replaced, or take any other lawful action determined appropriate by the Board of Directors of the Corporation.

7. **Property and Right-of-Way Acquisition.** With regard to construction of facilities, the Corporation shall require private right-of-way easements or private property as per the following conditions:
- a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Applicant shall 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. (See Sample Application Packet RUS Form 442-8 or 442-9.)
 - b. All costs associated with facilities that must be installed in public right-of-ways on behalf of the Applicant, due to the inability of the Applicant to secure private right-of-way easements, shall be paid by the Applicant. Alternatively, Applicant shall pay all costs, including legal and other professional fees, and the condemnation award in the event Corporation secures such private easements or facility sites through eminent domain proceedings.
 - 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) and title to property required for other on-site facilities.
 - d. Easements and facilities sites shall be prepared for the construction of the Corporation's pipeline and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.
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,

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- 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 Non-Standard Service Contract. The corporation reserves the right to have their contractor do all work on it's water system, so that no outside contractor installs a line, then turns the service to us.
10. ***Construction.***
- a. All roadwork pursuant to state, county and/or municipal standards (as 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 compliance with Corporation standards.
 - 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 construction or 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 nonstandard service specified by the Applicant. The Applicant is responsible for paying for all costs necessary for non-standard service to a subdivision as determined by the Corporation under the provisions of this tariff and specifically the provisions of this Section; if the Applicant fails to pay these costs, the Corporation has the right to require payment of these costs by any one or more of the persons purchasing lots within such subdivision before the Corporation is obligated to provide water/sewer service. In addition, Corporation may elect to pursue any remedies provided by the Non-Standard Service Contract. Applicant is advised that purchasers of lots also may have legal recourse to the Applicant under Texas law.

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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 for each service requested before service shall be provided or reserved for the Applicant by the Corporation.
 - a. The Membership Fee for water service is \$100.00 each service unit for members on plant # 1.
 - b. The Membership Fee for water service is \$100.00 each service unit for members on plant # 2.
 - c. Membership fee for oversized or Master Metered Accounts shall be based on multiples of meter size equivalence or actual connections served.
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, 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. **Standard Service** installation fee is **\$850.00, as of SEPT.1, 2006.**
 - 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.

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PLEASANT GROVE WATER SUPPLY CORP
P. O. BOX 695
FAIRFIELD, TEXAS 75840

September 25, 2012

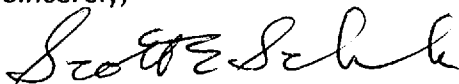
TCEQ
ATTN: Tariff Clerk
Utilities and District Section MC153
P. O. Box 13087
Austin, Texas 78711-3087

Attn: Tariff Clerk

Enclosed please find new rates for base rates and gallon usage for Pleasant Grove Water Supply Corporation. These rates will go into effect October 1, 2012. They will replace rates on page 2 of Section G in our tariff.

Thank you for your time.

Sincerely,



Scott Schick, Manager
Pleasant Grove Water Supply Corp
Office #: 903-389-9644
Cell #: 903-388-5577

encl

PLEASANT GROVE WATER SUPPLY CORP
P. O. BOX 695
FAIRFIELD TEXAS 75840

OUR GOAL
TO SUPPLY GOOD, SAFE WATER TO A THRIVING
COMMUNITY OF NICE PEOPLE AT A REASONABLE COST

BOARD MEMBERS

President: Larry N. Davis

Vice President: Warren Davis

Secretary: Keith Turchi

Eddie Smith
Billy Jim Day
Joe Hubbert
Don McLeod

September 24, 2012

To All Members:

Recent action of the Board of Directors has resulted in an increase in Base rates and usage rates for water beginning in October. Changes in the operation of the system begun in January of this year have resulted in additional labor, equipment and insurance costs which we have closely monitored, measured and evaluated before taking this necessary action. As a non-profit corporation we seek only to cover the cost of providing safe and reliable drinking water to the members of our community.

The new rates are:

Description	Old Rates	New Rates
Base rate (meter)	\$24.24 /mo	\$32.50 / mo
0 – 10,000 gallons	\$3.00 per thousand	\$3.50 per thousand
10,000 – 20,000 gallons	\$3.50 per thousand	\$4.50 per thousand
20,000 +	\$4.00 per thousand	\$6.00 per thousand

- c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E.2. (d) (6) of this Tariff or other system improvements.

5. **Equity Buy-In Fee.** In addition to the Membership Fee, each Applicant shall be required to achieve parity with Members. 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. The formula applied to such fee calculated annually after receipt of the system audit is as follows: In place of an equity Buy-in, an aid to future construction is charged. Effective **NO EQUITY BUY-IN FEE IS CHARGED BY PLEASANT GROVE WATER CORP. AN AID TO FUTURE CONSTRUCTION IS CHARGED. EFFECTIVE MAY 1, 2005 THAT FEE IS \$650.00.**

Sample Calculation:

Total Contributions and Assets of the Corporation minus (-)
Accumulated Depreciation minus (-)
Outstanding Corporation Debt Principle minus (-)
Developer Contributions minus (-)
Grants received divided by
Total Number of Members / Customers equals =
Average Net Equity Buy-In Fee

- a. Water Fee as of SEPT. 1, 2006 \$1600.00, for standard installation service.

