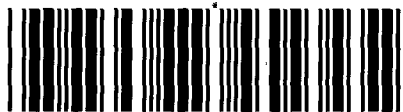




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**Tariff for
Melrose
Water Supply Corporation**

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PUBLIC UTILITY COMMISSION
FILING CLERK

Melrose WSC
12574 East State Highway 21
Nacogdoches, Texas 75961
Telephone: (936) 560-2360

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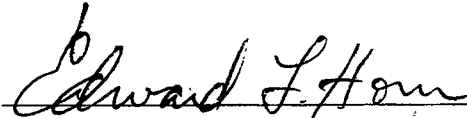
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SECTION A. RESOLUTIONS

THE BOARD OF DIRECTORS OF MELROSE WATER SUPPLY CORPORATION ESTABLISHES THAT:


1. This Tariff of the Melrose Water Supply Corporation, serving in (Nacogdoches County) consisting of Sections A. through K. and forms inclusive, is adopted and enacted as the current regulations and policies effective as of November 8, 2016.
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.
7. PASSED and APPROVED this November 8, 2016.



President, Melrose Water Supply Corporation

SEAL

ATTEST:


KENNETH HENSARLING
Secretary, Melrose Water Supply Corporation

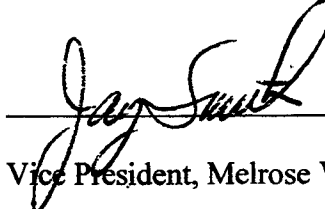


Approved 11/8/2016

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7. PASSED and APPROVED this November 8, 2016.


 Vice President, Melrose Water Supply Corporation

SEAL

ATTEST:


 KENNETH HENSARLING
 Secretary, Melrose Water Supply Corporation



Approved 11/8/2016

SECTION B. STATEMENTS

1. **Organization.** The Melrose Water Supply Corporation ("Corporation") is a member-owned, non-profit corporation incorporated pursuant to the Texas Water Code Chapter 67, and the provisions of the Texas Business Organizations Code applicable to member owned member controlled non-profit corporations for the purpose of furnishing potable water and or sewer 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 and or sewer services provided by the Corporation. 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 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 throughout the distribution system, except where expressly required by municipal ordinance or agreed to by WSC. All hydrants or flush valves are for the operation and maintenance of the system and may be used by authorized fire departments in accordance with a contract with the Corporation to supply water for use in fire suppression. 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 Corporation is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limits of liability of the Corporation is 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 Melrose, 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. **In no event and under no circumstances shall the Corporation disclose the Social Security Number of any member or customer to any person other than an employee of the Corporation.** An individual customer may request in writing that their address, telephone number, and account records 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. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each

member entitled to vote 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.

8. ***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.
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.
10. ***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(j)) (See Tariff Section G. 23.)
11. ***Submetering Responsibility.*** Submetering and Non-Submetering by Master Metered Accounts may be allowed in the Corporation's water distribution system provided the Master Metered Account customer complies with the Public Utility Commission, Chapter 24, Subchapter H rules pertaining to Submetering. The Corporation has no jurisdiction 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 Public Utility Commission.

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

1. See if they have registered with the PUC, (Texas Water Code Chapter 13 Subchapter M.)
 2. See that they do not charge their tenants more than the total amount of charges billed. If the aggregate bill is greater than the Corporation's charge, the Master Metered Account Customer is considered by the PUC to be a separate Public Water System and will be required to comply with all PUC 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 PUC. (Texas Water Code Section 13.252 and 16 TAC Section 24.118)
12. ***Voluntary Contributions Policy.*** The Corporation's board has approved and set up guidelines for accepting Voluntary Contributions on Behalf of Emergency Service Providers in our service area. The policy adopted sets up the guidelines for collection, accounting, and distribution of funds to the respective local Emergency Service Response entities. (Texas Water Code Sections 13.143 & Section 67.017) (See Voluntary Contribution Policy in Miscellaneous Section.)
13. ***Prohibition Against Resell of Water.*** The meter is for the sole use of the Member or customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to share or resell water to any other persons, dwellings, businesses, or property, etc., is prohibited.

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 Melrose Water Supply Corporation. A person must have reached age of majority (18) in Texas to apply for service. (Section 129.001, Civil Practice & Remedies Code)

Base Rate – The monthly charge assessed each Member/Customer for the opportunity of receiving service. The Base Rate is a fixed rate based upon the meter size as set forth in the equivalency chart in Section G.

Board of Directors – The governing body elected by the Members of the Melrose Water Supply Corporation that is vested with the management of the affairs of the Corporation. (Section 22.001(1), Texas Business Organizations Code)

Bylaws – The rules pertaining to the governing of the Melrose Water Supply Corporation adopted by the Corporation Members. (Section 22.001(2), Texas Business Organizations Code)

Certificate of Convenience and Necessity (CCN) – The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for Melrose Water Supply Corporation to provide water and/or sewer utility service within a defined territory. Melrose Water Supply Corporation has been issued Certificate Number 10377 Territory defined in the CCN shall be the Certificated Service Area. (See Tariff Section D. Certificated Service Area Map)

Corporation – The Melrose Water Supply Corporation. (Section B. 1 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 Section 13.2502 (e)(1) of the Texas 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 and or sewer 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) for both service to an Applicant and system-wide service. This may also include restrictions on the adjacent area to limit the installation of sewer lines or other facilities that would restrict the use of any area of the easement. (See Sample Application Packet, Form-RUS-TX 442-8 (Rev. 6-06) or Form RUS-TX 442-9 (Rev. 6-06)) The easement will be filed in the real property records of the appropriate county or counties.

Equity Buy-In Fee – Each Applicant for new service where a new service tap is necessary shall be required to achieve parity with the contributions to the construction of the Corporations facilities capacity that have been made previously by existing Members. This fee shall be assessed prior to

providing or reserving service on a per service unit basis for each property and shall be assigned and restricted to that property for which the service was originally requested. (Tariff Section G. 5., also see Tariff Section K Miscellaneous)

Final Plat – A complete plan for the subdivision of a tract of land showing or referencing Local Tax Appraisal Maps, access to public road(s), number and size of lots, location of dedicated water/sewer easements, and location(s) of lakes, streams, or rivers through the property. The Melrose Water Supply Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. For purposes of evaluating Subdivision service requests under Section F. the Corporation may accept preliminary plats or plats awaiting final approval pending execution of agreement for service by the Corporation.

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.

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. (Tariff Section E.10 b., and Sample Application Packet - USDA RUS-TX Bulletin 1780-9 (Rev. 01/09))

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 the property served, that has qualified for service and been certified as a member in accordance with the Corporation's Tariff. (Texas Water Code Section 13.002(11), Texas Water Code Section 67.016(d))

Membership – A non-interest bearing stock or right of participation purchased from the Corporation evidencing a Member's interest in the Corporation. (See Tariff Section E. 10 b and Texas Business Organizations Code Sections 22.053, 22.151(c))

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 nonrefundable upon termination of service and surrendering the Membership. The membership fee cannot be more than 12 times the minimum monthly base rate. (16 TAC Section 24.3(26) Definitions, Texas Water Code Section 13.043(g))

Public Utility Commission (PUC) – State regulatory agency having jurisdiction over water and sewer service utilities and appellate jurisdiction over the rates and fees charged by Non-Profit Water and Sewer Service Corporations

Proof of Ownership – For the purpose of this tariff, applicants for service and membership shall provide proof of ownership of the real estate to be served by deed of trust, warranty deed, or other recorded documentation. (Texas Water Code Section 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. 11.)

Re-Service – Providing service to an Applicant at a location for which service previously existed and where there is an existing setting for a meter. Costs of such re-servicing shall be based on justifiable expenses in connection with such re-servicing. (See Tariff Section E. 7. b., and Section K Miscellaneous)

Seasonal Reconnect Fee – The fee charged for resumption of service at a location where the member has voluntarily suspended service, in a written request, for a period of time not exceeding nine months within a twelve month period. The fee is based on the total months for which service is suspended multiplied by the amount of the monthly minimum fee the Corporation charges active customers.

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 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. 01/09) or Non-Standard Service Contract)

Service Investigation Fee – A fee for costs associated with determining if service is available and determining cost of service. (See Tariff Section G. 1.)

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.

Subdivide – To divide the surface area of land into lots or tracts. (Texas Local Government Code Section 232.021(11) Definitions, Texas Water Code Section 13.2502(e)(1))

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. (Texas Local Government Code Section 232.021(12) Definitions)

Subdivision – An area of land that has been subdivided into lots or tracts. (Local Government Code Section 232.021(13) Definitions)

Tariff – The operating policies, service rules, service extension policy, service rates, water use restriction 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 by law at the State office of the PUC.

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 Tariff Section E. 1, E. 2, E. 3, and E. 6 are met. Applicant must have paid an Indication of Interest Fee.

Texas Commission on Environmental Quality (TCEQ) – State regulatory agency having jurisdiction over drinking water, water supply and water quality issues Non-Profit Water and Sewer Service Corporations.

Transferee – An Applicant receiving a Melrose WSC 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. 10 c., Miscellaneous Transaction Forms, Texas Water Code Section 67.016)

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, Section 67.016)

Usage – Amount billed or to be collected based on the meter reading.

Water Conservation Penalty – A penalty that may be assessed under Section H of this Tariff to enforce customer./ member water conservation practices during drought contingency or emergency water demand circumstances. (Texas Water Code Section 67.011 (b)).

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 PUC 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 PUC 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.**

(Insert Copy of Corporation's Original CCN here)

CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide (Water or Sewer) Service under Texas Water Code
and Public Utility Commission Substantive Rules

Certificate No. 10377

I. Certificate Holder:

Name: Melrose Water Supply Corporation

Address: 12574 East State Highway 21
Nacogdoches, Texas 75961

II. General Description and Location of Service Area:

The area covered by this certificate is located approximately 3 miles east of Nacogdoches, Texas on US Highway 21 and continues to the Attoyac River. The service area continues south on FM 95 to US Highway 103 (Boggy Creek subdivision). The service area continues north on FM 95 to Springhill area.

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 Public Utility Commission, 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:

ATTEST: _____

For the Commission

Approved _____

SECTION E. SERVICE RULES AND REGULATIONS

1. ***Service Entitlement.*** The Applicant(s) shall be considered qualified and entitled to water 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. (16 TAC 24.85(a))

2. ***Service Location and Classification.*** For the purposes of this Tariff, service requested by the Applicant(s) shall be for real estate designated to receive the service provided by the Corporation. Service shall be through a meter or sewer tap located on that designated real estate unless otherwise approved by the board. Service shall be divided into the following two classes:
 - a. **Standard Service** is defined as service on a specific property designated to receive 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, 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 7 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.

3. ***Service Requirements.*** The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant(s). Where applicable in addition to the applicant any other person sharing an ownership interest in and receiving service at that property shall sign the Service Application and Agreement Form; however, even if the spouse or other person sharing an ownership interest does not sign the Service Application and Agreement Form, they are still responsible for all terms set forth therein, and for any debt obligation related to the account. (See Sample Application RUS-TX Bulletin 1780-9 (Rev. 01/09))
 - a. 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. 01/09), 30 TAC 290.47 Appendix C.) **NOTE:** This requirement may be delayed for Non-Standard Service requests.
 - b. 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 title to the real estate designated to receive service. (Texas Water Code Sections 67.016 (e), and 13.002 (11)).
 - c. 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 is 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 G. 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 responsibility of the property owner to obtain the memberships required for each individual meter.

- d. 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. (16TAC 24.81(a)(1))
- e. 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)

4. **Line Extension Reimbursement.** – An approved Applicant may have to pay on a prorated basis a line reimbursement fee to the Corporation for the purpose of reimbursing a member or other party that made the capital outlay to extend service to that area. (See Miscellaneous Transaction Forms)

5. **Ownership of equipment.** All water meters and equipment and materials required to provide water service to the point of customer connection; water meter or service tap, is the property of the Corporation upon installation, and shall be maintained by the water system only.

6. **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. Any debt owed to the Corporation and all fees shall be paid or a deferred payment contract signed in advance of installation. (16 TAC 24.86 (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 or refunded), reconnection costs, any debt owed to the Corporation if the applicant is the person that previously incurred those charges, seasonal reconnect fee as appropriate, and other applicable costs necessary to restore service.
- c. **Performance of Work** – All tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative after all application requirements have been met. The tap for a standard service request shall be completed within five (5) working days whenever practicable, but not later than 10 working days. This time may be extended for installation of equipment for Non-Standard Service Request. (See Section F)
- 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. The customer must, at his or her expense, properly install, inspect, test, maintain and provide all required documentation of any approved backflow prevention device required by the Corporation. (30 TAC 290.46(j); Section I Service Application and Agreement)

7. **Activation of Non-Standard Service.** Activation of Non-Standard Service shall be conducted as prescribed by terms of Section F of this Tariff.
8. **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, Section E 18 a.
9. **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, payment of the required fees, and any debt owed to the Corporation, the Corporation shall certify the Applicant as a Member. The Membership shall entitle the Member to one (1) connection to the Corporation's water service. 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 thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. (Texas Water Code Section 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), 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. **Cancellation of Membership** – To keep a Membership in good standing, a Base Rate 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 Subsection E 7. of this Tariff. (Texas Water Code Section 67.016)
 - d. **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 18.). 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 Subsection E 7. of this Tariff.

- e. **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 Section 67.016)
- f. **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 18. of this Tariff, with a copy of the notice to the bankruptcy Trustee.

10. Owners and Renters. Any Member having complied with the requirements of this Tariff, renting or leasing property designated to receive service according to the terms of this tariff to other parties, is responsible for all charges due the Corporation. The membership for rental or leased properties shall be in the name of the owner of the property as required by this Tariff. 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 if the owner requests that the tenant be billed for utility service. (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 will notify the Member of the renter's past due payment status. Such notification will be subject to a service charge (see Miscellaneous Transaction Forms).

If at any time the member requests that membership be canceled thereby discontinuing service to an occupied rental property, the Corporation shall provide written notice to the tenant(s) a minimum of five (5) days prior to the scheduled disconnection date.

11. Denial of Service. The Corporation may deny service for any of the following reasons:

- a. Failure of the Applicant or Transferee to complete all application requirements, including granting an easement, completing all forms, and paying 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.
- 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.
- g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.
- h. Failure of Applicant or transferee to comply with applicable regulations for on-site sewage disposal systems if the Corporation has been requested to deny service by the TCEQ or the TCEQ's designated representative under Chapter 366 of the Texas Health and Safety Code.
- i. Failure of the Applicant or Transferee to pay any previous outstanding delinquent account(s) in full. This could be delinquencies resulting from the same account location or other service location(s) within the system where the Applicant or Transferee received service. (Also see E 10.)

12. *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.

13. *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 member or 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 member or 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 member or customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

14. *Deferred Payment Agreement.* The Corporation may offer a deferred payment plan to a Member or rental tenant 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) Failure to make required and timely payments as provided in any deferred payment agreement will void that agreement and service will be discontinued. The Corporation may consider another deferred payment agreement provided payments will be made by automatic bank draft or credit/debit card. Non-payment of any amount under an additional deferred payment agreement will cause service to be disconnected immediately and service will not be restored until the account is paid in full and all other charges resulting from the disconnection of service are fully paid. In the event the requestor is a tenant of rental property the Corporation shall notify the owner/member of the deferred payment agreement.

15. Charge Distribution and Payment Application.

- a. **The Base Rate** is for the billing period from the 15th day of the month to the 15th day of the following 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 30th of the 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 thousand (1000) 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 and late fees prior to posting against current billings.
- d. **Forms of Payment:** The Corporation will accept the following forms of payment: cash, personal check, cashier's check, money order, credit card. The Corporation will not accept two-party checks, pay checks, or any other instrument of payment that is not made out to the Corporation. The Corporation reserves the right to require exact change and may refuse to accept payments made using more than \$1.00 in coins. The Corporation will not assess the credit card processing fee associated with Credit Card payments to those customers which make payment by credit card in accordance with consumer laws.

16. Due Dates, Delinquent Bills, and Service Disconnection Date.

- a. The Corporation shall mail all bills on or about the 30th of the month. All bills are considered the responsibility of each person signing the Service Application and Agreement Form. 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. The time for payment by a political subdivision may be different than your regular due date. (See Texas Government Code 2251.021) 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 two (2) day grace 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.
- b. The board of directors or general manager may elect to not charge a late fee or disconnect fee in accordance with this Tariff during or after the occurrence of a natural disaster or other incident that impacts the property of members or interrupts the management and operation of the system.
- c. Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15 day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings. (Texas Utilities Code Sections 182.001 - 182.005) If this request originates from a tenant at a rental property the owner / member will be notified in

writing of any extension request.

- d. All insufficient fund checks, accounts closed or money orders that have had a “stop payment order” issued for payment of a water bill will be deemed delinquent as if no payment was received and the meter is subject to disconnection with notice on the regular disconnection day.

17. Rules for Disconnection of Service. The following describes the rules and conditions for disconnection of service. Notwithstanding any language to the contrary in the Service Application and Agreement Form, the Corporation may only discontinue service for the reasons set forth in this Section. 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 10 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 (including, where appropriate, Section H), 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 or hindering 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. Conditions that may hinder access include, but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals.
- 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 for sewer utility service or solid waste service provided by [Name of Utility] pursuant to the Corporation’s Agreement with the [City of Chireno]. (See

Miscellaneous Transaction Forms for sewer utility service agreement: 16 TAC 24.88(e), 24.87(g); Texas Water Code 13.147, 13.250(b)(2)); solid waste: 16 TAC 24.88(a)(2)(F), Texas Health and Safety Code Section 364.037, Texas Local Government Code Section 552.910.

- 9) Cancellation of membership by Member on an account that the Member holds for water 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.)
- 10) Violation of any applicable regulation or pertaining to on-site sewage disposal systems if the Corporation has been requested in writing to disconnect service by the TCEQ or the TCEQ's designated representative under Chapter 366 of the Texas Health and Safety Code.
- 11) Failure to pay charges arising from service trip fee as defined in Section G 15., meter re-read fee, or meter read fee when customer on self-read plan failed to submit their meter reading.
- 12) Failure by a Member to pay for all repair or replacement costs resulting from the Member damaging system facilities including, but not limited to water or sewer lines, service taps, meter boxes, valves, or meters by engaging in activities such as property excavations, installment of a driveway or roadway requiring encasements, lowering or re-routing of lines or system components, or by any other action. The Corporation will provide the Member with notice detailing the extent of the damage, the location of the damage, the cost of repair, and whether the damage occurred on private property or on a public right-of-way. Failure to pay the cost of repair or replacement will result in the Member's service being disconnected in accordance with the Disconnection with Notice Provisions in this Section. Service will remain disconnected until payment is received or an acceptable payment plan is approved.
- 13) Failure to disconnect or secure additional service tap(s) for an RV (more than 14 days) or other service connection (See E 26. of this Section) after notification by the Corporation of violation of the Prohibition of Multiple Connections.

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 public health nuisance as defined in Texas Health and Safety Code Sections 341.011 or 343.011. If there is reason to believe a dangerous or hazardous condition exists, the Corporation may conduct a customer service inspection (CSI) to verify the hazardous condition and may notify the local county health office. The Corporation will disconnect without notice if the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (30 TAC 290.46(i) and 290.46(j)). Service will be restored when a CSI confirms no health hazard exists, the health hazard has been removed or repaired, or the health hazard has been isolated from the Corporation's water system by the installation of a backflow prevention device.
- 2) A line leak on the member's side of the meter is considered a potential hazardous condition under b 1. If the Corporation conducts a CSI and discovers that the line leak has created a hazardous condition, the Corporation will provide the member up to five (5)

business days, or another time period determined reasonable under the circumstances, to repair the line prior to disconnection of service.

- 3) 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
- 4) In instances of tampering with the Corporation's meter or equipment, by-passing the meter or equipment, or other diversion of water.

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 22. 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.
- 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.
- 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 PUC.
- f. **Disconnection for Ill Customers** – The Corporation may not discontinue service to a delinquent residential Member or tenant under an alternative billing agreement permanently residing in an individually metered dwelling unit when that Member or tenant establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. To avoid disconnection under these circumstances, the Member or tenant must provide a written statement from a physician to the Corporation prior to the stated date of disconnection. Service may be disconnected in accordance with Subsection (a) of this Section if the next month's bill and the past due bill are not paid by the due date of the next month's bill, unless the Member or tenant enters into a Deferred Payment Agreement (see Miscellaneous Transaction Forms). The Corporation shall provide notice to an owner of rental property in the event a tenant requests service not be discontinued due to illness as per this subsection.

- 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: ()
 - 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.

18. 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.

19. 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.

20. Disputed Bills. In the event of a dispute between the Member and the Corporation regarding any bill, the Corporation shall make and conduct an investigation as required by the particular case, and report the results in writing thereof to the Member. All disputes under this Subsection must be submitted to the Corporation, in writing, prior to the due date posted on said bill.

21. 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 six (6) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

22. Bill Adjustment.

- a. **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. 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.)
- b. **Due to Estimated Billing.** If the Corporation has estimated usage because the Corporation is unable to access the meter due to circumstances beyond the Corporation’s control, such as a natural disaster; or because access is hindered or denied by a Member, the Corporation shall

adjust the bill once access has been regained and actual usage is determined.

23. *Meter Tampering and Damage to Property.*

- a. For purposes of this Section, the term "Tampering" shall mean meter-tampering, by-passing, or diversion of the Corporation's service equipment, or other instances of diversion, including:
 1. removing a locking or shut-off device used by the Corporation to discontinue service,
 2. physically disorienting the meter or sewer tap,
 3. attaching objects to the meter or sewer tap to divert service or to by-pass,
 4. inserting objects into the meter or sewer tap,
 5. other electrical and mechanical means of tampering with, by-passing, or diverting service,
 6. connection or reconnection of service without Corporation authorization;
 7. connection into the service line of adjacent customers of the Corporation; and
 8. preventing the supply or wastewater discharge from being correctly registered by a metering device or sewer tap due to adjusting the valve so that flow is reduced below metering capability.

The burden of proof of Tampering 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 Tampering is initiated. A court finding of 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 Sections 28.03 and 12.21 and 12.22.

- b. If the Corporation determines under subsection (a) that Tampering has occurred, the Corporation shall disconnect service without notice as set forth in E.18.b. and charge the person who committed the Tampering the total actual loss to the Corporation, including the cost of repairs, replacement of damaged facilities, and lost water revenues.
- c. A person who otherwise destroys, defaces, damages or interferes with Corporation property will be charged the total actual loss to the Corporation including but not limited to the cost of repairs, replacement of damaged facilities, and lost water revenues. The Corporation also will prosecute the offending party to the extent allowed under law pursuant to Texas Water Code Section 49.228 and other applicable laws.
- d. In addition to actual damages charged under subsection (b), the Corporation may assess a penalty against the offending party. The penalty shall not exceed six (6) times the Base Rate.

Note: For purposes of this section, "offending party" means the person who committed the Tampering or damaged the property.

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

- a. The relocation is limited to the existing property designated to receive service;
- b. A current easement for the proposed location has been granted to the Corporation; and
- c. The Member pays the actual cost of relocation plus administrative fees.

25. Prohibition of Multiple Connections To A Single Tap.

a. No more than one (1) residential, commercial, or industrial service connection is allowed per meter or sewer tap. 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 or sewer tap (See Section E 27.) 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 for a first violation and for subsequent violations, service will be disconnected without notice in accordance with E 18. b. (See Sample Application Packet RUS-TX Bulletin 1780-9 (Rev. 01/09))

b. For purposes of this section, the following definitions shall apply:

- 1) A "multiple connection" is the connection to any portion of a member's water or sewer system that is connected to a primary delivery point already servicing one residence, one commercial or industrial facility of a water or sewer line serving another residence or commercial or industrial facility. Water or sewer lines to outbuildings, barns or other accessory structures shall not be consider a multiple connection if: (i) those structures are located on the same tract as the primary delivery point and (ii) such structures are not used as a residence or as a commercial or industrial facility.
- 2) A "primary delivery point" shall mean the physical location of a meter or sewer tap that is installed in accordance with this Tariff and applicable law and which provides water or sewer service to the residence or commercial or industrial facility of a member.
- 3) A "residence" shall mean any structure which is being used for human habitation, which may include kitchen and bathroom facilities or other evidence of habitation as defined by the Corporation.
- 4) "Commercial" facility shall mean any structure or combination of structures at which any business, trade, occupation, profession, or other commercial activity is conducted. A business conducted within a member's residence or property that does not require water in addition to that provided to the member's residence shall not be considered a separate commercial facility.

c. The corporation agrees to allow members in good standing to share water usage with a visitor on their property with a recreation vehicle (RV) or travel trailer for a period of no longer than 14 days. If the recreation vehicle/travel trailer is being used for a permanent residence, this Tariff requires that an additional meter installation and membership be purchased. If the member routinely has more than one visitor at a time with recreation vehicles or travel trailers or has multiple visitors throughout the year, the corporation may require that a second or additional meter(s) be purchased. The member must submit a written request to the corporation's business office at least five (5) business days prior to sharing corporation water with a visitor. The corporation has the right to refuse or deny the shared usage for any reason. The corporation also has the right to inspect the premises for any potential cross-contamination issues as outlined in the Customer Service Inspection requirements and to ensure that the meter is properly sized for the additional usage at the time of total peak water demand. These requirements pertain to visitors ONLY. No commercial usage where fees for water are charged is allowed. If a member is found to violate these conditions, the member will be sent a letter of notice stating that water service will be cut off in ten days if the situation is not corrected.

26. Master Metered Account Regulations. An apartment building, condominium, manufactured housing (modular, mobile or RV) community, business center or other similar type enterprise may be considered by the Corporation to be a single commercial facility if the owner applies for a meter as a "master metered account" and complies with the requirements set forth in PUC rules, this Tariff and applicable law. The Corporation may allow master metering service to these facilities at an Applicant's request.

28. Member's Responsibility.

- a. The Member shall provide access to the meter location 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. Conditions that may hinder access include, but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals.
 - 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 water connections shall be designed to ensure against on-site sewage contamination, 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, Texas Health & Safety Code Chapter 366)
 - 2) The use of pipe and pipe fittings that contain more than 0.25% lead or solder and flux that contain more than 0.25% 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)
 - 3) All pipe and fittings used by the customer to convey sewage from its source to the sewer line must be a minimum of D-3034, SDR-35 or equivalent, 4-inch diameter pipe. No DWV (drain waste and vent) pipe or fittings will be allowed. All joints must be watertight and pipe must be installed to recommended grade. All non-household sewer customers who have potential for dirt, grit, sand, grease, oil, or similar substances must install and maintain a trap ahead of their entrance to the Corporation's sewer collection piping. A double cleanout is required at the property line and recommended at the house. The Corporation may impose other site-specific requirements. All sewer and potable water service pipeline installations must be a minimum of nine feet apart and meet all applicable plumbing standards for crossings, etc.
- Requirements for Traps:
- (A) Discharges requiring a trap include but are not limited to:
 - (i) grease or waste containing grease in amounts that will impede or stop the flow in the public sewers;
 - (ii) oil, flammable wastes;
 - (iii) sand, and other harmful ingredients.
 - (B) Any person responsible for discharges requiring a trap shall, at his own expense, and as required by the approving authority:
 - (i) Provide equipment and facilities of a type and capacity approved by the approving authority;
 - (ii) locate the trap in a manner that provides ready and easy accessibility for cleaning and inspection; and
 - (iii) maintain the trap in effective operating condition.
 - (C) Approving Authority Review and Approval (By the Board of Directors or Agency):
 - (i) If pretreatment or control is required, the approving authority shall review and approve design and installation of equipment and processes.
 - (ii) The design and installation of equipment and processes must conform to

- all applicable statutes, codes, ordinances and other laws.
- (iii) Any person responsible for discharges requiring pretreatment, flow equalizing or other facilities shall provide and maintain the facilities in effective operating condition at his own expense.

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 and equipment shall end at the meter or other service equipment as installed. 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 within two feet of the meter 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.)
- f) The member is required to notify the system 48 hours prior to digging or excavation activities along or near water lines and appurtenances.

SECTION F. DEVELOPER, SUBDIVISION AND NON-STANDARD SERVICE REQUIREMENTS

Part I. General Requirements. This section details the requirements for all types of non-standard service requests.

1. **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 forth 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.

2. **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 3/4" diameter and service lines exceeding 25 feet. Non-residential or residential service applications requiring a larger sized meter 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 or their designee 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.

3. **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 Non-Standard Service Application (See Section I this Tariff). The Applicant shall specify any Special Service Needs, such as large meter size, size of subdivision or multi-use facility.
 - b. A final plat (see Tariff Definition Section- 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.

NOTE: It is the responsibility of the Applicant to secure all necessary approvals of the subdivision once an Agreement is in place between the Corporation and the Applicant.

- c. A Non-Standard Service Investigation Fee shall be paid to the Corporation in accordance with the requirements of Section G of this Tariff 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 upon the Corporation's request all additional expenses that have been, or will be incurred by the Corporation and Corporation shall have no obligation to complete processing of the Application 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 Corporation;
 - 2). The service location is not within another retail Corporation'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).

4. Design. The Corporation shall approve the design requirements of the Applicant's required facilities prior to initiation of a Non-Standard Service Contract in accordance with the following schedule:

- a. The Corporation's 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 Corporation's specifications, incorporating any applicable municipal or other governmental codes and specifications.
- b. The engineer's fees shall be paid out of the Non-Standard Service Investigation Fee under Tariff Section F 3.
- c. The 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 that all facilities for any Applicant 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 that which is reasonably allocable to the level and manner of service requested by the Applicant.
- e. The Corporation's engineer will determine the fire flow design for any non-standard service request, including new subdivisions, based on density, type of structure, and other factors.

5. Non-Standard Service Contract. Applicants requesting or requiring Non-Standard Service may be requested to execute a written contract, drawn up by the Corporation's Attorney (see example Section I Sample Forms), in addition to submitting the Corporation's Non-Standard Service

Application. 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/sewer 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. Terms by which service capacity shall be reserved for the Applicant and duration of reserved service with respect to the demand which the level and manner of the service will have upon the Corporation's system facilities.
- d. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Equity Buy-In Fees.
- e. 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 Contract;
 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.
- f. Terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuits in connection with the project.
- g. Terms by which the Applicant shall dedicate, assign and convey to the Corporation all constructed facilities and related rights (including contracts, easements, rights-of-way, deeds, warranties, and so forth) by which the Corporation shall assume operation and maintenance responsibility for the Applicant's project. The Applicant shall also provide reproducible as-built drawings of all constructed facilities. The as-built drawings must verify that all facilities have been properly located within the easements conveyed to the Corporation.
- h. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

6. ***Construction of Facilities by Applicant Prior to Execution of Service Contract.*** – The Corporation and the Applicant must execute a Non-Standard Service Contract prior to the purchase of supplies and materials or 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, in a subdivision, to any person purchasing a lot or home from the Applicant. Alternatively the Corporation may 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. At a minimum, the Corporation will 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, and take any other lawful action determined appropriate by the Board of Directors of the Corporation.

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

- a. Upon proper completion of construction of all on-site and off-site service facilities to meet the level and manner of service requested by the Applicant (the "Facilities"), the Facilities shall become the property of the Melrose WSC. The Facilities shall thereafter be owned and

maintained by Melrose WSC subject to the warranties required of Applicant under Subsection (b). Any connection of individual customers to the Facilities shall be made by the WSC.

- b. Upon transfer of ownership of the Facilities, Applicant shall warrant materials and performance of the Facilities constructed by Applicant for 24 months following the date of the transfer.

8. *Property and Right-of-Way Acquisition.* – With regard to construction of facilities, the Corporation shall require private right-of-way easements or purchase of private property as per the following conditions:

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 else 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 (Rev. 6-06))

- a. All additional costs associated with facilities that must be installed in public rights-of-way on behalf of the Applicant, due to the inability of the Applicant to secure private right-of-way easements, such as including road bores and TxDOT approvals 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.
- b. The Corporation shall require an exclusive dedicated right-of-way easement 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 and off-site facilities.
- c. Easements and facilities sites shall be prepared for the construction of the Corporation's pipelines and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.

9. *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 (as per Engineer's determination), 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 qualified bidder in accordance with the following criteria:

- a. The Applicant shall sign the Service Contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
- b. The Contractor shall provide an adequate bid bond under terms acceptable to the Corporation; The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation;
- c. The Contractor shall supply favorable references acceptable to the Corporation;
- d. The Contractor shall qualify with the Corporation as competent to complete the work (including but not limited to current water/sewer license, OSHA competent person training, and other licenses / certificates as required to complete the project); and
- e. The Contractor shall provide adequate certificates of insurance as required by the Corporation.

10. *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.