6. **Monthly Charges.**

a. **Service Availability Charge**

1. Water Service – The size of the meter installed does not have a bearing on the gallonage cost of water, however, if a member wants a larger than 5/8" meter, the installation cost goes up for each increase in size of meter. **The base charge for each meter on plant #1 is \$20.68. the base charge for each meter on plant #2 is 24.24, as of May 1, 2005.**

- 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 property 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.

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

(1) Water - \$ 3.00 per 1,000 gallons up to 10,000 gallons, \$3.50 per 1,000 gal. From 10,000 to 20,000, and \$4.00 per 1000gal over 20,000 gal., as of May 1, 2005.

(2) 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))

(3) The Corporation, as a part of its billing process, collects 4 cents per thousand for the for the

MID- EAST TEXAS GROUND WATER CONSERVATION DISTRICT.

- d. **Customer Notice Provisions.** The Corporation shall give written notice of monthly rate changes by mail or hand delivery to all consumers at least 30 days prior to the effective date of the new rate. The notice shall contain the old rates, new rates, effective date of the new rate, date of Board authorization, and the name and phone number of the Corporation's contact person designated to address inquiries about the rate change.
7. **Assessments** – If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water or wastewater charges to be insufficient for the payment of all costs incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by Rural Development, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment on indebtedness for the year's operations. (Article XVIII of Bylaws, Section 1.)
8. **Late Payment Fee.** Once per billing period, a penalty of \$ 10.00 shall be applied to delinquent bills. 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, **EFFECTIVE SEPT. 1, 2006.**
9. **Mortgagee/Guarantor Notification Fee.** The Corporation shall assess a fee of \$00.00 for each notification to a Membership lien-holder under agreement prior to Membership cancellation. (See Miscellaneous Transaction Forms.)
10. **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 \$15.00. (see Miscellaneous Transaction Forms)
11. **Reconnect Fee.** The Corporation shall charge a fee of \$45.00 for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in this Tariff except for activation of service under Section E.3.b. Re-Service. **EFFECTIVE SEPT. 1, 2006**
12. **Service Trip Fee.** The Corporation shall charge a trip fee of \$30.00 for any service call or trip to the Member's tap as a result of a request by the Member or resident (unless the service call is in response to damage of the Corporation's or another Member's facilities) or for the purpose of disconnecting or collecting payment for services.
13. **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. 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 taps, or reconnection of service without authority shall be charged. All components of this fee will be

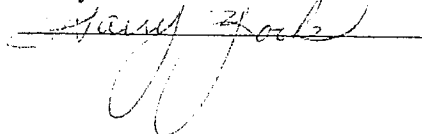
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itemized, and a statement shall be provided to the Member. If the Corporation's facilities or equipment have been damaged due to negligence or unauthorized use of the Corporation's equipment, right-of-way, or meter shut-off valve, or due to other acts 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.

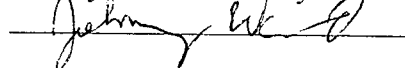
14. **Customer History Report Fee.** A fee of \$10.00 shall be charged to provide a copy of the Members record of past water purchases in response to a Member's request for such a record.
- 15.
16. **Meter Test Fee.** The Corporation shall test a Member's meter upon written request of the Member. Under the terms of Section E of this Tariff, a charge of \$150.00 shall be imposed on the affected account.
17. **Transfer Fee.** An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of \$00.00.
18. **Non-Disclosure Fee.** A fee of \$10.00 shall be assessed any customer requesting in writing that personal information under the terms of this tariff not be disclosed to the public.
19. **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 Publication Information Act: Chapter 552, Texas Government Code.
20. **Customer Service Inspection Fee.** A fee of \$50.00 will be assessed each Applicant before permanent continuous service is provided to new construction.
21. **Franchise Fee Assessment.** A fee of 0% of the amount billed for water service will be assessed each customer whose meter is located inside the corporate limits of the City of Fairfield, Texas, as required by the City's ordinance requiring a franchise fee.
22. **Regulatory Assessment.** A fee of 0.5% of the amount billed for water service will be assessed each customer; this assessment is required under Texas law and TCEQ regulations.
23. **Additional Assessments.** In the event any federal, state or local government imposes on the Corporation a "per meter" fee or an assessment based on a percent of water/sewer charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.
24. **Groundwater District Production Fee.** A fee of .04 cents per thousand gallons of water used by each customer. This fee is collected to pay a portion of the annual fee charged the Corporation by MID-EAST TEXAS GROUNDWATER CONSERVATION DISTRICT based on the amount of water pumped from the Corporation's wells located within the boundaries of the District.
25. **Other Fees.** All services outside the normal scope of utility operations that 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.

Approved July 6, 2006 by Pleasant Grove Water Board.

Harry York President



Johnny Ward Secretary



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SECTION H

DROUGHT CONTINGENCY PLAN FOR THE

Pleasant Grove Water Supply Corporation

Section I: **Declaration of Policy, Purpose, and Intent**

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

Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section XI of this Plan.

Section II: **Public Involvement**

Opportunity for the public to provide input into the preparation of the Plan was provided by the Pleasant Grove Water Supply System by means of public notice of newspaper, and notice of meeting posted at the water office, and filed with the County Clerk.

Section III: **Public Education**

The Pleasant Grove Water Supply Corporation will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of press releases and or utility bill inserts.

Section IV: **Coordination with Regional Water Planning Groups**

The service area of the Pleasant Grove Water Supply Corporation is located within the Region C (regional water planning area or areas) and Pleasant Grove Water Supply Corporation has provided a copy of this Plan to the TNRCC.

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Section V: **Authorization**

The PGWS Board of Directors have authorized the contractor and water manager: Fairfield Trucking to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Water Contractor, Fairfield Trucking, designee, shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section VI: **Application**

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

Section VII: **Definitions**

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

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

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

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

Customer: any person, company, or organization using water supplied by Pleasant Grove Water Supply Corporation.

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

Even number address: 911 addresses numbers will be used for this purpose, example: 2, 4, 6, or 8, ending number.

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

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

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

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

Odd numbered address: 911 address numbers will be used for this purpose: 1, 3, 5, 7 or 9 ending number.

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

The Board of Directors and Water Contractor Fairfield Trucking or his/her designee shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

The triggering criteria described below are based on or less than 200 feet above sea capacity limits.
When the static water level in the Pleasant Grove Water Supply Corporation wells is equal to level.
When the specific capacity of the Pleasant Grove Water Supply Corporation wells is equal to or less than 75% percent of the well's original specific capacity.

Requirements for termination

State I of the Plan may be rescinded when all of the conditions listed as triggering event have ceased to exist for a period of 10 consecutive days.

Stage 1 Triggers – MILD Water Shortage Conditions

Requirements for initiation

Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses, defined in Section VII – Definitions, when static level in well drops to 190 feet.

When the static water level in the Pleasant Grove Water Supply Corporation well(s) is Equal to or less than 200 feet above mean sea level.

When the specific capacity of the Pleasant Grove Water Supply Corporation well(s) is Equal to or less than 75% percent of the well's original specific capacity.

The public water supplier may devise other triggering criteria, which are tailored to its system.

Requirements for termination

Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 10 consecutive days.

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Stage 2 Triggers – MODERATE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section IX of this Plan when well level drops to 190 feet. Ten feet below Stage 1.

Requirements for termination

Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering event have ceased to exist for a period of 10 consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

Stage 3 Triggers – SEVERE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan when static water levels in well drops to 180 feet above sea level.

Requirements for termination

Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 10 consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

Stage 4 Triggers – CRITICAL Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when static water in wells drops to 170 feet above sea level.

Requirements for termination

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 10 consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

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Stage 5 Triggers – EMERGENCY Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan when Water Contractor, Fairfield Trucking, or his/her designee, determines that a water supply emergency exists based on:

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

Requirements for termination

Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering event have ceased to exist for a period of 10 consecutive days.

Stage 6 Triggers – WATER ALLOCATION

Requirements for initiation

Customers shall be required to comply with the water allocation plan prescribed in Section IX of this Plan and comply with the requirements and restrictions for Stage 5 of this Plan when water in wells drop to 50% of normal capacity.

Requirements for termination

Water allocation may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 10 consecutive days.

NOTE: *The inclusion of WATER ALLOCATION as part of a drought contingency Plan may not be required in all cases. For example: for a given water Supplier, an analysis of water supply availability under drought of record Conditions may indicate that there is essentially no risk of water supply Shortage. Hence, a drought contingency plan for such a water supplier Might only address facility capacity limitations and emergency conditions (e.g., supply source contamination and system capacity limitations).*

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Section IX: Drought Response Stages

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

Notification:

Notification of the Public:

The PGWSC Board of Directors or his/her designee shall notify the public by means of:

*Publication in a newspaper of general circulation;
Direct mail to each customer*

Additional Notification:

The PGWSC board of Directors or his/her designee shall notify directly, or cause to be notified directly, the following individuals and entities:

Examples: One or more of the following:

*Fire Chief(s)
City and/or County Emergency Management Coordinator(s)
County Judge & Commissioner(s)
TNRCC (required when mandatory restrictions are imposed)
Major water users*

NOTE: *The plan should specify direct notice only as appropriate to respective Drought stages.*

Stage 1 Response – MILD Water Shortage Conditions

Goal: Achieve a voluntary 10 percent (10%) reduction in total water use:

Supply Management Measures:

Describe measures, if any, to be implemented directly by (name of water Supplier) to manage limited water supplies and/or reduce water demand. Examples include reduced or discontinued flushing of water mains, Activation and use of an alternative supply source(s); use of reclaimed Water for non-potable purposes.

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Voluntary Water Use Restrictions:

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

Stage 2 Response – MODERATE Water Shortage Conditions

Goal: Achieve a 25% percent reduction in total water use.

Supply Management Measures:

Describe measures, if any, to be implemented directly by Pleasant Grove Water Supply Corporation to manage limited water supplies and/or reduce Water demand.

Examples include: reduced or discontinued flushing of water mains, reduced Or discontinued irrigation of public landscaped areas; use of an alternative Supply source(s); use of reclaimed water for non-potable purposes.

Water Use Restrictions – Under threat of penalty for violation, the following water use Restrictions shall apply to all persons:

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation Systems shall be limited to Sundays and Thursdays for customers with a 911 Address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a 911 address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

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

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5. Failure to repair a controllable leak(s) within a reasonable period after having
Been given notice directing the repair of such leak(s).

Stage 3 Response – SEVERE Water Shortage Conditions

Goal: Achieve a 50% percent reduction in total water use.

Supply Management Measures:

Describe measures, if any, to be implemented directly by Pleasant Grove Water Supply Corporation to manage limited water supplies and/or reduce water demand.