11. 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, approved road sleeves /casings 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 issue change-orders of 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.

PART II. Request for Service to Subdivided Property

This section contains additional requirements for applicants that are developers as defined in Section C Definitions.

1. **Sufficient Information** - Applicants shall provide the corporation sufficient information describing the level and manner of service requested and the timeline for initiation of this service. The following is the minimum information needed for an engineering evaluation of the requested service to the property described in the application.
 - a. Completion of requirements described in Section F Part I, including completing the *Non-Standard Service Application*.
 - b. Applicant shall provide the Corporation with details concerning access to the property during evaluation of application.
 - c. Applicant shall be notified in writing by the Corporation or designated representative the timeframe within which the requested service can be provided and the costs for which the applicant will be responsible, in accordance with the details described on the Applicant's request for service.
2. **Service within Subdivisions** – The Corporation's obligation to provide service to any customer located within a subdivision governed by this Section is strictly limited to the level and manner of 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 or homes within such subdivision before the Corporation is obligated to provide water/sewer service (Texas Water Code Section 13.2502). In addition, Corporation may elect to pursue any remedies provided by the Non-Standard Service Contract if one has been executed. Applicant is advised that purchasers of lots also may have legal recourse to the Applicant under Texas law, including but not limited to Texas Water Code Section 13.257, and the Texas Business and Commerce Code Chapter 17, Subchapter E Deceptive Trade Practices & Consumer Protection Act.
 - a.) The Applicant must provide the following in addition to all other information otherwise required by this Section:

- i. Map and legal description of the area to be served using map criteria in 16 TAC 24.105(a)(2)(A-G)).
- ii. Time frame for:
 - a. Initiation of service
 - b. Service to each additional or projected phase following the initial service
- iii. Detailed description of the nature and scope of the project/development for:
 - a. Initial needs
 - b. Phased and final needs, including a map showing each phase, and the projected land uses that support the requested level of service for each phase
- iv. Flow and pressure for anticipated level of fire protection requested, including line size and capacity
- v. Specific infrastructure needs for anticipated level of fire protection requested, including line size and capacity
- vi. Any additional information requested by the Corporation necessary to determine the capacity and the costs for providing the requested service.
- vii. Copies of all required approvals, reports and studies done by or for the Applicant to support the viability of the proposed development.

Applicant must provide reasonably sufficient information, in writing, to allow the Corporation to determine whether the level and manner of service specified by the Applicant can be provided within the time frame specified by the Applicant and to generally determine what capital improvements, including expansion of capacity of the Corporation's production, treatment and/or storage facilities and/or general transmission facilities properly allocable directly to the service request are needed. If the Applicant proposes development in phases, the Applicant should specify the level and manner of service and the estimated time frame within which that service must be provided for each phase, and the Applicant must depict the currently estimated location of each phase on the maps required under 16 TAC Section 24.105(a)(2)(A-G). It is important that the Applicant's written request be complete. A complete application by the Applicant should include:

- (a) the proposed improvements to be constructed by the Applicant;
- (b) a map or plat signed and sealed by a licensed surveyor or registered professional engineer;
- (c) the intended land use of the development, including detailed information concerning the types of land uses proposed;
- (d) the projected water and/or sewer demand of the development when fully built out and occupied, the anticipated water/sewer demands for each type of land use, and a projected schedule of build-out;
- (e) a schedule of events leading up to the anticipated date upon which service from the CCN holder will first be needed; and
- (f) a proposed calendar of events, including design, plat approval, construction phasing and initial occupancy;

Applicant must establish that current and projected service demands justify the level and manner of service being requested. In making his/her written request for service, the Applicant must advise the Corporation that he/she may request expedited decertification from the PUC.

Upon payment of the required fees, the Corporation shall review Applicant's service request. If no additional information is required from Applicant, the Corporation will prepare a written report on Applicant's service request, subject to any final approval by the Corporation's governing body (if applicable) which must be completed within the 90 days from the date of application and

payment of the required fees. The Corporation's written report will state whether the requested service will be provided, whether the requested service can be provided within the time frame specified by the Applicant, and the costs for which the Applicant will be responsible (including capital improvements, easements or land acquisition costs, and professional fees).

In the event the Corporation's initial review of the Applicant's service shows that additional information is needed, the Corporation will notify Applicant of the need for such additional information. Notice of the need for additional information will be made in writing within 30 days of the date the Corporation receives the Applicant payment of the required fees. Applicant should respond to the Corporation's request for additional information within 15 days of receipt of the Corporation's written request. In any case, the Corporation will provide the written report, including any final approval by the Corporation's Board (if applicable) within 90 days from the date of the **initial** written application and payment of all required fees.

By mutual written agreement, the Corporation and the Applicant may extend the time for review beyond the 90 days provided for expedited petitions to the PUC.

3. ***Final approval*** – Upon final approval by the Corporation and acceptance of proposal for service by the Applicant, a non-standard service contract will be executed and the corporation shall provide service according to the conditions contained in the Non-Standard Service Contract.

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 nonrefundable Membership Fee must be paid for each service requested before service shall be provided or reserved for the Applicant by the Corporation. The membership fee cannot be more than 12 times the minimum monthly base rate.
 - a. The Membership Fee for water service is \$100.00 for each service unit.
 - b. Membership fee for oversized or Master Metered Accounts shall be based on multiples of meter size equivalence.
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 3., Section F 8. b.)
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 or wastewater service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.
 - b. **Non-Standard Service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.
 - c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E 3e of this Tariff.

5. **Line Extension Reimbursement Fee.** – An approved Applicant may have to pay on a prorated basis a line reimbursement fee to the Corporation for the purpose of reimbursing a member or other party that made the initial capital outlay to extend service to that area

6. **Monthly Charges.**

a. **Base Rate**

(1) Water Service - The monthly charge for standard metered water service is for a 5/8" by 3/4" meter. The 5/8" X 3/4" meter charge is used as a base multiplier for larger non-standard meters in accordance with the following chart based on American Water Works Association maximum continuous flow specifications:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$30.00
3/4"	1.5	\$30.00
1"	2.5	\$35.00
1 1/2"	5.0	\$40.00
2"	8.0	\$55.00

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

(1) Water -

- \$ 3.50 per 1,000 gallons for 0 to 1,000 gallons
- \$ 3.50 per 1,000 gallons for 1,000 gallons to 10,000 gallons
- \$ 3.50 per 1,000 gallons for 10,000 gallons and over

(2) The Corporation shall, as required by Texas Water Code Section 5.701, 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. 7. Monthly Charges of this Tariff. (16 TAC 291.76(d))

(3) The Corporation, as a part of its billing process, collects voluntary contributions on behalf of the Melrose Voluntary Fire Department and Chireno Voluntary Fire Department.

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 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. (See Article XVIII of USDA Model Bylaws, Section 1)

8. **Late Payment Fee.** Once per billing period, a penalty of \$10.00 or 10%, whichever is larger, 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.

NOTE: The Corporation cannot charge political subdivisions and state agencies the late payment fee. (Texas Government Code Chapter 2251.021 and Sec. E.16)

9. **Owner Notification Fee.** The Corporation may, at the expense of the Member, notify said Member of a renter/lessee delinquent account status prior to disconnection of service. The Owner Notification Fee shall be \$5.00 per notification. (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 \$30.00. (See Miscellaneous Transaction Forms)
11. **Reconnect Fee.** The Corporation shall charge a fee of \$100.00 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 7.b. Re-Service.
12. **Seasonal Reconnect Fee** – Base Rate multiplied by the number of months during which service is suspended, not to exceed nine (9) months during any twelve (12) consecutive months.
13. **Service Trip Fee.** The Corporation shall charge a trip fee of \$40.00 for any service call or trip to the Member's tap as a result of a request by the Member or resident for response to damage of the Corporation's or another Member's facilities, for customer service inspections due to suspicion of meter tampering, bypass or diversion of service, or for the purpose of disconnecting or collecting payment for services. For service trips that extend beyond one hour, such as when an extended line location is required, the Corporation shall charge \$20.00 per employee per hour for each additional hour required.
14. **Equipment Damage Fee.** If the Corporation's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions. This fee shall be charged and paid before service is re-established. 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 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.
15. **Meter Tampering and Damage to Property Penalty.** In addition to the Equipment Damage Fee, the Corporation may charge a penalty for "Tampering" as defined in Section E 23. The member is responsible for the meter and any damage and all fees assessed. The penalty shall not exceed six (6) times the Base Rate.
16. **Customer History Report Fee.** A fee of \$5.00 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.

17. ***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 \$190.00 shall be imposed on the affected account.
18. ***Information Copy Fee.*** A fee for the copying of any public information will be charged to the person requesting that information in compliance with the cost rules of the Texas Government Code Section 552.261 et. seq.
19. ***Customer Service Inspection Fee.*** A fee of \$80.00 per hour will be assessed each Applicant before permanent continuous service is provided to new construction.
20. ***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. **NOTE:** The regulatory assessment is not to be collected from state agencies, wholesale customers, or buyers of non-potable (not drinkable) water. (Ref. TCEQ RG-199 revised Oct. 2002; TCEQ Section 291.76 (c))
21. ***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.
22. ***Groundwater District Production Fee.*** A fee of 0.025 per thousand gallons of water used by each customer; this fee is collected to pay a portion of the quarterly fee charged the Corporation by Pineywoods Groundwater Conservation District based on the amount of water pumped from the Corporation's wells located within the boundaries of the District.
23. ***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.

SECTION H. DROUGHT CONTINGENCY AND EMERGENCY WATER DEMAND MANAGEMENT PLAN

1. Introduction

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

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

The plan will be implemented according to the three stages of water use restrictions as imposed by the Board. Paragraph 4 describes the conditions that will trigger these stages.

2. Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the Board by scheduling and providing public notice of a public meeting to accept input on the Plan. Notice of the meeting was provided to all customers. In the adoption of this plan, the Board considered all comments from customers.

3. Coordination with Regional Water Planning Group

Being located within the Texas Water Development Board Region I and the Texas Commission on Environmental Quality Region 10, a copy of this Plan has been provided to that Regional Water Planning Group.

4. Trigger Conditions

The Drought Emergency Management Committee is responsible for monitoring water supply and demand conditions on a monthly basis (or more frequently if conditions warrant) and shall determine when conditions warrant initiation or termination of each stage of the plan, that is, when the specified triggers are reached. The Committee will monitor monthly operating reports, water supply or storage tank levels and/or rainfall as needed to determine when trigger conditions are reached. The triggering conditions described below take into consideration: the vulnerability of the water source under drought of record conditions, the production, treatment and distribution capacities of the system, and member usage based upon historical patterns.

- a. Stage I - Mild Condition:** Stage I water allocation measures may be implemented when one or more of the following conditions exist:
- 1) Water consumption has reached 80 percent of daily maximum supply for three (3) consecutive days.
 - 2) Water supply is reduced to a level that is only 20 percent greater than the average consumption for the previous month.
 - 3) There is an extended period (at least eight (8) weeks) of low rainfall and daily use has risen 20 percent above the use for the same period during the previous year.
- b. Stage II - Moderate Conditions:** Stage II water allocation measures may be implemented when one of the following conditions exist:
- 1) Water consumption has reached 90 percent of the amount available for three consecutive days.
 - 2) The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days.
- c. Stage III - Severe Conditions:** Stage III water allocation measures may be implemented when one of the following five conditions exist:
- 1) Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of 24 hours or longer.
 - 2) Water consumption of 95 percent or more of the maximum available for three (3) consecutive days.
 - 3) Water consumption of 100 percent of the maximum available and the water storage levels in the system drop during one 24-hour period.
 - 4) Natural or man-made contamination of the water supply source(s).
 - 5) The declaration of a state of disaster due to drought conditions in a county or counties served by the Corporation.
 - 6) Reduction of wholesale water supply due to drought conditions.
 - 7) Other unforeseen events which could cause imminent health or safety risks to the public.

5. Stage Levels of Water Allocations

The stage levels of water allocations are to be placed in effect by the triggers in Paragraph 4. The System shall institute monitoring and enforce penalties for violations of the Drought Plan for each of the Stages listed below. The water allocation measures are summarized below.

a. Stage I - Mild Conditions

- 1) Alternate day, time of day, or duration restrictions for outside water usage allowed. (System will notify Customers which restriction is in effect)
- 2) The system will reduce flushing operations.
- 3) Reduction of customers' water use will be encouraged through notices on bills or other method.

b. Stage II - Moderate Conditions

- 1) All outside water use is prohibited (except for a livestock or other exemption or variance granted under this section).

- 2) Make public service announcements as conditions change via local media (TV, radio, newspapers, etc.).

c. Stage III - Severe Conditions

- 1) All outside watering prohibited.
- 2) Water use will be restricted to a percentage of each member's prior month usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
- 3) Corporation shall continue enforcement and educational efforts.

NOTE:

- Refer to your water purchase contract for additional restrictions/requirements that may be imposed by stipulations from the wholesale supplier.
- There may be additional restrictions imposed by Governmental Entities.
- Meters will be read as often as necessary to insure compliance with this program for the benefit of all the customers.

6. Initiation and Termination Procedures

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

Written notice of the proposed water use restrictions measure shall be mailed or delivered to each affected customer upon the initiation of each stage. Notice may be sent by email only if the customer chooses the option to receive email notices instead of mailed notices and provides a valid email address. In addition, upon adoption of Stage II or Stage III, a notice will be placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:

- a. The date water restriction shall begin,
- b. The expected duration,
- c. The stage (level) of water allocations to be employed,
- d. Penalty for violations of the water allocation program, and
- e. Affected area or areas.

A sample Customer Notice of Water Restrictions conditions is included in Miscellaneous Transaction Forms of this tariff.

If the water allocation program extends 30 days then the Chairperson of the Drought/Emergency Management Committee or manager shall present the reasons for the allocations at the next scheduled Board Meeting and shall request the concurrence of the Board to extend the allocation period.

When the trigger condition no longer exists then the responsible official may terminate the water allocations provided that such an action is based on sound judgment. Written notice of the end of

allocations shall be given to customers. A water allocation period may not exceed 60 days without extension by action of the Board.

7. *Penalties for Violations*

- a. **First Violation** – The Corporation will assess a penalty of \$ 50.00. The customer/member will be notified by a written notice of their specific violation and their need to comply with the tariff rules. The notice will show the amount of penalty * to be assessed and inform the customer that failure to pay the penalty will result in termination of service. Reconnection will require payment of the penalty and a charge for the service call to restore service. The notice will also inform the customer that additional violations will trigger more severe penalties and may result in termination of service regardless of whether the customer pays the penalties.
- b. **Second Violation** - The Corporation will assess a penalty * of \$ 180.00. The notice of second violation will show the amount of penalty to be assessed and will inform the customer that failure to pay the penalty will result in termination of service to be restored only upon payment of penalty and service call to restore service. The notice will also inform the customer that additional violations will trigger more severe penalties and may result in termination of service regardless of whether the customer pays the penalties.
- c. **Subsequent Violations** - The Corporation will assess an additional penalty * of \$180.00 for violations continuing after the Second Violation. The notice of subsequent violation will show the amount of the penalty to be assessed and will inform the violator that failure to pay the penalty will result in termination of service to be restored only upon payment of penalty and service call to restore service. The notice will also inform the customer that the Corporation may also install a flow restricting device in the customer's meter service to limit the amount of water that will pass through the meter in a 24 hour period. The costs of this procedure will be for the actual work and equipment and shall be paid by the customer. Removal of this device will be considered Meter Tampering and will result in disconnection of service without further notice. The notice of subsequent violation will also inform the customer that additional penalties will be assessed for additional violations; and in addition to penalties, that water service will be terminated for a period of three (3) days regardless of whether the customer pays the penalties for the additional violations.
- d. **Termination** – For each continuing violation, the Corporation will assess an additional penalty of \$50.00. Service will also be terminated for a period of three (3) days. The notice of termination will show the date on which water service will be terminated and the date on which service will be restored, unless the customer has failed to pay delinquent penalties, assessments or charges. Service will remain off until any delinquent penalty or other assessment is fully paid including a charge for the service call to restore service

These provisions apply to all customers of the Corporation.

NOTE: PENALTY * – A WSC is allowed to charge a reasonable penalty to customers that fail to comply with the water use restriction procedures in accordance with 16 TAC 291.41(j) if:

- (1) the penalty is clearly stated in the tariff;
- (2) the penalty is reasonable and does not exceed six (6) times the minimum monthly bill stated in the water supply corporation's current tariff; and
- (3) the water supply corporation has deposited the penalty in a separate account dedicated to enhancing water supply for the benefit of all the water supply corporation's customers.

8. *Exemptions or Waivers*

The Drought/Emergency Management Committee 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 or sanitation 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.

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 Plan shall file a petition for variance with the Drought/Emergency Management Committee within five (5) days after the Plan or a particular drought response stage has been invoked or after a condition justifying the variance first occurs. All petitions for variances shall be reviewed by the Committee and shall include the following:

- Name and address of the petitioner(s).
- Purpose of water use.
- Specific provision(s) of the Plan from which the petitioner is requesting relief.
- 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 Plan.
- Description of the relief requested.
- Period of time for which the variance is sought.
- 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.
- Other pertinent information, as requested by the Committee.

Variances granted by the Committee shall be subject to the following conditions, unless specifically waived or modified by the Committee or Board of Directors:

- Variances granted shall include a timetable for compliance.
- Variances granted shall expire when the water allocation is no longer in effect, unless the petitioner has failed to meet specified requirements. No variance allowed for a condition requiring water allocation will continue beyond the termination of water allocation under Section F. Any variance for a subsequent water allocation must be petitioned again. The fact that a variance has been granted in response to a petition will have no relevance to the Committee's decision on any subsequent petition.

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

9. **Public Education**

The Melrose 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.

Drought plan information will be provided by:(check at least one of the following)

- 1 *public meeting*
- 2 *press releases*
- 3 *utility bill inserts*
- 4 *other* _____

10 *Implementation*

The Board establishes a Drought/Emergency Management Committee by Resolution, the chairperson of which will be the responsible representative to make Drought and Emergency Water Management actions. This Committee will review the procedures in this plan annually or more frequently. Modifications may be required to accommodate system growth, changes in water use demand, available water supply and/or other circumstances.

This Plan was adopted by the Board at a properly noticed meeting held on _____.

Approved _____

**SECTION I:
SAMPLE
APPLICATION
PACKET**

Water Supply Corporation Service Application and Agreement Form (USDA RUS-TX Bulletin 1780-9 (Rev. 1-09))

Right-of-Way Easement (Location Required)(Form RD-TX 442-8 (Rev. 6-06))

Right-of-Way Easement (General)(Form RD-TX 442-9 (Rev. 6-06))

Non-Standard Service Application

Non-Standard Service Contract

CORPORATION USE ONLY

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

MELROSE WATER SUPPLY CORPORATION

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.

Ethnicity: ☐ Hispanic or Latino ☐ Not of Hispanic or Latino
Race: ☐ White ☐ Black or African American ☐ American Indian/Alaska Native
☐ Asian ☐ Native Hawaiian or Other Pacific Islander
Gender: ☐ Male ☐ Female

AGREEMENT made this _____ day of _____,
between

Melrose 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 and/or wastewater system loan project contemplated with the Rural Development, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining:

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

The Applicant hereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporation's policies, shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee. Applicant further agrees to pay, upon becoming a Member, the monthly charges for such service as prescribed in the Corporation's tariff. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$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 water 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-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.
- c. No connection which allows condensing, cooling, or industrial process water to be returned to the public drinking water supply is permitted.
- d. No pipe or pipe fitting which contains more than 0.25 % 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 0.25% 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 Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of service under the terms and conditions of the Corporation's tariff.

By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Witnessed

Applicant Member

Approved and Accepted

Date Approved

Form RD-TX 442-8
(Rev. 6-06)

**UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service**

RIGHT-OF-WAY EASEMENT (Location of Easement Required)

KNOW ALL MEN BY THESE PRESENTS, That _____
(hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by _____, (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 and/or sewer collection lines and appurtenances, over and across _____ acres of land, more particularly described in instrument recorded in Vol. _____, Page _____, Deed Records, _____ County, Texas, together with the right of ingress and egress over Grantors' adjacent lands for the purposes for which the above mentioned rights are granted. The easement hereby granted shall not exceed 15' in width, the center line thereof to be located across said land as follows:

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 the Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply and/or sewer distribution lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor, or their successor or assigns, to move or remove any such abandoned lines or appurtenances.

In the event the county or state hereafter widens or relocates any public road so as to require the relocation of this water and/or sewer 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 and/or sewer lines 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 lands and that said lands are free and clear of all encumbrances and liens except the following:

Form RD-TX 442-8

(Rev. 6-06)

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.

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

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

ACKNOWLEDGEMENT

(Individual)

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on _____ by _____

(SEAL)

Notary Public, State of Texas

Form RD-TX 442-9
(Rev 6-06)

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 and/or sewer collection lines and appurtenances, 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, relocation (as above limited), substitution or removal thereof; and (3) the rights to abandon-in-place any and all water supply and/or sewer distribution 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 and/or sewer 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 and/or sewer 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 Grantor's premises. This Agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described lands and that said lands are free and clear of all encumbrances and liens except the following:

Form RD-TX 442-9
(Rev. 6-06)

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.

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

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

ACKNOWLEDGMENT
(Individual)

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on _____ by _____

(SEAL)

Notary Public, State of Texas

MELROSE WATER SUPPLY CORPORATION NON-STANDARD SERVICE APPLICATION

Please Print or Type

Applicant's name/Company _____

Address/City/State/ZIP: _____

Phone number (____) _____ - _____ FAX (____) _____ - _____

E-mail _____

Please attach a legal description of the proposed development as listed in deed records as a filed plat or parcel of land where other types of non-standard water/sewer service is requested. Plat requirements include: name of subdivision, owner/developer's name, lot sizes and lot lines, lot numbers, right of way dimensions and dedicated utility easements, legal description, highway and county road numbers, total acreage, adjoining property owners, flood plain, and vicinity map. Instrument must show proof of ownership; preliminary plats are acceptable for discussion purposes but an "approved plat" must be provided before contract closing.

Check type of service application or development:

- | | | | |
|--|---|---|---------------------------------------|
| <input type="checkbox"/> Residential Subdivision | <input type="checkbox"/> Multi-family | <input type="checkbox"/> Mobile Home Park | <input type="checkbox"/> Trailer Park |
| <input type="checkbox"/> School | <input type="checkbox"/> Line Extension | <input type="checkbox"/> Commercial/Industrial Park | |
| <input type="checkbox"/> Large Meter (>1") | <input type="checkbox"/> Multi-use Facility | <input type="checkbox"/> Other | |

Please list all water demand criteria for each meter or meter equivalent, or attach any engineering studies completed for the proposed service:

Maximum number of proposed lots: _____ Range of standard lot sizes: _____

Acreage _____

Please describe in detail the nature and scope of the project/development:

Initial needs _____

Phased and final needs, including a map showing each phase, and the projected land uses that support the requested level of service for each phase.

Please list any additional special service needs not listed above.

Please provide the flow, pressure and infrastructure needs for anticipated level of fire protection requested or required by ordinance, including line sizes and capacity.

Please provide the timeline for initiation of this service, and for service to each additional or projected phase following initial service, including a schedule of events leading up to the anticipated date of service. Specify this for all additional or projected phases.

Please describe how the utility may access the property during evaluation of application.

Please attach the following information, as applicable:

- A proposed calendar of events, including design, plat approval, construction phasing and initial occupancy.
- If applying for a single tap that requires a line extension, road bore, or upsizing of facilities, maps or plans detailing the location of the requested service installation and/or extension and details of demand requirements.

Required Fees

Applicant is required to pay a Non-Standard Service Investigation Fee of \$_____ to the Corporation in accordance with Section G of the Corporation's tariff for purposes of paying initial administrative, legal, and engineering fees. The Corporation will 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 the Investigation Fee is not sufficient to pay all expenses incurred by the Corporation, the Applicant agrees to pay all additional expenses that have been or will be incurred by the Corporation and Corporation will have no obligation to complete processing of the Applications until all remaining expenses have been paid.

Corporation's response to service request

The Corporation will prepare a written response to Applicant's service request within 90 days from the date the application was submitted and the required fees were paid. The Corporation's response will state the timeframe within which the requested service can be provided, and the costs for which the Applicant will be responsible, which may include capital improvements, easements or land acquisition costs, and professional fees.

Applicant has received and reviewed Section F of the Corporation's tariff and agrees to comply with all the requirements contained therein.

Under penalties of perjury, I declare that I have reviewed the information presented in this Application, including accompanying documents, and to the best of my knowledge and belief, the information is true, correct and complete.

Print Applicant/Name of Company

Signature of Authorized Representative

Date

For Corporation Use Only

Date application received

Amount Fees Paid / Date Paid

Signature WSC staff member

NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS

COUNTY OF _____

THIS CONTRACT is made and entered into by and between _____, hereinafter referred to as "Applicant", and Melrose Water Supply Corporation, hereinafter referred to as "WSC" or "Corporation".

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

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

WHEREAS, Applicant has requested WSC to provide such water service to the Property through an extension of WSC's water system, which includes all on-site and off-site service facilities to meet the level and manner of service requested by the Applicant, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Applicant and WSC agree and contract as follows:

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

- (a) The Water System Extension shall be engineered and designed by a Texas Licensed Professional Engineer in accordance with the applicable specifications of the WSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by WSC's consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by the WSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the Property based on plans for the development as provided to WSC by the Applicant. WSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of the WSC, subject to the obligation to reimburse the Applicant for any such oversizing as provided below.

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

- (a) Applicant shall be responsible for dedicating or acquiring any easements across privately owned land or sites (including off-site) which are necessary for the construction or operation of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water

System Extension in public right-of-way.

- (b) Any easements acquired by the Applicant shall be in a form approved by the WSC (see Form of Easement, attached to this Contract and made a part hereof) and shall be assigned to WSC upon proper completion of the construction of the Water System Extension.
- (c) The validity of the legal instruments by which the Applicant acquires any such easements and by which Applicant assigns such easements to WSC must be approved by WSC's attorney.

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

- (a) Applicant shall advertise for bids for the construction of the Water System Extension in accordance with generally accepted bidding practices and shall award the contract for the construction of the Water System Extension subject to the approval of the WSC. WSC may reject any bid.
- (b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. WSC shall have the right to inspect all phases of the construction of the Water System Extension. Applicant must give written notice to WSC of the date on which construction is scheduled to begin so that WSC may assign an inspector. WSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

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

- (a) Upon proper completion of construction of the Water System Extension and final inspection thereof by WSC, the Water System Extension shall become the property of the WSC. The Water System Extension shall thereafter be owned and maintained by WSC subject to the warranties required of Applicant under Subsection (b). Any connection of individual customers to the Water System Extension shall be made by the WSC.
- (b) Upon transfer of ownership of the Water System Extension, Applicant shall warrant materials and performance of the Water System Extension constructed by Applicant for ____ months following the date of the transfer.

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

- (a) Applicant shall pay all costs associated with the Water System Extension as a contribution in aid of construction, including, without limitation, the cost of the following:
 - (1) engineering and design;
 - (2) easement or right -of-way acquisition;
 - (3) construction;
 - (4) inspection;
 - (5) attorneys' fees; and
 - (6) governmental or regulatory approvals required to lawfully provide service.
 - (7) Applicant shall indemnify WSC and hold WSC harmless from all of the foregoing costs.
- (b) Provided, however, nothing herein shall be construed as obligating the Applicant to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by WSC.
- (c) If WSC has required the Water System Extension to be oversized in

anticipation of the needs of the other customers of WSC, WSC shall reimburse Applicant for the additional costs of construction attributable to the oversizing, as determined by the WSC's consulting engineer, in three annual installments without interest beginning one year after dedication of the Water System Extension to WSC.

6. Service From the Water System Extension.

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

7. Effect of Force Majeure.

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

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

and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

8. Notices.

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

Any notice mailed to Applicant shall be addressed:

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

9. Breach of Contract and Remedies.

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith.
- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

10. Third Parties.

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

11. **Captions.**

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

12. **Context.**

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

13. **Mediation. [Optional]**

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

14. **Litigation Expenses.**

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

15. **Intent.**

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.

16. **Multiple Originals.**

This Contract may be executed in multiple originals, any copy of which shall be considered to be an original.

17. **Authority.**

The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

18. **Severability.**

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

19. **Entire Agreement.**

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

20. **Amendment.**

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

21. **Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Nacogdoches County, Texas.

22. **Venue.**

Any action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Nacogdoches County, Texas.

23. **Successors and Assigns.**

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

24. **Assignability.**

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

25. **Effective Date.**

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

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

Melrose Water Supply Corporation

APPLICANT

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**SECTION J.
MISCELLANEOUS
TRANSACTION
FORMS**

ALTERNATE BILLING AGREEMENT FOR RENTAL ACCOUNTS

NAME: _____

METER #: _____

ADDRESS: _____

ACCT #: _____

I hereby authorize Melrose Water Supply Corporation to send all billings on my account to the person(s) and address below until further written notice:

I understand that under this agreement that I will be given notice by the Corporation of all delinquencies on this account prior to disconnection of service. A notification fee shall be charged to the account in accordance with the provisions of the Corporation's Tariff.

I understand that if I request that my membership be canceled at this location, thereby discontinuing service to an occupied rental property, that the Corporation will provide the above listed person with written notice of disconnection five (5) days prior to the scheduled disconnection date.

I also understand that I am responsible to see that this account balance is kept current, as is any other account in the Corporation. This account shall not be reinstated until all debt on the account has been retired.

Signature _____

Date _____

CUSTOMER REQUEST THAT PERSONAL INFORMATION CONTAINED IN UTILITY RECORDS NOT BE RELEASED TO UNAUTHORIZED PERSONS

Chapter 182, Subchapter B of the Texas Utilities Code allows water utilities to give their customers the option of making the customer's address, telephone number, account records, and social security number confidential. A customer also may make confidential information relating to the volume or units of utility usage or the amounts billed to or collected from the individual for utility usage, unless the primary source of water for the utility is a sole-source designated aquifer.

IS THERE A CHARGE FOR THIS SERVICE?

Yes. There is a one-time charge of \$20.00 to cover the cost of postage and implementation which must be paid at the time of request.

HOW CAN YOU REQUEST THIS?

Simply complete the form at the bottom of this page and return it with your check or money order for \$20.00 to:

Melrose Water Supply Corporation
P.O. Box 120
Chireno, Texas 75937

Your response is not necessary if you do not want this service.

WE MUST STILL PROVIDE THIS INFORMATION UNDER LAW TO CERTAIN PERSONS.

We must still provide this information to (1) an official or employee of the state or a political subdivision of the state, or the federal government acting in an official capacity; (2) an employee of a utility acting in connection with the employee's duties; (3) a consumer reporting agency; (4) a contractor or subcontractor approved by and providing services to the utility or to the state, a political subdivision of the state, the federal government, or an agency of the state or federal government; (5) a person for whom the customer has contractually waived confidentiality for personal information; or (6) another entity that provides water, wastewater, sewer, gas, garbage, electricity, or drainage service for compensation.

Detach and Return This Section

I want you to make my personal information, including my address, telephone number, usage and billing records, and social security number confidential. I have enclosed my payment of \$20.00 for this service.

Name of Account Holder

Account Number

Address

Area Code/Telephone Number

City, State, Zip Code

Signature

CUSTOMER NOTICE OF WATER USE RESTRICTIONS

DATE: _____

TO: Customers of Melrose Water Supply Corporation

FROM: _____, Manager, Melrose WSC

Due to extreme water usage during the past weeks, our system is unable to meet the demand of all water needs. Therefore, under our Drought Contingency and Emergency Water Demand Management Plan on file with the Texas Commission on Environmental Quality, Stage ____ - _____ allocations will begin on _____, and will be in effect no later than _____ or until the situation improves.

Stage ____ allocation restricts your water use as follows:

The Board has authorized those penalties and measures contained in the Corporation's tariff that may be levied against you and placed on your account(s) if you are found violating this allocation. Subsequent violations may result in temporary termination of service. If you feel you have good cause for a variance from this water use restrictions program please contact us in writing at the address above. A complete copy of our approved Drought Contingency and Emergency Water Demand Management Plan is available for review at our business office. A copy may be obtained for standard copying charges.

Thank you for your cooperation.

CUSTOMER NOTICE OF FIRST VIOLATION AND PENALTY

DATE: _____

FROM: _____, Manager, Melrose WSC

TO: _____, you are hereby notified that on _____ it was determined that you violated the restrictions on your water use that are required under the Corporation's Drought Contingency and Emergency Water Demand Management Plan. Specifically, [DESCRIBE VIOLATION].