Examples include: reduced or discontinued flushing of water mains, reduced Or discontinued irrigation of public landscaped areas; use of an alternative supply Source(s); use of reclaimed water for non-potable purposes.

Water Use Restrictions – All requirements of Stage 2 shall remain in effect during Stage 3 except:

- (a) Irrigation of landscaped areas shall be limited to designated watering days
Between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.
- (b) The Pleasant Grove Water Supply Corporation prohibits the watering of golf course tees unless the golf course utilizes a water source other than that provided.
- (c) The use of water for construction purposes from designated fire hydrants under Special permit is to be discontinued.

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Stage 4 Response – CRITICAL Water Shortage Conditions

Goal: Achieve a 60% percent reduction in total water use

Supply Management Measures:

Describe measures, if any, to be implemented directly by Pleasant Grove Water Supply Corporation to manage limited water supplies and/or reduce water demand.

Examples include: reduced or discontinued flushing of water mains, reduced or discontinued irrigation of public landscaped areas; use of an alternative supply Source(s); use of reclaimed water for non-potable purposes.

Water Use Restrictions: All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except:

- (a) Irrigation of landscaped areas shall be limited to designated watering days Between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems is prohibited at all times.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other Vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10:00 p.m.
- © The filling, refilling, or adding of water to swimming pools, wading pools, and Jacuzzi-type pools is prohibited.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes Is prohibited except where necessary to support aquatic life or where such fountains Or ponds are equipped with a re-circulation system.

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- (e) No application for new, additional, expanded, or increased-in-size water service Connections, meters, service lines, pipeline extensions, mains, or water service Facilities of any kind shall be approved, and time limits for approval of such Applications are hereby suspended for such time as this drought response stage or A higher-numbered stage shall be in effect.

Stage 5 Response – EMERGENCY Water Shortage Conditions

Goal: Achieve a 70% percent reduction in total water use.

Supply Management Measures:

*Describe measures, if any, to be implemented directly by Pleasant Grove Water Supply Corporation to manage limited water supplies and/or reduce water demand.
Examples include: reduced or discontinued flushing of water mains, reduced or Discontinued irrigation of public landscaped areas; use of an alternative Supply source(s); use of reclaimed water for non-potable purposes.*

Water Use Restrictions: all requirements of Stage 2, 3, and 4 shall remain in effect during Stage 5 except:

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

Stage 6 Response – WATER ALLOCATION

In the event that water shortage conditions threaten public health, safety, and welfare, the Board of Directors and or Water Contractor Fairfield Trucking is hereby authorized to allocate water according to the following water allocation plan:

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Single-Family Residential Customers

The allocation to residential water customers residing in a single-family dwelling shall be As follows:

Persons per Household	Gallons per Month
1 or 1	6,000
3 or 4	7,000
5 or 6	8,000
7 or 8	9,000
9 or 10	10,000
11 or more	12,000

"Household" means the residential premises served by the customer's meter. "Persons per household" includes only those persons currently physically residing at the premises and expected to reside there for the entire billing period. It shall be assumed that a particular customer's household is comprised of two (2) persons unless the customer notifies the Pleasant Grove Water Supply Corporation of a greater number of persons per household on a form prescribed by the Board of Directors. The Board of Directors shall give their best effort to see that such forms are mailed, otherwise provided, or made available to every residential customer. If, however, a customer does not receive such a form, it shall be the customer's responsibility to go to the Pleasant Grove Water Supply, (Fairfield, Trucking) office to complete and sign the form claiming more than two (2) persons per household. New customers may claim more persons per household at the time of applying for water service on the form prescribed by the Board of Directors. When the number of persons per household increases so as to place the customer in a different allocation category, the customer may notify the Pleasant Grove Water Supply Corporation on such form and the change will be implemented in the next practicable billing period. If the number of persons in a household is reduced, the customer shall notify the Pleasant Grove Water Supply Corporation in writing within two (2) days. In prescribing the method for claiming more than two (2) persons per household, the Board of Directors shall adopt methods to insure the accuracy of the claim. Any person who knowingly, recklessly, or with criminal negligence falsely reports the number of persons in a household or fails to timely notify the Pleasant Grove Water Supply Corporation of a reduction in the number of persons in a household shall be fined not less than \$100.00.

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Residential water customers shall pay the following surcharges:

\$25.00 for the first 1,000 gallons over allocation.

\$50.00 for the second 1,000 gallons over allocation.

\$75.00 for the third 1,000 gallons over allocations.

\$100.00 for each additional 1,000 gallons over allocation.

Surcharges shall be cumulative.

Commercial Customers

A monthly water allocation shall be established by the PGWSC Board of Directors, or his/her designee, for each nonresidential commercial customer other than an industrial customer who uses water for processing purposes. The non-residential customer's allocation shall be approximately 75% percent of the customer's usage for corresponding month's billing period for the previous 12 months. If the customer's billing history is shorter than 12 months, the monthly average for the period for which there is a record shall be used for any monthly period for which no history exists. Provided, however, a customer, _____ percent of whose monthly usage is less than _____ gallons, shall be allocated _____ gallons. The Board of Directors or their designee, shall give their best effort to see that notice of each non-residential customer's allocation is mailed to such customer. If, however, a customer does not receive such notice, it shall be the customer's responsibility to contact the Pleasant Grove Water Supply Corporation to determine the allocation. Upon request of the customer or at the initiative of the Water Contractor (Fairfield, Trucking), the allocation may be reduced or increased if, (1) the designated period does not accurately reflect the customer's normal water usage; (2) one nonresidential customer agrees to transfer part of its allocation to another nonresidential customer, or; (3) other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the Board of Directors or alternatively, special water allocations review committee. Nonresidential commercial customers shall pay the following surcharges:

Customers whose allocation is 1,000 gallons through 40,000 gallons per month:

\$25.00 per thousand gallons for the first 1,000 gallons over allocation.

\$50.00 per thousand gallons for the second 1,000 gallons over allocation.

\$75.00 per thousand gallons for the third 1,000 gallons over allocation.

\$100.00 per thousand gallons for each additional 1,000 gallons over allocation.

Customers whose allocation is 40,000 gallons per month or more:

_____ times the block rate for each 1,000 gallons in excess of the allocation up through 5 percent (5%) above allocation.

_____ times the block rate for each 1,000 gallons from 5 percent (5%) through 10 percent (10%) above allocation.

_____ times the block rate for each 1,000 gallons from 10 percent (10%) through 15 percent (15%) above allocation.

2 times the block rate for each 1,000 gallons more than 15 percent (15%) above allocation.

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

Industrial Customers

A monthly water allocation shall be established by the PGWSC Board of Directors or their designee, for each industrial customer, which uses water for processing purposes. The industrial customer's allocation shall be approximately 90% percent of the customer's water usage baseline. Ninety (90) days after the initial imposition of the allocation for industrial customers, the industrial customer's allocation shall be further reduced to 85% percent of the customer's water usage baseline. The industrial customer's water use baseline will be computer on the average water use for the 12 month period ending prior to the date of implementation of Stage 2 of the Plan. If the industrial water customer's billing history is shorter than 6 months, the monthly average for the period for which there is a record shall be used for any monthly period for which no billing history exists. The PGWSC Board of Directors, or their designee, shall give their best effort to see that notice of each industrial customer's allocation is mailed to such customer. If, however, a customer does not receive such notice, it shall be the customer's responsibility to contact the Pleasant Grove Water Supply Corporation to determine the allocation, and the allocation shall be fully effective notwithstanding the lack of receipt of written notice. Upon request of the customer or at the initiative of the Water Contractor

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(Fairfield Trucking), the allocation may be reduced or increased; (1) if the designated period does not accurately reflect the customer's normal water use because the customer had shutdown a major processing unit for repair or overhaul during the period; (2) the customer has added or is in the process of adding significant additional processing capacity; (3) the customer has shutdown or significantly reduced the production of a major processing unit; (4) the customer has previously implemented significant permanent water conservation measures such that the ability to further reduce water use is limited; (5) the customer agrees to transfer part of its allocation to another industrial customer; or (6) if other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the PGWSC Board of Directors or alternatively, special water allocations review committee. Industrial customers shall pay the following surcharges:

Customers whose allocation is 1,000 gallons through 20,000 gallons per month:

\$25.00 per thousand gallons for the first 1,000 gallons over allocation.
\$50.00 per thousand gallons for the second 1,000 gallons over allocation.
\$75.00 per thousand gallons for the third 1,000 gallons over allocation.
\$100.00 per thousand gallons for each additional 1,000 gallons over allocation.

Customers whose allocation is 20,000 gallons per month or more:

_____ times the block rate for each 1,000 gallons in excess of the allocation up through 5 percent (5%) above allocation.
_____ times the block rate for each 1,000 gallons from 5 percent (5%) through 10 percent (10%) above allocation.
_____ times the block rate for each 1,000 gallons from 10 percent (10%) through 15 percent (15%) above allocation.
2 times the block rate for each 1,000 gallons more than 15 percent (15%) above allocation.

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

Section X: Enforcement

- (a) No person shall knowingly or intentionally allow the use of water from the Pleasant Grove Water Supply Corporation for residential, commercial, industrial, agricultural, Governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by PGWSC Board of Directors, or their designee, in accordance with provisions of this Plan.

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- (b) Any person who violates this Plan is guilty of a misdemeanor and, upon conviction Shall be punished by a fine of not less than \$100.00 dollars and not more than \$200.00 dollars. Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Water Contractor shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, hereby established at \$60.00, and any other costs incurred by the Pleasant Grove Water Supply Corporation in discontinuing service. In addition, suitable assurance must be given to the Water contractor (Fairfield Trucking) that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court
- © Any person, including a person classified as a water customer of the Pleasant Grove Water Supply Corporation, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a refutable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a refutable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.
- (c) Any employee of the Pleasant Grove Water Supply Corporation, Water Contractor (Fairfield Trucking), police officer, or other employee designated by the Board of Directors, may issue a citation to a person he/se reasonably believes to be in violation of this Ordinance. The citation shall be prepared in duplicate and shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the Justice of the Peace court on the date shown on the citation for which the date shall not be less than three (3) days nor more than five (5) days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over fourteen (14) years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in Justice of the Peace court to enter a plea of guilty or not guilty for the violation of this Plan. If the alleged violator fails to appear in municipal court, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in Justice of the Peace court before all other cases.