This is the FIRST NOTICE of violation. You are hereby notified of a violation of our water use restrictions notice sent to all customers on _____ (see attached [ATTACH COPY OF CUSTOMER NOTICE OF WATER USE RESTRICTIONS]). Accordingly, and as provided in the Corporation's Tariff, you are hereby directed to pay a penalty of \$_____, to be received in the Corporation's business office no later than _____ a. m. / p. m., _____. **Failure to pay this penalty by this date and time will result in termination of your water service WITHOUT FURTHER NOTICE. Any further reconnection will require payment of the penalty and a charge for the service call to restore service.**

You are directed immediately to restrict your water use according to the Corporation's previous Notice of Water Use Restrictions. **Accordingly, you will be assessed an additional, and more severe, penalty for any future violation following this Notice.** Continued violations may result in termination of your water service regardless of whether you pay the penalties assessed for these violations.

A complete copy of our approved Drought Contingency and Emergency Water Demand Management Plan remains available for your review at our business office. A copy of the Plan may be obtained on payment of standard copying charges.

The conservation of our water resources is an important responsibility of all members and customers. Your cooperation is appreciated.
We appreciate your cooperation.

Corporation Official _____

CUSTOMER NOTICE OF SECOND VIOLATION AND PENALTY

DATE: _____

FROM: _____, Manager, Melrose WSC

TO: _____, you are hereby notified that on _____ it was determined that you violated the restrictions on your water use that are required under the Corporation's Drought Contingency and Emergency Water Demand Management Plan. Specifically, [DESCRIBE VIOLATION].

This is the SECOND violation. You were notified of a previous violation on _____ (see attached [ATTACH COPY OF CUSTOMER NOTICE OF VIOLATION]). Accordingly, and as provided in the Corporation's Tariff, you are hereby directed to pay a penalty of _____, to be received in the Corporation's business office no later than _____ m., _____. **Failure to pay this penalty by this date and time will result in termination of your water service WITHOUT FURTHER NOTICE. Any further reconnection will require payment of the penalty and a charge for the service call to restore service.**

You are directed immediately to restrict your water use as directed in the Corporation's first, Notice of Violation. **Accordingly, you will be assessed an additional, and more severe, penalty for any violation following this Notice.** Continued violations may result in termination of your water service regardless of whether you pay the penalties assessed for these violations.

A complete copy of our approved Drought Contingency and Emergency Water demand Management Plan remains available for your review at our business office. A copy of the Plan may be obtained on payment of standard copying charges.

The conservation of our water resources is an important responsibility of all members and customers. Your cooperation is appreciated.

Corporation Official _____

CUSTOMER NOTICE OF SUBSEQUENT VIOLATION AND PENALTY

DATE: _____

FROM: _____, Manager, Melrose WSC

TO: _____, you are hereby notified that on _____ it was determined that you violated the allocation restricting your water use which is required under the Corporation's Drought Contingency and Emergency Water Demand Plan. Specifically, [DESCRIBE VIOLATION].

You have been notified previously of the restrictions on your water use that must be followed, and you were assessed a penalty for your second violation which occurred on _____ (see attached [ATTACH A COPY OF CUSTOMER NOTICE OF SECOND VIOLATION AND PENALTY]).

The Corporation's previous notice advised you that you would be assessed an additional, and more severe, penalty if the violation continued. This is required under the Corporation's Tariff. Accordingly, you are hereby directed to pay a penalty of _____, to be received in the Corporation's business office no later than _____ m., _____. **Failure to pay this penalty by this date and time will result in termination of your water service WITHOUT FURTHER NOTICE.** Any reconnection will require payment of the penalty and a charge for the service call to restore service.

In addition, the Corporation may install a flow restricting device, which will limit the amount of water that will flow through your meter. The costs of this procedure will be for the actual work and equipment and shall be paid by the customer. Removal of this device will be considered Meter Tampering and will result in disconnection of service without further notice.

You are once again directed immediately to restrict your water use as directed in the Corporation's first notice to you. You have been directed to do so _____ previously. **Additional penalties will be assessed for additional violations. In addition to these penalties, YOUR WATER SERVICE WILL BE TERMINATED FOR A PERIOD OF THREE (3) DAYS FOR ANY ADDITIONAL VIOLATIONS regardless of whether you pay the penalties assessed for these violations.**

Your prompt attention to this matter will be appreciated by the Melrose Water Supply Corporation and its members.

Corporation Official _____

NOTICE OF TERMINATION

DATE: _____

FROM: _____, Manager, Melrose WSC

TO: _____, you are hereby notified that on ____ it was determined that you violated the restrictions on your water use that are required under the Corporation's Drought Contingency and Emergency Water Demand Management Plan. Specifically, [DESCRIBE VIOLATION].

There have been repeated violations. You previously have been notified of violations on _____, _____, and _____. Because these violations have continued, and as provided under Section H of the Corporation's Tariff, your water service will be terminated on _____. Your service will not be restored until _____ and only after payment of a charge for the service call to restore your service. Additional violations thereafter will result in additional suspensions of your water service.

If any penalties or other charges, including monthly bills, are outstanding, you will be required to fully pay these as well before your service will be restored.

We regret that your continued violation of the water use restrictions required under the Corporation's Drought Contingency and Emergency Water Demand Plan have led to this action.

NOTICE OF PROHIBITION OF MULTIPLE CONNECTIONS TO A SINGLE TAP

DATE: _____

FROM: _____, Manager, Melrose WSC

TO: _____, you are hereby notified that Melrose Water Supply Corporation has sufficient reason to believe a Multiple Connection exists on your property at _____ in violation of the Corporation's tariff, Section E Prohibition of Multiple Connections. Pursuant to the tariff, no more than one (1) residential, commercial, or industrial service connection is allowed per meter or sewer tap.

The Corporation shall discontinue service under the Disconnection with Notice provisions of the Corporation's tariff if the Multiple Connection is not rectified within _____ (days or date).

See also 30 Texas Administrative Code 290.38(15) and 290.44(d)(4).

**MELROSE WSC
DEFERRED PAYMENT AGREEMENT**

By execution of this Agreement, the undersigned Member agrees to payment of outstanding debt for water utility service as set forth below:

Member agrees to pay \$ _____ per month, in addition to current monthly water utility service rates, fees, and charges, as set forth in the Corporation's Tariff, until the account is paid in full. Any fees normally assessed by the corporation on any unpaid balance shall apply to the declining unpaid balance.

Failure to fulfill the terms of this Agreement shall institute the Corporation's disconnection procedures as set forth in the Corporation's Tariff unless other satisfactory arrangements are made by the Member and approved by the Corporation's authorized representative.

Member

Date

Melrose WSC Authorized Representative

MELROSE WATER SUPPLY CORPORATION INSTALLMENT AGREEMENT

AN AGREEMENT made this ____ day of _____, 20____, between Melrose 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).

By execution of this Agreement, the undersigned Member agrees to payment of outstanding debt for water utility service rates, fees, and charges; as set forth in the Corporation's Tariff, until the _____ (Equity Buy-In Fee, High water bill from a leak, or other connection fee) is paid in full. Any fees normally assessed by the Corporation on any unpaid balance shall apply to the declining unpaid balance.

Failure to fulfill the terms of this Agreement shall institute the Corporation's disconnection procedures as set forth in the Corporation's Tariff.

APPROVED AND ACCEPTED this ____ day of _____, 20____ at the regular monthly meeting of the Board of Directors of the _____ Water Supply Corporation.

President, _____ WSC

Sec/Treasurer, _____ WSC

THE STATE OF TEXAS COUNTY OF _____

IN WITNESS WHEREOF the said Member/Applicant has executed this instrument this ____ day of _____, 20____.

BEFORE ME, the undersigned, a Notary Public in and for said County and State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS ____ day of _____, 20____.

Notary Public in and for _____

Member/Applicant

County, Texas.

Commission Expires ____ / ____ / ____

MELROSE WATER SUPPLY CORPORATION LINE EXTENSION REFUND AGREEMENT

The Melrose Water Supply Corporation Board affirms that _____ will be compensated as provided in this Refund agreement approved at the regular board meeting on the _____ day of _____, 20____, on a prorated basis for construction costs for the _____ feet of inch line extension which have been paid by _____. This will be collected from all approved applicants requesting service from said line extension, to a maximum of _____ connections for a period not to exceed _____ years from the _____ day of _____ in the year of _____ (date the line extension was completed and/or approved for service) after which time the Refund Agreement will expire and the Corporation shall be under no further obligation to _____. The Corporation shall transfer said compensation within _____ days of receipt.

It is to understand that the Corporation will secure this compensation through new customer service fees from applicants for service from said line extension, and from no other sources. Accordingly, the compensation provided by this Refund Agreement will be modified automatically in the event any applicant requesting service from said line extension obtains a final administrative or Judicial Determination limiting the amount the Corporation may charge applicants for service from said line extension.

This agreement entered into on the _____ day _____ in the year of _____ by:

Melrose Water Supply Corporation

Signed by Applicant

Signed by President

address

address

city

zip

city

zip

Witness

Date filed: ____/____/____

THE STATE OF TEXAS, COUNTY OF _____
IN WITNESS WHEREOF the said Member/Applicant and President of _____ WSC has executed this instrument this _____ day of _____, 20____.
BEFORE ME, the undersigned, a Notary Public in and for _____ County and State of Texas, on this day, personally appeared _____ and _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same for the purpose and consideration therein expressed.
GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

(Notary Public Signature)

Commission Expires

MELROSE WATER SUPPLY CORPORATION MEMBERSHIP MORTGAGE AGREEMENT

This agreement hereby verifies that the Melrose WSC provides or is able to provide utility service under the terms and conditions of its Tariff to the property so designated in this agreement.

The Melrose WSC does meet the service requirements of the Public Utility Commission and currently holds all authorization or certification required.

The Membership available/assigned to this property is transferable to all legally qualifying interests upon compliance with the terms and conditions of the Melrose WSC's Tariff, including but not limited to completion of all required forms and applications, payment of all fees, and payment of final account balances.

The Melrose WSC shall notify any Loan/Membership guarantor and/or mortgagee by certified mail at least thirty (60) days prior to Membership/Service termination and guarantor/mortgagee hereby guarantees payment of any account balances required to prevent termination of Membership by the Melrose WSC.

A guarantor and/or mortgagee shall qualify as a bona fide lien-holder to the Membership by providing a Deed of Trust*, to be hereto affixed, for the real property in question and designated below which clearly defines the guarantor and/or mortgagee as the lien-holder of the Membership and the real property for which Membership was issued. Melrose WSC shall notify the entity so designated in the Deed of Trust*.

Legal Description of Property:

Mortgagee (Lien-Holder)

Guarantor (If Applicable)

Melrose WSC Representative

Date

Note: * Please attach Deed of Trust or other proof of ownership for permanent record.

AGREEMENT TO PROVIDE FILL FOR CERTAIN FIRE VEHICLES IN DESIGNATED AREAS

STATE OF TEXAS

_____ COUNTY

This Agreement ("Agreement") is executed by and between _____ Volunteer Fire Department ("Department"), an emergency service organization, and _____ Water Supply Corporation ("Corporation"), a nonprofit water supply corporation organized and operating under the provisions of Texas Water Code Chapter 67, and the Texas Business Organizations Code for the purposes and consideration set forth herein.

RECITALS

WHEREAS Department is a volunteer fire department organized and operating within the meaning of Texas Civil Practice & Remedies Code Section 78.101(2); and

WHEREAS Corporation is a nonprofit water supply corporation, organized and operating under the provisions of Chapter 67, Texas Water Code and the Non-Profit Corporation Act, and furnishes a water supply in Nacogdoches County and specifically in the area described in Public Utility Commission ("PUC") Certificate of Convenience and Necessity No. 10377; and

WHEREAS Corporation acknowledges the benefits of fire suppression services provided by Department and is willing to provide water supply for use in fire suppression by Department through facilities in the area and under conditions more particularly described herein; and

WHEREAS Corporation's tariff expressly provides that Corporation does not provide fire flow and does not provide or imply that fire protection is available on any of Corporation's distribution system; and

WHEREAS Corporation is willing to assist Department by making water available for the purpose of filling Department's pump trucks ("pump and fill" purposes) without making any guarantee to Department or to any third party that water or pressure adequate for pump and fill purposes will be available at any time or under any circumstance; and

WHEREAS Department desires to utilize Corporation's water supply for pump and fill purposes within the area described herein and under the conditions set forth herein;

NOW, THEREFORE, Department and Corporation enter into this Agreement for the purposes and consideration set forth herein, acknowledging that these purposes and consideration are sufficient for purposes of this Agreement and are mutually beneficial to one another as contemplated by Section 67.0105(c), Texas Water Code:

PARTIES

1.1 This Agreement is entered into by and between _____ Volunteer Fire Department, domiciled and conducting business in Nacogdoches County, Texas, and Melrose Water Supply Corporation, domiciled and conducting business in Nacogdoches County, Texas.

1.2 Corporation and Department are authorized to enter into this Agreement pursuant to Texas Water Code Section 67.0105.

PROVISION OF FILL WATER

2.1 Corporation will make available to Department the use of certain flush hydrant facilities located on water transmission lines operated by Corporation in [description of subdivision, portion of County, street boundaries, etc.] as more particularly set forth in the attached map of "Fire Pump and Fill Facilities" ("Map") which is incorporated herein and made a part of this Agreement for all purposes.

2.2 Department will use only those facilities installed and maintained by Corporation which are clearly marked by [description of marking] and are located at those points indicated on the Map.

2.3 Corporation will install or maintain pump and fill facilities solely within Corporation's discretion, and the Department has no responsibility for installation or maintenance of such facilities.

2.4 In accordance with the laws of the State of Texas, the Corporation will maintain a minimum static residual pressure of 35 pounds per square inch ("psi") during normal flow, and will maintain a minimum static residual pressure of no less than 20 psi during fire flow conditions, in the water transmission facilities described in the Map.

2.5 Department will notify Corporation prior to use of any designated pump and fill facility to the extent Department reasonably is able to do so by calling the Corporation's management. The Corporation acknowledges that in the event of emergencies, it may not be feasible for the Department to provide prior notice, in which case notification shall be provided as soon as practicable.

2.6 No obligation other than the duties set forth in this Agreement are recognized nor are any obligations or duties to be implied under this Agreement. No duty or obligation on the part of Corporation to provide fire flow or a supply of water under any minimum pressure or for any length of time may be implied under the provisions of this agreement.

2.7 The duties set forth under this Agreement are duties of the parties to this Agreement to one another only, solely for their mutual benefit, and it is the express intention of the parties that these duties are not enforceable by any third party or alleged third party beneficiary.

2.8 The Department will supply a monthly water usage to the Corporation for the sole purpose of assisting Corporation in accounting for Corporation's Water Supply.

2.9 The Department will not utilize water provided under this agreement for any purpose other than for suppressing fires. Prohibited uses of "free" water include, but are not limited to, filling swimming pools, car wash fundraisers, and potable use in a structure used to house fire trucks and personnel.

COMPENSATION

3.1 Department will not be charged for use of Corporation's water supply for pump and fill for fire suppression purposes. Department will be charged for water used for any other purpose.

TERMINATION OF AGREEMENT

4.1 Either party to this Agreement may terminate this Agreement at any time, with or without cause.

4.2 Termination shall be by written notice a minimum of thirty (30) days in advance of the date of termination.

4.3 Termination is the sole remedy for breach of any and all obligations under this Agreement, whether any such obligation is express or implied.

MISCELLANEOUS

5.1 This Agreement is the sole agreement between the parties. No modifications of this Agreement will be of any force or effect whatsoever unless such modification shall be in writing signed by both parties.

5.2 Any notice required or permitted to be given under this Agreement by one party to the other shall be in writing and shall be deemed to have been served and delivered if (a) delivered in person to the address set forth below, or (b) placed in the United States mail, first class postage paid, addressed to the address set forth below.

The address for the Department for all purposes under this Agreement shall be:

The address for the Corporation for all purposes under this Agreement shall be:

5.3 This Agreement may not be assigned without the express written consent of the non-assigning party.

5.4 This Agreement shall be effective upon the later of the two dates of execution below and shall continue in full force and effect until amended or terminated by the parties.

5.5 The signatories hereto represent and affirm that each has full authority to execute this Agreement on behalf of the respective party.

EXECUTED AND AGREED TO in duplicate originals by the parties hereto.