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Section XI: Variances

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

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

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the Pleasant Grove Water Supply Corporation within five (5) days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the PGWSC Board of Directors, or their designee, and shall include the following:

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

Variances granted by the _____ (name of water supplier) shall be subject to the following conditions, unless waived or modified by the _____ (designated official) or his/her designee:

- (a) Variances granted shall include a timetable for compliance.
- (b) Variances granted shall expire when the Plan is no longer in effect, unless the petitioner has failed to meet specific requirements.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

RIGHT OF WAY 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 _____, (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 access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances and any other facilities necessary to serve Grantors' property as well as the Grantee's current and future system-wide customers, under, 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. The easement hereby granted shall not exceed 15' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 15' in width the center line thereof being the pipeline as installed.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, paralleling, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor or their successors or assigns to move or remove any such abandoned lines or appurtenances.

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 15' in width the center line thereof being the pipeline 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 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 land and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

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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.

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day of _____, 20____.

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) _____ County, Texas.

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CORPORATION USE ONLY

Date Approved: _____
Service Classification: _____
Cost: _____
Work Order Number: _____
Eng. Update: _____
Account Number: _____
Service Inspection Date: _____

**PLEASANT GROVE WATER SUPPLY CORP.
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 _____ LIVESTOCK & NUMBER _____

SPECIAL SERVICE NEEDS OF APPLICANT _____

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

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

☐ White, Not of Hispanic Origin ☐ Black, Not of Hispanic Origin ☐ American Indian or Alaskan Native ☐ Hispanic ☐ Asian or Pacific Islander (Specify) ☐ Other ☐ Male ☐ Female

EQUAL OPPORTUNITY PROGRAM

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AGREEMENT made this _____ day of _____, _____, between

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),

Witnesseth:

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 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 utility 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.

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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 \$300.00 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 and/or wastewater connection 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) 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.

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, potential contamination hazards, illegal lead materials, and any other violations or possible violations of state and federal statutes and regulations relating to the federal Safe Drinking Water Act or Chapter 341 of the Texas Health & Safety Code or and the corporation's tariff and service policies.

The Corporation is responsible for protecting the drinking water supply from contamination or pollution which could result from improper practices. This service agreement serves as notice to each customer of the restrictions which are in place to provide this protection. The Corporation shall enforce these restrictions to ensure the public health and welfare. The following undesirable 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 airgap or an appropriate backflow prevention assembly in accordance with state regulations.
- 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 airgap or a reduced pressure backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.

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- 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 which provides water for human consumption.
- e. No solder or flux which contains more than 0.2 % lead may be used for the installation or repair plumbing on or after July 1, 1988, at any connection which provides water for human consumption.

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises is connected to the public water system. The Member shall allow their property to be inspected for possible cross-connections, potential contamination hazards, and illegal lead materials. 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 practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable practice on their premises. The Member shall, at their 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.

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 utility or like contractors, tampering by other Member/users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

The Applicant shall grant to the Corporation permanent recorded easement(s) dedicated to the Corporation for the purpose of providing reasonable rights of access and use to allow the Corporation to construct, maintain, replace, upgrade, parallel, inspect, test and operate any facilities necessary to serve that Applicant as well as the Corporation's purposes in providing system wide service for existing or future members.

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. 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.

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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 four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

By execution hereof, the applicant assumes responsibility for any metered water, whether it be a leak or used product.

Witnesseth

Applicant Member

Approved and Accepted

Date Approved

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EASEMENT DENIAL LETTER AND AFFIDAVIT

Date _____

(Name of Property Owner
and Property Owners
Address) _____

VIA: First Class Mail and Certified Mail, Return Receipt Requested No. _____

Dear _____:

PLEASANT GROVE Water Supply Corporation (Corporation) has requested an easement for a water distribution system across your property. To date, you have not provided such easement. It is now necessary that the requested easement be granted or refused by you, and the Corporation is asking that you do so within thirty (30) days after receipt of this notice. A copy of the requested easement is enclosed with this notice.

If the Corporation does not receive a completed easement within the 30 days specified, the Corporation will consider this failure to be a denial of easement on your part and the Corporation will complete and sign a copy of this notice to be retained in the Corporation's records for future water service to your property.

If at some future time you (or another owner of your property or any portion of your property) requests water service, the Corporation will require an easement before water service will be provided, as authorized by Section 49.218(d) - (f) of the Texas Water Code. At that time, and in addition to other costs required for water service, the Corporation will require payment of all reasonable costs for relocation or construction of the water distribution system along the easement that will be provided. (The Corporation's Engineer estimates this cost to be _____, as reflected in the attached. This cost could be greater in the future.) You may wish to consult your attorney as to whether this future cost is a material condition that you must disclose to anyone buying your property (or any part of your property) in the future.

If you need any clarification on this matter, or which to discuss any aspects of the enclosed easement, please contact our office: [P.O. BOX 695 FAIRFIELD, TX. 75840: 903-389-3936].

We appreciate your attention to this matter.

Sincerely,

[appropriate signature]

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ACKNOWLEDGEMENT OF REFUSAL

I, _____, hereby refuse to provide the easement requested by PLEASANT GROVE Water Supply Corporation for authority to construct/operate a water distribution system across my property.