Melrose Water Supply Corporation _____ Volunteer Fire Department

By: _____
 Title: _____
 Attest: _____
 Date: _____

By: _____
 Title: _____
 Attest: _____
 Date: _____

AGREEMENT TO PROVIDE FIREFLOW IN DESIGNATED AREAS

STATE OF TEXAS

_____ COUNTY

This Agreement ("Agreement") is executed by and between _____ Volunteer Fire Department ("Department"), an emergency service organization, and Melrose Water Supply Corporation ("Corporation"), a nonprofit water supply corporation organized and operating under the provisions of Chapter 67, Texas Water Code, for the purposes and consideration set forth herein.

I. RECITALS

WHEREAS Department is a volunteer fire department organized and operating within the meaning of Section 78.101(2), Civil Practice & Remedies Code; and

WHEREAS Corporation is a nonprofit water supply corporation, organized and operating under the provisions of Chapter 67, Texas Water Code, and furnishes a water supply in Nacogdoches County and specifically in the area described in Public Utility Commission ("PUC") Certificate of Convenience and Necessity No. 10377; and

WHEREAS Corporation acknowledges the benefits of fire suppression services provided by Department and is willing to provide water supply for use in fire suppression by Department through facilities in the area and under conditions more particularly described herein; and

WHEREAS Department desires to utilize Corporation's water supply for fire suppression purposes within the area [through the facilities] and under the conditions set forth herein;

NOW, THEREFORE, Department and Corporation enter into this Agreement for the purposes and consideration set forth herein, acknowledging that these purposes and consideration are sufficient for purposes of this Agreement and are mutually beneficial to one another as contemplated by Section 67.0105(c), Texas Water Code:

II. PARTIES

1.1 This Agreement is entered into by and between _____ Volunteer Fire Department, domiciled and conducting business in _____ County, Texas, and Melrose Water Supply Corporation, domiciled and conducting business in Nacogdoches County, Texas.

1.2 Corporation and Department are authorized to enter into this Agreement pursuant to Section 67.0105, Texas Water Code.

III. PROVISION OF FIREFLOW

2.1 Corporation will make available to Department the use of fire hydrants located on water transmission facilities operated by Corporation in [description of subdivision, portion of County, street boundaries, etc.] as more particularly set forth in the attached map of "Fire Flow Facilities" ("Map") which is incorporated herein and made a part of this Agreement for all purposes.

2.2 Department will use only those fire hydrants installed and maintained by Corporation which are clearly marked by [description of marking] and are located at those points indicated on the Map.

2.3 Corporation will install fire hydrants that are compatible with Department's fire suppression vehicles and equipment, and Department will review and approve the selection of fire hydrants prior to Corporation's installation.

2.4 In accordance with the laws of the State of Texas, the Corporation will maintain a minimum static residual pressure of 35 pounds per square inch ("psi") during normal flow, and will maintain a minimum static residual pressure of no less than 20 psi during fire flow conditions, in the water transmission facilities described in the Map.

2.5 Corporation will notify Department prior to any interruption in water flow through the transmission facilities (or as soon as Corporation is aware of any interruption due to unforeseen circumstances).

2.6 Department will notify Corporation prior to use of any fire hydrant to the extent Department reasonably is able to do so. Corporation acknowledges that in the event of emergencies, it may not be feasible for Department to provide prior notice, in which case notification shall be provided as soon as practicable.

2.7 No obligation other than the duties set forth in this Section II of the Agreement are recognized nor are any obligations or duties to be implied under this Agreement.

2.8 The duties set forth under this Section II of the Agreement are duties of the parties to this Agreement to one another only, solely for their mutual benefit, and it is the express intention of the parties that these duties are not enforceable by any third party or alleged third party beneficiary.

2.9 The Department will supply a monthly water usage to the Corporation for the sole purpose of figuring the Corporation's water loss.

2.10 The Department will not utilize water provided under this agreement for any purpose other than for suppressing fires. Prohibited uses of "free" water include, but are not limited to, filling swimming pools, car wash fundraisers, and potable use in a structure used to house fire trucks and personnel.

IV. COMPENSATION

3.1 Department will not be charged for use of Corporation's water supply for fire suppression purposes. Department will be charged for water used for any other purpose.

V. TERMINATION OF AGREEMENT

4.1 Either party to this Agreement may terminate this Agreement at any time, with or without cause.

4.2 Termination shall be by written notice a minimum of thirty (30) days in advance of the date of termination.

4.3 Termination is the sole remedy for breach of any and all obligations under this Agreement, whether such obligation(s) is express or implied.

VI. MISCELLANEOUS

5.1 This Agreement is the sole agreement between the parties. No modifications of this Agreement will be of any force or effect whatsoever unless such modification shall be in writing signed by both parties.

5.2 Any notice required or permitted to be given under this Agreement by one party to the other shall be in writing and shall be deemed to have been served and delivered if (a) delivered in person to the address set forth below, or (b) placed in the United States mail, first class postage paid, addressed to the address set forth below.

The address for the Department for all purposes under this Agreement shall be:

The address for the Corporation for all purposes under this Agreement shall be:

5.3 This Agreement may not be assigned without the express written consent of the non-assigning party.

5.4 This Agreement shall be effective upon the later of the two dates of execution below and shall continue in full force and effect until amended or terminated by the parties.

5.5 The signatories hereto represent and affirm that each has full authority to execute this Agreement on behalf of the respective party.

EXECUTED AND AGREED TO in duplicate originals by the parties hereto.

Melrose Water Supply Corporation _____ Volunteer Fire Department

By: _____
 Title: _____
 Attest: _____
 Date: _____

By: _____
 Title: _____
 Attest: _____
 Date: _____

MELROSE WATER SUPPLY CORPORATION METER TEST AUTHORIZATION AND TEST REPORT

NAME: _____

ADDRESS: _____

DATE OF REQUEST: _____ PHONE NUMBER (DAY): _____

ACCOUNT NUMBER: _____ METER SERIAL NUMBER: _____

REASONS FOR REQUEST: _____

Members requesting a meter test may be present during the test, but if not, Member shall accept test results shown by the Corporation. The test shall be conducted in accordance with the American Water Works Association standards and methods on a certified test bench or on-site with an acceptable certified test meter. Member agrees to pay \$____.00 for the test if the results indicate an AWWA acceptable performance, plus any outstanding water utility service. In the event that the Member is required to pay for the test and for outstanding water utility service as set forth herein, said charges shall be applied to the next billing sent to the Member after the date of the test.

Signed by Member

TEST RESULTS

Low Flow (1/4 GPM) _____ % AWWA Standard 97.0 - 103.0 %

Intermediate (2 GPM) _____ % AWWA Standard 98.5 - 101.5 %

High Flow (10 GPM) _____ % AWWA standard 98.5 - 101.5 %

Register test _____ minutes at _____ gallons per minute recorded per _____ gallons.

Meter tests accurately; no adjustments due.

Meter tests high; adjustment due on water charges by _____ %

Meter tests low; no adjustment due.

Test conducted by _____ Approved

MELROSE WSC
NOTICE TO OWNER OF RENTAL PROPERTY

You are hereby given notice that your renter/lessee is past due on your account with the Corporation. The renter/lessee has been sent a second and final notice, a copy of which is enclosed herein, and the utility service will be scheduled for disconnection unless the bill is paid by the final due date. If disconnection occurs, the Corporation's policies under the terms and conditions of its Tariff shall govern restoration of disconnected service. A fee of \$____.00 has been posted to the account for mailing of this notice. Any unpaid bills, service fees, or reconnect fees (service trip fees) are chargeable to the owner. If you have any questions concerning the status of this account, please do not hesitate to call.

Melrose WSC MANAGEMENT

Amount Due Including Service Charges _____

Final Due Date _____

NOTICE OF REQUIREMENT TO COMPLY WITH THE SUBDIVISION AND SERVICE EXTENSION POLICY OF MELROSE WATER SUPPLY CORPORATION/SPECIAL UTILITY DISTRICT

Pursuant to Chapter 13.2502 of the Texas Water Code, Melrose Water Supply Corporation/Special Utility District hereby gives notice that any person who subdivides land by dividing any lot, tract, or parcel of land, within the service area of Melrose Water Supply Corporation/Special Utility District, Certificate of Convenience and Necessity Nô.10377, in Nacogdoches County, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded or requests more than two water or sewer service connections on a single contiguous tract of land must comply with [put in the title of subdivision service extension policy stated in the tariff/policy] (the "Subdivision Policy") contained in Melrose Water Supply Corporation's tariff/Special Utility District's policy.

Melrose Water Supply Corporation/Special Utility District is not required to extend retail water or sewer utility service to a service applicant in a subdivision where the developer of the subdivision has failed to comply with the Subdivision Policy.

Applicable elements of the Subdivision include:

- Evaluation by Melrose Water Supply Corporation/Special Utility District of the impact a proposed subdivision service extension will make on Melrose Water Supply Corporation's/Special Utility District's water supply/sewer service system and payment of the costs for this evaluation;

- Payment of reasonable costs or fees by the developer for providing water supply/sewer service capacity;

- Payment of fees for reserving water supply/sewer capacity;

- Forfeiture of reserved water supply/sewer service capacity for failure to pay applicable fees;

- Payment of costs of any improvements to Melrose Water Supply Corporation's/Special Utility District's system that are necessary to provide the water/sewer service;

- Construction according to design approved by Melrose Water Supply Corporation/Special Utility District and dedication by the developer of water/sewer facilities within the subdivision following inspection.

Melrose Water Supply Corporation's/Special Utility District's tariff and a map showing Melrose Water Supply Corporation's/Special Utility District's service area may be reviewed at Water Supply Corporation's/Special Utility District's offices, at [insert address of the water supply corporation/special utility district]; the tariff/policy and service area map also are filed of record at the Public Utility Commission in Austin, Texas and may be reviewed by contacting the PUC, Central Records at 512-936-7180 for assistance.

**MELROSE WSC
NOTICE OF RETURNED CHECK**

TO:

DATE:

CHECK NUMBER:

AMOUNT OF CHECK:

Your check has been returned to us by your bank for the following reasons:

You have ten days from the date of this notice in which to redeem the returned check and pay an additional \$30.00 Returned Check Fee. Redemption of the returned check and payment of additional fees may be made by cash, money order, or certified check. If you have not redeemed the returned check and paid the additional service fees within ten (10) days, your utility service will be disconnected unless other arrangements have been made with management.

Melrose WSC MANAGEMENT

**MELROSE WATER SUPPLY CORPORATION
REQUEST FOR SERVICE DISCONTINUANCE**

I/Business Name _____, hereby request that my water account number _____ located at _____, be disconnected from Melrose Water Supply Corporation service and that my membership fee is be refunded. I understand that if I should ever want my service reinstated I may have to reapply for service as a new member and I may have to pay all costs as indicated in the re-service provisions in the current copy of the Melrose Water Supply Corporation Tariff.

Charges for water or sewer service will terminate when this signed statement is received by the Melrose WSC office. I understand and agree that a fee will be incurred for the processing of this transaction and will be deducted from the membership fee in addition to final water, sewer and service trip charges.

(Residential account)

If applicable, I further represent to the Corporation that my spouse joins me in this request and I am authorized to execute this Request for Service Discontinuance on behalf of my spouse as a joint owner of the aforementioned property.

(Commercial account)

I further represent to the Corporation that I am the duly authorized representative of _____ and have full authority to execute this Request for Service Discontinuance on behalf of said business.

Signature

Date of Signature

EASEMENT DENIAL LETTER AND AFFIDAVIT

Date _____

(Name of Property Owner
Property Owner's Address)

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

Dear _____:

Melrose Water Supply Corporation (Corporation) has requested an easement for a water/sewer 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/sewer service to your property.

If at some future time you (or another owner of your property or any portion of your property) requests water/sewer service, the Corporation will require an easement before water/sewer 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/sewer service, the Corporation will require payment of all reasonable costs for relocation or construction of the water/sewer 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 wish to discuss any aspects of the enclosed easement, please contact our office: [office address, phone number].

We appreciate your attention to this matter.

Sincerely,

[appropriate signature]

ACKNOWLEDGEMENT OF REFUSAL

I, _____, hereby refuse to provide the easement requested by Melrose Water Supply Corporation for authority to construct/operate a water/sewer 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 Melrose 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/sewer distribution system within the requested easement (which cost may increase in the future).

[name]

[position with 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: _____.

RELEASE OF EASEMENT

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS THAT:
 COUNTY OF _____ §

MELROSE WATER SUPPLY CORPORATION, operating under the authority of Chapter 67 of the Texas Water Code ("____ WSC"), is the legal and equitable owner and holder of the easement described and recorded in Volume ____, Page ____ of the _____ County Deed Records (the "Easement"), covering the real property described in **Exhibit "A"** attached hereto and incorporated herein by reference (the "Property").

NOW, THEREFORE, for and in consideration of ONE DOLLAR (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, Melrose WSC hereby RELEASES and DISCHARGES the Property from the rights, titles and interests covering such Property held by Melrose WSC by virtue of the Easement and hereby RELEASES and TERMINATES the Easement to the extent it covers the Property. This Release of Easement shall in no way obligate nor require Melrose WSC to physically remove the waterlines or pipelines currently located in the Property pursuant to the Easement.

EXECUTED as of the _____ day of _____, 20__.

MELROSE WATER SUPPLY CORPORATION
 a Texas water supply corporation

By: _____
 Printed Name: _____
 Title: _____

STATE OF TEXAS §
 §
 COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____, the _____ of MELROSE WATER SUPPLY CORPORATION, operating under the authority of Chapter 67 of the Texas Water Code, on behalf of said water supply corporation.

[SEAL]

 Notary Public, State of Texas

EXHIBIT "A"

THE PROPERTY

After recording, return to:
(owner's name and address)

30 TAC §290.47(c): Sample Sanitary Control Easement Document for a Public Water Well.**SANITARY CONTROL EASEMENT**

DATE: _____, 20__

GRANTOR(S): _____

GRANTOR'S ADDRESS: _____

GRANTEE: _____

GRANTEE'S ADDRESS: _____

SANITARY CONTROL EASEMENT:**Purpose, Restrictions, and Uses of Easement:**

1. The purpose of this easement is to protect the water supply of the well described and located below by means of sanitary control.
2. The construction and operation of underground petroleum and chemical storage tanks and liquid transmission pipelines, stock pens, feedlots, dump grounds, privies, cesspools, septic tank or sewage treatment drainfields, improperly constructed water wells of any depth, and all other construction or operation that could create an insanitary condition within, upon, or across the property subject to this easement are prohibited within this easement. For the purpose of the easement, improperly constructed water wells are those wells which do not meet the surface and subsurface construction standards for a public water supply well.
3. The construction of tile or concrete sanitary sewers, sewer appurtenances, septic tanks, storm sewers, and cemeteries is specifically prohibited within a 50-foot radius of the water well described and located below.
4. This easement permits the construction of homes or buildings upon the Grantor's property as long as all items in Restrictions Nos. 2 and 3 are recognized and followed.
5. This easement permits normal farming and ranching operations, except that livestock shall not be allowed within 50 feet of the water well.

The Grantor's property subject to this Easement is described in the documents recorded at:

Volume ___, Pages ___ of the Real Property Records of _____ County, Texas.

Property Subject to Easement:

All of that area within a 150-foot radius of the water well located _____ feet at a radial of ___ degrees from the _____ corner of Lot _____, of a Subdivision of Record in Book _____, Page _____ of the County Plat Records, _____ County, Texas.

TERM:

This easement shall run with the land and shall be binding on all parties and persons claiming under the Grantor(s) for a period of two years from the date that this easement is recorded; after which time, this easement shall be automatically extended until the use of the subject water well as a source of water for public water systems ceases.

ENFORCEMENT:

Invalidation of any one of these restrictions or uses (covenants) by a judgment or court order shall not affect any of the other provisions of this easement, which shall remain in full force and effect.

GRANTOR(S)

ACKNOWLEDGMENT

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Notary Public in and for
THE STATE OF TEXAS
My Commission Expires:

Recorded in _____ Courthouse, _____ Texas on _____, 20____

MELROSE WATER SUPPLY CORPORATION EQUIPMENT AND LINE DEDICATION AGREEMENT

I, _____ (Transferor - Name of person, entity, corp., or other), having complied with the Melrose Water Supply Corporation's Developer, Subdivision, and Non-Standard Service Requirements Policy, do hereby dedicate, transfer and assign to the Melrose Water Supply Corporation all rights and privileges to and ownership of said equipment and or line(s) installed as a condition of service this equipment and or line(s) being described in the Non-Standard Service Agreement between the Corporation and Transferor and the Non-Standard Service Contract of _____ (date) including any amendments thereto and being further described as follows: (or see Attachments) _____

The Melrose Water Supply Corporation through its designated representative having agreed to accept the equipment and or line(s) as previously described on the _____ day of _____, 20____. The Corporation shall hold harmless, _____ (name of person, entity etc.) from this day forward any costs for repairs or maintenance of said equipment and or line(s), notwithstanding any warranty or bond for said repairs as per the Non-Standard Service Contract/Agreement.