AFFIDAVIT

Being duly sworn upon my oath, I hereby certify that this is a true copy of the document and attached easement sent by certified mail to _____ on _____, and a signed receipt verifying delivery and acceptance is attached to this Affidavit [ALTERNATIVE: and the return noting refusal to accept or verify delivery is attached to this Affidavit]. This Affidavit will be maintained as a part of the records of Pleasant Grove Water Supply Corporation. I further certify that a signed easement or signed Acknowledgement of Refusal was not received within thirty days following receipt by _____. I further attest that the Corporation's engineer has provided _____ a current estimate of the cost (copy attached) for replacing/constructing the water distribution system within the requested easement (which cost may increase in the future).

[name]

President of corporation:

Date: _____

THE STATE OF TEXAS
COUNTY OF _____

THIS INSTRUMENT was acknowledged before me on _____, 20____,
by _____.

(SEAL)

Notary Public, _____ County, Texas
My Commission Expires:

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PLEASANT GROVE WATER SUPPLY
CORPORATION
SERVICE MANUAL

**THE BOARD OF DIRECTORS OF PLEASANT GROVE WATER SUPPLY
CORPORATION ESTABLISHES THAT: EFFECTIVE SEPTEMBER 1, 2006:**

1. THE CHARGES FOR A MEMBERSHIP FOR PGWSC ARE \$ 100.
2. THE CHARGES FOR INSTALLATION OF A TAP AND METER ARE \$ 850.00.
3. THE CHARGES FOR AID TO FUTURE CONSTRUCTION ARE \$650.00.
4. THE TOTAL COST OF SERVICE FOR A STANDARD INSTALLATION IS \$1600.00, A TOTAL OF ITEMS 1, 2, AND 3. EFFECTIVE SEPT. 1, 2006.
5. THE COST OF INSTALLING A METER WHERE A TAP EXISTS WOULD BE PARTS AND LABOR TO MAKE THE TIE IN, NOT TO EXCEED \$850.00. THIS ITEM IS ADDRESSING ITEM 2. ONLY. THE CHARGES FOR ITEM 1. AND 3. WOULD STILL APPLY IF NOT ALREADY PAID.
6. THE COST OF INSTALLING A LARGER METER WOULD BE PARTS AND LABOR TO FIT THE LARGER METER TO THE EXISTING SERVICE TAP, OR THE COST OF INSTALLING NEW SERVICE.
7. THE ONLY REFUNDABLE PART OF AN INSTALLATION FEE IS MEMBERSHIP FEE.
8. WHEN A MEMBER REQUEST THEIR WATER BE TURNED OFF, NORMALLY THE MEMBERSHIP FEE WILL BE REFUNDED, THE METER REMOVED. IF THE MEMBER REQUEST SERVICE LATER THEY WILL OWE THE MEMBERSHIP FEE, THE AID TO FUTURE CONSTRUCTION FEE AND METER INSTALLATION COST.
9. IF A MEMBER REQUEST THAT SERVICE METER BE TURNED OFF FOR SOME SPECIAL REASON, AND DOES NOT WANT HIS MEMBERSHIP REFUNDED, AND STATES HE WILL WANT SERVICE AT A LATER DATE, THE AID TO FUTURE CONSTRUCTION WILL BE TIMED OUT WITH MONTHS TIMES THE MONTHLY FEE. IF THE METER TIMES OUT BEFORE THE MEMBER ASK FOR SERVICE, THE METER WILL BE REMOVED, AND THE MEMBER WOULD OWE AN AID TO FUTURE CONSTRUCTION FEE, AND RECONNECTION FEE BEFORE HE WOULD GET NEW SERVICE. IF THE MEMBER REQUEST SERVICE BEFORE THE AID TO FUTURE CONSTRUCTION IS TIMED OUT, HE WILL HAVE TO PAY THE MONTHLY FEE TIMES THE NUMBER OF MONTHS THE METER HAS BEEN OFF, BEFORE SERVICE IS REINSTATED. THIS TYPE OF REQUEST WOULD TAKE INDIVIDUAL APPROVAL BY THE BOARD.

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10. IF A MEMBER SELLS HIS LAND WHERE HE HAS SERVICE, THE METER AND AID TO FUTURE CONSTRUCTION GOES WITH THE LAND TO THE BUYER. IF THE BUYER WANTS IMMEDIATE SERVICE, THE \$ 100.00 MEMBERSHIP IS ALL HE OWES. THE SELLER MAY CHOOSE TO SELL HIS MEMBERSHIP TO HIS BUYER IF HE CHOOSES, THEN SERVICE WILL CONTINUE FOR THE BUYER AT NO INSTALLATION COST. THERE IS SPECIAL PAPERWORK TO BE FILLED OUT FOR THE CORPORATION BEFORE THE MEMBERSHIP CAN BE TRANSFERRED. IF THE SELLER CHOOSES TO SELL OR KEEP HIS MEMBERSHIP, AND WANTS SERVICE WITHIN THE CORPORATION'S SERVICE AREA, HE WILL OWE A MEMBERSHIP IF HE SOLD, AND WILL OWE AN AID TO FUTURE CONSTRUCTION FEE AND METER AND TAP INSTALLATION FEE AT THE NEW LOCATION. THE SAME RULES APPLY IF A MEMBER MOVES FROM ONE LOCATION TO ANOTHER PROPERTY.

11. IF A MEMBER REQUEST A METER BE MOVE FROM ONE LOCATION TO ANOTHER ON THE SAME PIECE OF PROPERTY, THEN THE COST OF MOVING THE METER IS ALL HE OWES.

12. NON-STANDARD INSTALLATION: IF ROAD BOARS, SEVERAL FEET OF LINE, OR THE LINE CLOSE TO THE APPLICANTS PROPERTY IS OVERLOADED, OR NOT CAPABLE OF SUPPLYING THE APPLICANTS NEEDS, OR IF THE CORPORATION HAD TO RUN NEW LINE WITHIN IT'S CCN, THE CORPORATION CAN CHARGE WHATEVER COST IS NECESSARY TO GIVE THE APPLICANT WATER.

13. THE CORPORATION WILL HAVE THEIR OWN CONTRACTOR LAY ALL WATER SERVICE LINES THAT DO, OR WILL BELONG TO THE CORPORATION AFTER LAYING. THE CORPORATION WILL NOT LET A DEVELOPER HAVE HIS CONTRACTOR LAY SERVICE LINES, AND TURN THEM OVER TO THE CORPORATION.

14. THE CORPORATION WILL NOT LET A RENTER BE A MEMBER. THE PROPERTY OWNER MUST BE THE MEMBER, AND WILL BE RESPONSIBLE FOR ANY UNPAID BILLS TO THE CORPORATION.

15. THE MEMBER WILL BE RESPONSIBLE FOR ALL WATER THAT FLOWS THROUGH THEIR METER. IF THE MEMBER HAS A LARGE LEAK ON THEIR SIDE OF THE METER, THEY ARE RESPONSIBLE, HOWEVER THE CORPORATION MAY GIVE THEM TIME TO PAY OUT A LARGE WATER BILL IN INSTALLMENTS, ON A CASE-BY-CASE BASIS, BUT WILL HAVE TO PAY THE CURRENT WATER BILL WITH THOSE INSTALLMENTS. THE BOARD APPROVED 4-4-05 FOR A MEMBER WHO HAS A CONFIRMED, (BY MGR.), READILY FIXED, LARGE WATER LEAK ON A BROKEN LINE, THE MEMBER WILL BE ALLOWED TO PAY THE ADVERAGE OF THEIR MONTHLY WATER BILLS, PLUS THREE DOLLARS (\$3) PER THOUSAND FOR THE BALANCE OF THE WATER LOST.

16. A LATE CHARGE OF \$10.00 WILL BE CHARGED FOR ALL WATER BILLS NOT RECEIVED IN THE OFFICE BY THE 14 OF THE MONTH, EFFECTIVE SEPT. 1, 2006.

17. THE RECONNECT FEE, EFFECTIVE SEPT. 1, 2006. IS \$ 45.00. \$30.00 OF THAT GOES TO THE CONTRACTOR, AND \$ 15.00 TO PGWC.

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18. ALL FEES FOR SERVICE, MEMBERSHIP, AID TO FUTURE CONSTRUCTION, AND METER INSTALLATION ARE TO BE PREPAID. ALL FEES FOR INSTALLING LINES FOR DEVELOPERS ARE TO BE PREPAID.

19. WATER RATES EFFECTIVE MAY 1 2005: THE MINIMUM MONTHLY METER CHARGE FOR A MEMBER USING PLANT #2 IS \$24.24 .THE MONTHLY MINIMUM CHARGE FOR MEMBERS ON PLANT # 1 IS \$20.68. WATER RATES FOR UP 10,000 GAL IS \$3.00 PER THOUSAND, THEN \$ 3.50 PER THOUSAND FROM 10,000 GAL. TO 20,000 GAL. AND \$4.00 PER THOUSAND, ABOVE 20,000 GAL. USED.

20. THE 4 CENTS PER THOUSAND GALLONS WATER COLLECTED FOR THE MID-EAST TEXAS WATER DISTRICT IS INCLUDED IN THE ABOVE RATES.

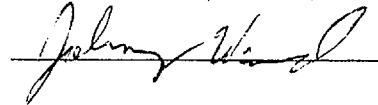
21. IF A PERSON APPLIES FOR MEMBERSHIP IN PLEASANT GROVE WATER CORP., WE WILL INSTALL A METER AND SUPPLY THEM WATER WITHIN FIVE (5) DAYS AFTER THEIR QUALIFICATION IS ESTABLISHED, ON A STANDARD INSTALLATION, IF THE CORPORATION HAS WATER AVAILABLE TO SUPPLY THEM. IF THE CORPORATION DOES NOT HAVE SUFFICIENT WATER SERVICE TO SUPPLY THE APPLICANT, WE WILL FURNISH THEM WATER, IN A TIMLY MANNER, BUT THE CORPORATION CAN CHARGE WHATEVER COST IS INVOLVED TO SUPPLY THE APPLICANT WITH WATER, WHETHER IT IS INSTALLING NEW LINES, ADDITIONAL TANKS, OR ROAD BOARING, ECT.

APPROVED JULY 6, 2006 BY PLEASANT GROVE WATER BOARD.

HARRY YORK, PRESIDENT



JOHNNY WARD, SECRETARY



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ccn
ccn:

PLEASANT GROVE WATER SUPPLY CORP.

P. O. Box 695
Fairfield, Texas 75840
903-390-3936

May 23, 2005

TCEQ
P. O. Box 13087
Austin, TX 78711-3087

Please find enclosed the amended Tariff for Pleasant Grove Water Supply Corp., CCN # 10756.

Harry York

Harry York, Vice-President

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