This agreement entered into on the _____ day of _____ in the year of _____ by:

_____ Water Supply Corporation
Melrose

Transferor Signature

Signed by Corporation Representative

Address

Address

City

Zip

City Zip

THE STATE OF TEXAS, COUNTY OF _____

IN WITNESS WHEREOF the said Transferor and the Corporation Representative have executed this instrument this _____ day of _____, 20____.

BEFORE ME, the undersigned, a Notary Public in and for said County and State of Texas, on this day personally appeared _____ and _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

Signature of Notary Public

**MELROSE WSC
TERMINATION NOTICE**

TO:

ACCOUNT NUMBER:

DATE:

DATE OF SCHEDULED TERMINATION:

You are hereby advised that the delinquent status of your account is jeopardizing your Membership with the Corporation. If our office does not receive payment within ten days of the date of this notice, your utility service will be terminated. To regain service after termination, you must re-apply for a new Membership and pay all costs applicable to purchasing a new Membership under the terms of the Corporation's Tariff. If you have no intentions of retaining our service, make sure the service line is capped. We will not cap your line for you, but will remove the meter regardless of the circumstances.

MELROSE WSC MANAGEMENT

WASTEWATER BILLING SERVICES FOR A RETAIL PUBLIC UTILITY PROVIDED BY A NON-PROFIT WATER SUPPLY CORPORATION

AGREEMENT

Melrose Water Supply Corporation (Melrose WSC) and the City of _____, for the consideration and purposes herein expressed enter into the following agreement regarding sewer collection services provided by _____ (city) to various businesses and residents in the areas listed in Exhibit "A", but in no other areas:

WHEREAS, _____ is a home rule city located in _____ County, Texas;

WHEREAS, _____ is a nonprofit water supply corporation organized pursuant to Texas Water Code Chapter 67 and Texas Business Organizations Code;

WHEREAS, _____ provides retail water utility service in _____ County, pursuant to Public Utility Commission Certificate of Convenience and Necessity No. _____;

WHEREAS, _____ provides sanitary sewer service for its residents, some of whom are provided water utility service by _____;

WHEREAS, it is recognized that the provision of sanitary sewer service to _____ residents is integrally related to _____ WSC's separate provision of water service to the same customers such that joint billing and collection practices are in the public interest; and

WHEREAS, _____ desires to enter into an agreement with _____ to facilitate the billing and collection of charges due from _____ residents for the sanitary sewer service provided;

NOW, THEREFORE, _____ (city) and _____ WSC agree as follows:

1. **Agency of _____ WSC.** Subject to the terms of this Agreement, _____ WSC agrees to serve as the agent for city for the purposes of billing and collecting sanitary sewer service fees from customers of _____ WSC who: (1) are recipients of sanitary sewer services from city; and (2) have executed a copy of the application for sanitary service attached to this agreement or an application in substantially similar form. During the term of this agreement, city will be solely responsible for providing to _____ WSC, and at all times maintaining, a current list of its customers to be billed by _____ WSC pursuant to the terms of the Agreement, which list shall contain the following information for each customer: (a) the customer's name and address; (b) the type of sanitary sewer service to be billed by _____ WSC on city's behalf; and (c) the amount to be billed.
2. **Payment Based on Sewer Rate Ordinance for Sewer Collection.** WSC agrees to add the fees due to city in the amounts indicated by city, to its monthly bills to customers. Each fee for sanitary sewer service will be stated separately on such bills. City agrees to coordinate with WSC so that the payment for the sanitary sewer services billed by the WSC on city's behalf shall be due at the same

time and under the same terms as the payment billed by WSC for water utility services. Upon receipt of payment due city for sanitary sewer services, WSC will deposit such sums in an account in WSC's depository bank, commingled with payments made for WSC water utility services. The funds, less unpaid fees charged by WSC for services as set forth in this Agreement, shall be forwarded to city no less frequently than once a month. The funds shall be sent to city in the amounts due as reflected on the monthly bills to the customers, less WSC's unpaid fees as set forth in this Agreement. At the time such funds are forwarded to City, WSC will also forward an accounting of the customers from whom payment is received, the period and type of services for which payment is made, and the fees retained by WSC from payments made pursuant to this Agreement with prior notice of at least 72 hours and during WSC business hours.

3. **Priority.** When payment for water and sewer collection by any customer is made, WSC shall apply the funds paid first to any indebtedness of the customer to WSC and then to the payment of any indebtedness of city.
4. **Delinquency/Disconnection.** WSC agrees to use its best efforts, in the exercise of the discretion granted under this Agreement, to collect amounts due to city from customers for sanitary sewer service. If at any time any customer fails to pay any amounts collectible by WSC pursuant to the terms of this Agreement, WSC is authorized to terminate water utility services to the customer as deemed appropriate by WSC in accordance with the procedure specified in any applicable tariff and service regulations of WSC then in effect. WSC's failure to disconnect any service shall not be an event of default under this agreement but shall entitle city to discontinue payment of the monthly fee for that account as specified in paragraph 7 below from the date service could have been disconnected under this agreement until disconnection occurs. WSC shall notify city of all customer accounts that are delinquent and have been disconnected.
5. **Reconnection.** In the event water service is disconnected for nonpayment of sanitary sewer service charges, except as otherwise required by law or as agreed to by city, WSC agrees not to provide water services to that customer until WSC's receipt of payment of all delinquent sewer collection charges, plus any applicable charges which are then collectable in accordance with city's ordinances or other applicable law.
6. **Affect on Provision of Water.** This agreement shall not affect or in any way impair WSC's rights and obligations with respect to its customers or the provision of water utility services except as specifically and expressly set forth in the Agreement and as allowed by law.
7. **Fees.** For each sanitary sewer service account collected by WSC, City agrees to pay WSC the sum of \$5.00 as an initial set up fee for establishing WSC billing and collection procedures. This set up fee is to be paid when city notifies WSC that a new account is to be collected by WSC. In addition, city agrees to pay to WSC monthly on or before the 15th day of each month, a service charge of \$1.00 for each active account. The monthly fee will be paid until the end of the month in which city removes the account from the customer list provided to WSC under paragraph 1 of this agreement. If city subsequently requests WSC to reinstate an account which has been removed from the sewer service customer list, a reinstatement fee of \$5.00 per account will be paid to WSC by City.
8. **Purpose of Agreement/Indemnity.** This Agreement is made for the purpose of facilitating the billing and collection of fees for sanitary sewer services provided by city. No partnership or joint venture is intended to be created hereby. WSC's sole responsibility is that of the city's agent for billing and collection purposes and WSC shall have no responsibility for, and city shall indemnify,

defend and hold WSC harmless from any damage, claims, demands, or causes of action arising from: (1) the construction, operation, maintenance, repair or existence of the sewer collection system; (2) the provision of sewer collection service; (3) any act or omission relating to such services; or (4) any act or omission of WSC or city, their agents, employees, or representatives in the performance or nonperformance of their obligations under this Agreement, specifically including the negligence or breach of this Agreement by WSC or by the City, which does not amount to gross negligence or willful misconduct on the part of city, its agents, employees, or representative. This indemnity shall also extend to, but shall not be limited to, any cost, expense or fee, including attorney's fees, costs of court or expert fees, incurred by WSC relating to or arising from any such damages, claims, demands or causes of action.

9. **Right to Terminate.** This Agreement may be terminated by any party at any time by giving the other party sixty (60) days advance notice of its intent to terminate the Agreement.
10. **Automatic Termination.** If any provision of the Agreement is determined by any regulatory or judicial body to be invalid, in violation of any law, or to be contrary to the rules, regulations, or orders of such body, or if any party to the Agreement is ordered or required by such body not to comply with any provision of this Agreement, the Agreement automatically and without notice terminates without penalty at the time such order becomes final and no longer appealable.
11. **Termination Upon Default.** Any party may terminate this Agreement following a default by the other party in the performance of this Agreement and the failure to correct said default within thirty (30) days after written notice of default has been provided by the nondefaulting party.
12. **Attorney's Fees.** The prevailing party in any legal proceeding against any other party to this Agreement brought under or which relates to the Agreement or a breach thereof shall, in addition to its damages, shall be entitled to recover its costs and reasonable attorney's fees.
13. **Notices.** Any notice or communication required or permitted to be given hereunder shall be sufficiently given when received by any other party and must be: (1) delivered by hand delivery; or (2) mailed by certified mail, postage prepaid, return receipt requested, to the address indicated on the signature page of this Agreement, or at such other addresses as may hereafter be furnished in writing by any party to all other parties, and such notice shall be deemed to have been given as of the date so delivered or mailed.
14. **No Third Party Beneficiaries.** This Agreement is not executed for the benefit of any third party and its terms shall not be enforceable by or in favor of any person or entity other than the express parties to the Agreement.
15. **Miscellaneous Provisions.** This Agreement contains all of the understandings and agreements between the parties with respect to the subject matter hereof, and the terms and conditions of the Agreement may be changed only by written amendments agreed to by both parties. This Agreement replaces and supersedes all prior agreements of the parties with respect to the subject matter hereof. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns; provided that, except as otherwise provided in this Agreement, no party may assign its interest in this Agreement without prior written consent of all the other parties. A waiver by any party of a breach of this Agreement shall not be construed as a waiver of any subsequent breach of this Agreement. The section and subsection headings in this Agreement are for convenience. This Agreement shall be governed by and construed in accordance with the laws

of the State of Texas.

16. **Binding Arbitration.** It is agreed that all questions as to rights and obligations arising under the terms of this Agreement are subject to binding arbitration, as governed by the provisions of the, Civil Practices & Remedies Code, General Arbitration § 171.001 et. seq. as amended. This paragraph is to be broadly construed.
17. Any amount due and unpaid more than thirty (30) days shall accrue interest at the maximum rate allowed by law.

EXECUTED on the ____ day of _____, 20____.

THE CITY OF _____ WSC

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

City Secretary: _____

App. # _____

CITY OF _____
Code Enforcement Department
Application For Sanitary Sewer Service

Date: _____ Permit #: _____ Amount: _____

Name: _____

Street Address: _____

Mailing Address: _____

Legal Description: _____

I/we _____ agree to pay monthly sanitary sewer service fees to the City of _____ through the WSC's billing office. If I/we fail to pay the monthly fees for sanitary sewer service, I/we authorize and agree to allow WSC to disconnect my/our water meter and to withhold water service until such delinquency is made current.

Signature of Applicant(s) _____ Date _____
Permit Issued By _____ Date _____

(For use by the City Utility Billing Department)

The City of _____ requests that WSC begin charging _____ for monthly sanitary sewer service at a rate of _____. Services commence on _____ (application date).

AGREEMENT TO DISCONNECT WATER SERVICE FOR NON-PAYMENT OF WASTEWATER SERVICE

Date:

WATER UTILITY:

Name

Address

Telephone Number

Fax Number

SEWER UTILITY:

Name

Address

Telephone Number

Fax Number

PURPOSE:

_____ Water Supply Corporation ("Corporation") is a nonprofit water supply Corporation that provides retail water utility service in _____ County, Texas pursuant to Public Utility Commission ("PUC") Certificate of Convenience and Necessity ("CCN") No. _____. City of _____ ("City") provides sanitary sewer service to businesses and residents [*pursuant to CCN No. _____*], some of whom are in areas where the Corporation provides water utility service, as listed in Exhibit "A."

Each utility bills its customers separately. In order to insure that the City's sewer customers, located in the areas of customer overlap listed in Exhibit "A", make timely payments of their sewer service bills, the City requires the ability to terminate water service to the delinquent customers under terms and conditions prescribed by the PUC. As provided by Texas Water Code Sections 13.250(b)(2) and 13.147, the Corporation for the consideration set forth in this agreement, agrees to terminate its water service to sewer customers of the City for nonpayment of delinquent, undisputed sewer bills after lawful termination of service notices have been issued by the City.

The terms and conditions of this agreement shall be controlled by the rules and regulations of the PUC on this subject matter as the same may be adopted and amended from time to time as if said rules were written verbatim herein.

AGREEMENT:

1. The City shall give written termination of service notices to all delinquent sewer customers subject to discontinuance of sewer utility service under the City's sewer service policies. Copies of said notices shall be sent to the Corporation. If more than one customer is subject to disconnection at the same time, it shall be sufficient for the City to send the

Corporation a single sample termination notice with a list of all customers subject to termination by name and service address.

2. If any delinquent customer has not paid their sewer bill by 8:00 a.m. of the noticed termination date, the City shall notify the Corporation to proceed with terminating that customer's water service. The City shall notify the Corporation of which previously delinquent sewer customers have paid their accounts and are no longer subject to water service termination. If this notice is given verbally, it shall be followed by a written notice.

3. Upon receipt of all monies lawfully due from the delinquent sewer customer, the City shall notify the Corporation that it may restore the customer's water service as required by the PUC's rules. The Corporation shall restore the service within 24 hours unless the customer is also delinquent on their water bill and a lawful termination of water utility service notice has been issued by the Corporation. In which case, the Corporation shall not be required to restore the customer's water service until all service restoration requirements have been met under the Corporation's water tariff.

4. The Corporation may not charge the delinquent sewer customer a reconnect fee for restoring water service after payment of delinquent sewer bills.

5. The City will pay the Corporation a service charge not to exceed fifty (\$50.00) dollars per disconnection/reconnection. This fee may change from time to time as agreed to by the parties.

6. The Corporation shall not terminate the water service to any delinquent residential sewer customer if the Corporation would otherwise be prohibited, under its tariff, from terminating that customer's water service due to the illness or potential illness of any resident at that service location. This prohibition shall remain in effect for so long as the Corporation would otherwise be prohibited from terminating that customer's water service. The Corporation shall provide timely notice to the City of which of its water customers are subject to this medical prohibition for disconnection of utility service.

7. The Corporation shall not terminate the water service to any delinquent customer on a day, or on a day preceding a day, when personnel of the Corporation are not available to the public for purpose of collections and reconnecting service.

8. Purpose of Agreement/Indemnity. This Agreement is made for the purpose of facilitating the collection of fees for sanitary sewer services provided by city. No partnership or joint venture is intended to be created hereby. The Corporation's sole responsibility is to terminate its water service to sewer customers of the city for nonpayment of delinquent sewer bills and the Corporation shall have no responsibility for, and City shall indemnify, defend and hold the Corporation harmless from any damage, claims, demands, or causes of action arising from: (1) the construction, operation, maintenance, repair or existence of the sewer collection system; (2) the provision of sewer collection service; (3) any act or omission relating to such services; or (4) any act or omission of the Corporation or city, their agents, employees, or representatives in the performance or nonperformance of their obligations under this Agreement, specifically including the negligence or breach of this Agreement by the Corporation or by the City, which does not amount to gross negligence or willful misconduct on the part of city, its agents, employees, or representative. This indemnity shall also extend to, but shall not be limited to, any

cost, expense or fee, including attorney's fees, costs of court or expert fees, incurred by the Corporation relating to or arising from any such damages, claims, demands or causes of action.

TERM:

This agreement shall remain in full force and effect for so long as such agreements are allowed by law and the parties continue to be the respective water and sewer utility purveyors in the areas listed in Exhibit "A". Either party may terminate this agreement with thirty (30) day written notice to the other party.

TELEFAX COMMUNICATIONS:

All notices required herein may be given by telephone facsimile or other electronic transmission to be followed by a hard copy sent by US mail or hand delivery.

ENTERED IN _____ COUNTY, TEXAS.

_____ WSC. City of _____

By: _____ By: _____

KNOW ALL BY THESE PRESENTS

~~~~~

**RECITALS:**

The Facilities and the Related Rights are collectively referred to as the “Transferred Properties.”

## DEDICATION, ASSIGNMENT AND AGREEMENT

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

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

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

THE STATE OF TEXAS §

THE COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_ [DEVELOPER]

Notary Public - State of Texas

(Seal)

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

My Commission Expires: \_\_\_\_\_

**AFTER RECORDING RETURN TO:**

Water Supply Corporation

\_\_\_\_\_, Texas \_\_\_\_\_

**MELROSE WATER SUPPLY CORPORATION**

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Contact Person: \_\_\_\_\_

**APPLICANT'S NOTICE OF INSUFFICIENT INFORMATION****TO:****ACCOUNT NUMBER:****DATE:****DATE OF SCHEDULED DISCONNECTION:** \_\_\_\_\_

You are hereby advised that the INCOMPLETE status of your (SEE LIST BELOW FOR WHICH) FORMS is jeopardizing your Membership with the Corporation. If our office does not receive COMPLETED DOCUMENTS OR PROPER INFORMATION within ten days of the date of this notice, your utility service will be terminated. To regain service after termination, you must re-apply for Membership and pay all costs applicable to a new Member under the terms of the Corporation's Tariff. If you have no intentions of retaining our service, make sure the service line is capped. We will not cap your line for you, but will remove the meter regardless of the circumstances on the Disconnection Date indicated above.

Circle all the forms needing additional information from the Applicant/Member.

- A. SERVICE APPLICATION AND AGREEMENT
- B. RIGHT-OF-WAY EASEMENT
- C. SANITARY CONTROL EASEMENT
- D. ALTERNATE BILLING AGREEMENT
- E. NON-STANDARD SERVICE AGREEMENT OR CONTRACT
- F. FINAL PLAT
- G. BANKRUPTCY INFORMATION FOR YOUR ACCOUNT(S)
- H. OTHER INFORMATION \_\_\_\_\_

Melrose WSC.MANAGEMENT

Signed by: \_\_\_\_\_

**DEDICATION, BILL OF SALE AND ASSIGNMENT**  
**(Individual Service Form)**

THE STATE OF TEXAS

§  
§  
§  
§  
§  
§

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

KNOW ALL BY THESE PRESENTS §

This Dedication, Bill of Sale and Assignment is entered into and effective as of \_\_\_\_\_, 201\_, by and between \_\_\_\_\_ Water Supply Corporation, a Texas non-profit, member-owned water supply corporation organized and operating under Chapter 67, Texas Water Code ("Corporation") and \_\_\_\_\_ ("Member").

**RECITALS:**

Corporation and Member have previously entered into that certain Non-Standard Service Agreement dated \_\_\_\_\_ (the "Agreement"). Pursuant to Section \_\_\_\_ of the Agreement, Member has agreed to dedicate and convey to Corporation the water lines, hydrants, valves, fittings and other appurtenances constructed to provide water service to the Member's property located at \_\_\_\_\_, in \_\_\_\_\_ County, Texas, together with all rights and interests therein or appurtenant thereto as more particularly described in Exhibit "A" hereto (the "Facilities"), and all easements, rights-of-way and permits, licenses or approvals, if any, related to the Facilities as more particularly described in Exhibit "B" hereto (the "Related Rights").

The Facilities and the Related Rights are collectively referred to as the "Transferred Properties."

**DEDICATION, ASSIGNMENT AND AGREEMENT**

For and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Member does hereby DEDICATE, TRANSFER, CONVEY, SET OVER AND ASSIGN forever unto Corporation and Corporation's successors and assigns the Transferred Properties TO HAVE AND TO HOLD the Transferred Properties, together with all and singular the rights and appurtenances thereto in anywise belonging, and Member does hereby bind himself/herself, his/her successors and assigns to WARRANT AND FOREVER DEFEND, all and singular, the Transferred Properties unto Corporation, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

In addition, the \_\_\_\_\_ Water Supply Corporation, through its authorized representative, having agreed at accept the Facilities described in Exhibit "A", shall hold harmless Member from this day forward, from any costs for repairs or maintenance of said Facilities or any part of said Facilities.

EXECUTED AND EFFECTIVE as of the date first written above.

MEMBER:

Member: \_\_\_\_\_

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

THE STATE OF TEXAS

§

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

§

ss

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_, by \_\_\_\_\_, [MEMBER]

Notary Public - State of Texas

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

My Commission Expires: \_\_\_\_\_

FOR \_\_\_\_\_ WSC:

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

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

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

THE STATE OF TEXAS

THE COUNTY OF. \_\_\_\_\_

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 201\_, by

Notary Public - State of Texas

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

My Commission Expires: \_\_\_\_\_

**AFTER RECORDING RETURN TO:**

Water Supply Corporation

\_\_\_\_\_, Texas

## CUSTOMER SERVICE INSPECTION CERTIFICATION

Name of PWS Melrose Water Supply Corporation PWS I.D.# TX174006

Location of Service \_\_\_\_\_

Reason for Inspection: New construction ..... ☐  
 Existing service where contaminant hazards are suspected..... ☐  
 Major renovation or expansion of distribution facilities ..... ☐

I \_\_\_\_\_, upon inspection of the private water distribution facilities connected to the aforementioned public water supply, do hereby certify that, to the best of my knowledge:

|                                                                                                                                                                                                                                                                                                                                                                                                                   | Compliance               | Non-Compliance           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| (1) No direct connection between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with commission regulations.                                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention device tester. | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.                                                                                                                                                                                                                                                              | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) No pipe or pipe fitting which contains more than 8.0% lead exists in private water distribution facilities in on or after July 1, 1988.                                                                                                                                                                                                                                                                       | <input type="checkbox"/> | <input type="checkbox"/> |
| (5) No solder or flux which contains more than 0.2% lead exists in private water distribution facilities installed on or after July 1, 1988.                                                                                                                                                                                                                                                                      | <input type="checkbox"/> | <input type="checkbox"/> |

Water service shall not be provided or restored to the private water distribution facilities until the above conditions are determined to be in compliance.

I further certify that the following materials were used in the installation of the water distribution facilities:

|               |                               |                                    |                                       |                                |
|---------------|-------------------------------|------------------------------------|---------------------------------------|--------------------------------|
| Service lines | Lead <input type="checkbox"/> | Copper <input type="checkbox"/>    | PVC <input type="checkbox"/>          | Other <input type="checkbox"/> |
| Solder        | Lead <input type="checkbox"/> | Lead Free <input type="checkbox"/> | Solvent Weld <input type="checkbox"/> | Other <input type="checkbox"/> |

I recognize that this document shall become a permanent record of the aforementioned Public Water System and that I am legally responsible for the validity of the information I have provided.

\_\_\_\_\_  
Signature of Inspector

\_\_\_\_\_  
Registration Number

\_\_\_\_\_  
Title

\_\_\_\_\_  
Type of Registration

\_\_\_\_\_  
Date



**SECTION K.**  
**MISCELLANEOUS**

## TARIFF FILING REQUIREMENTS

*Date*

Public Utility Commission of Texas  
Central Records  
1701 N Congress PO Box 13326  
Austin, Texas 78711-3326

Re: Tariff for Melrose WSC, CCN No. 10377, in Nacogdoches County

Dear Tariff Clerk:

Pursuant to Texas Water Code Section 13.136(c) and 16 TAC Section 24.21(j), enclosed is one copy of the *(new tariff/revisions to our existing tariff)* for Melrose Water Supply Corporation provided for informational purposes.

*(list in detail what tariff pages are being amended)*

Sincerely,

*Name*  
*Melrose Water Supply Corporation*

## NOTICE OF RATE INCREASE

The Melrose Water Supply Corporation ("Corporation") Board of Directors held a public meeting on \_\_\_\_\_ (date) and voted to increase the monthly rates for water/sewer service for all members. (Insert reason for rate increase including measures the Corporation took to justify the increase such as rate analysis, etc.)

The new rates will take effect 30 days after this board decision, on \_\_\_\_\_ (date) and the new monthly rates will begin starting with the \_\_\_\_\_ (month) billing. The rate changes are as follows:

| METER<br>SIZE | 5/8" X 3/4"<br>METER EQUIVALENTS | NEW MONTHLY<br>BASE RATE | CURRENT MONTHLY<br>BASE RATE |
|---------------|----------------------------------|--------------------------|------------------------------|
| 5/8" X 3/4"   | 1.0                              | \$_____.00               | \$_____.00                   |
| 3/4"          | 1.5                              | \$_____.00               | \$_____.00                   |
| 1"            | 2.5                              | \$_____.00               | \$_____.00                   |
| 1 1/2"        | 5.0                              | \$_____.00               | \$_____.00                   |
| 2"            | 8.0                              | \$_____.00               | \$_____.00                   |
| 3" DISP.      | 9.0                              | \$_____.00               | \$_____.00                   |
| 3" CMPD.      | 16.0                             | \$_____.00               | \$_____.00                   |
| 3" TURB.      | 17.5                             | \$_____.00               | \$_____.00                   |
| 4" CMPD.      | 25.0                             | \$_____.00               | \$_____.00                   |
| 4" TURB.      | 30.0                             | \$_____.00               | \$_____.00                   |
| 6" CMPD.      | 50.0                             | \$_____.00               | \$_____.00                   |
| 6" TURB.      | 62.5                             | \$_____.00               | \$_____.00                   |
| 8" CMPD.      | 80.0                             | \$_____.00               | \$_____.00                   |

| Water Gallonage charge                                                      | NEW MONTHLY | CURRENT MONTHLY |
|-----------------------------------------------------------------------------|-------------|-----------------|
| \$_____.00 per _____,000 gallons for 0 to _____,000 gallons                 | \$_____.00  | \$_____.00      |
| \$_____.00 per _____,000 gallons for _____,000 gallons to _____,000 gallons | \$_____.00  | \$_____.00      |
| \$_____.00 per _____,000 gallons for _____,000 gallons and over             | \$_____.00  | \$_____.00      |

| Sewer rate | NEW MONTHLY | CURRENT MONTHLY |
|------------|-------------|-----------------|
|            | \$_____.00  | \$_____.00      |

For more information about the rate increase, please contact the Corporation at 936-560-2360 or in person at our main office 12574 East State Highway 21, Nacogdoches, Texas.

## CALCULATION OF THE AVERAGE NET EQUITY BUY IN FEE OF A SAMPLE UTILITY

Meaningful determination of the Average Net Equity Buy in Fee is achieved only when the following conditions are met in calculation of the fee:

1. An accurate accounting of the fixed and cash assets of the utility should be maintained, preferably by a Certified Public Accountant; and
2. All funds obtained as an Equity Buy In Fee or other similar funds which are to be used for future capital expenditures should be maintained in a separate fund and earmarked for this purpose. This amount should not include the Membership Reserve or debt reserves;
3. A realistic depreciation schedule should be maintained for each asset item based on its anticipated useful life rather than on the life of the debt incurred to pay for the asset; and
4. An actual count should be retained of existing and terminated accounts for which capital contributions have been received, but not to include Membership transfers. This count shall be the number of Contributing Members on which the average is taken in calculation of the Net Equity Buy In Fee.

### EXAMPLE:

|                                                                           |                      |
|---------------------------------------------------------------------------|----------------------|
| Fixed Assets Of The Corporation .....                                     | .....\$3,000,000.00  |
| Minus (-) Accumulated Depreciation .....                                  | .....\$750,000.00    |
| Minus (-) Outstanding Corporation Debt Principle .....                    | .....\$800,000.00    |
| Equals (=) Corporation Equity.....                                        | .....\$1, 450,000.00 |
| Minus (-) Developer's Capital Contribution.....                           | .....\$57,000.00     |
| Minus (-) Grants Received.....                                            | .....\$500,000.00    |
| Total Number of Members / Customers Equals (=) Net Equity Buy In fee .... | ....\$893,000.00     |
| Average Net Equity Per 2,000 Contributing Members.....                    | .....\$446.50        |

## TRWA RECOMMENDED 5/8" X 3/4" METER EQUIVALENTS BASED ON AWWA SPECIFICATIONS AND DESIGN CRITERIA

| METER SIZE  | RECOMMENDED CONTINUOUS RATE OF FLOW | RESIDENTIAL METER EQUIVALENTS |
|-------------|-------------------------------------|-------------------------------|
| 5/8" X 3/4" | 10.0 GPM                            | 1.00                          |
| 3/4"        | 15.0 GPM                            | 1.50                          |
| 1"          | 25.0 GPM                            | 2.50                          |
| 1 1/2"      | 50.0 GPM                            | 5.00                          |
| 2"          | 80.0 GPM                            | 8.00                          |
| 3" DISP.    | 90.0 GPM                            | 9.00                          |
| 3" CMPD     | 160.0 GPM                           | 16.00                         |
| 3" TURB.    | 175.0 GPM                           | 17.50                         |
| 4" CMPD     | 250.0 GPM                           | 25.00                         |
| 4" TURB.    | 300.0 GPM                           | 30.00                         |
| 6" CMPD     | 500.0 GPM                           | 50.00                         |
| 6" TURB.    | 625.0 GPM                           | 62.50                         |
| 8" CMPD     | 800.0 GPM                           | 80.00                         |
| 10" CMPD    | 1,150.0 GPM                         | 115.00                        |

**NOTE: ALTHOUGH AWWA DOES NOT RECOMMEND A CONTINUOUS FLOW OF GREATER THAN 50 PERCENT FOR DISPLACEMENT AND MULTIJET METERS, METER EQUIVALENTS ARE CALCULATED ON A PROPORTIONAL BASIS AND REMAIN THE SAME REGARDLESS OF ALLOWABLE RATES.**

## VOLUNTARY CONTRIBUTIONS ON BEHALF OF EMERGENCY SERVICES

### MELROSE WSC POLICY ON VOLUNTARY CONTRIBUTIONS ON BEHALF OF EMERGENCY SERVICES

The corporation shall as part of its billing process collect from its customers a voluntary contribution, including a voluntary membership or subscription fee, on behalf of a volunteer fire department or an emergency medical service.

The corporation shall provide each customer at the time that the customer first subscribes to the water or sewer service, and at least annually thereafter, a written statement:

- (1) describing the procedure by which the customer may make a contribution with the customer's bill payment;
- (2) designating the volunteer fire department(s) or emergency medical service(s) to which the corporation will deliver the contribution;
- (3) informing the customer that a contribution is voluntary; and
- (4) describing the deductibility status of the contribution under federal income tax law.

All billing by the corporation shall clearly state that the contribution is voluntary and that it may be deducted from the billed amount.

The corporation shall promptly deliver contributions that it collects under this section to the designated volunteer fire department(s) or emergency medical service(s), except that the corporation may keep from the contributions an amount equal to the lesser of:

- (1) the corporation's expenses in administering the contribution program; or
- (2) five percent of the amount collected as contributions.

### **SAMPLE NOTICE TO THE CUSTOMERS**

The Melrose WSC is offering each customer the opportunity to make a voluntary contribution to the local voluntary fire department(s) and / or emergency medical service(s). The \$XX.00 contribution amount should be added to each remittance of the monthly base rate.

These voluntary contributions will be sent to the following Voluntary Fire Department(s) and or Emergency Service(s): **(LIST ALL applicable recipients). Ever Alert Voluntary Fire Department, South Side Voluntary Fire Department, Ever Alert Emergency Rescue Service, .....**

This voluntary contribution may be deductible under the Federal Income Tax Law.

For a complete copy of the Corporation's Voluntary Contribution Policy, please make request at the Corporation's office at (Address of the office), by phone {936} 560-2360, Corporation's Web Page; [melrosewatersupply.com](http://melrosewatersupply.com) or by FAX {936} 560-5446.

**SAMPLE LANGUAGE FOR BILLING CARD**

Each customer has the right to deduct the \$X.00 contribution from the final amount stated on this water bill.

**OR—** Each customer has the right to contribute any extra contribution as a voluntary contribution for local emergency services.

REFERENCE FROM TEXAS WATER CODE CHAPTER 67.

Sec. 67.017. VOLUNTARY CONTRIBUTIONS ON BEHALF OF EMERGENCY SERVICES.

(a) A corporation may as part of its billing process collect from its customers a voluntary contribution, including a voluntary membership or subscription fee, on behalf of a volunteer fire department or an emergency medical service.

(b) A corporation that collects contributions under this section shall provide each customer at the time that the customer first subscribes to the water or sewer service, and at least annually thereafter, a written statement:

(1) describing the procedure by which the customer may make a contribution with the customer's bill payment;

(2) designating the volunteer fire department or emergency medical service to which the corporation will deliver the contribution;

(3) informing the customer that a contribution is voluntary; and

(4) describing the deductibility status of the contribution under federal income tax law.

(c) A billing by the corporation that includes a voluntary contribution under this section must clearly state that the contribution is voluntary and that it may be deducted from the billed amount.

(d) The corporation shall promptly deliver contributions that it collects under this section to the designated volunteer fire department or emergency medical service, except that the corporation may keep from the contributions an amount equal to the lesser of:

(1) the corporation's expenses in administering the contribution program; or

(2) five percent of the amount collected as contributions.

Added by Acts 1997, 75th Leg., ch. 166, Sec. 2, eff. Sept. 1, 1997.

