



Control Number: 47027



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PUBLIC UTILITY COMMISSION
FILING CLERK

July 6, 2017

Mrs. Ashley Nwonuma
Attorney-Legal Division
State Bar No. 24096650
Public Utility Commission
1701 N. Congress Avenue
Austin, TX 78711-3326

Re: Docket No. 47027 – Staff's Supplemental Recommendation on Administrative Completeness Regarding the Sales, Transfer, or Merger (STM) Application between Aqua Water Supply Corporation (WSC) and Fayette WSC

Dear Mrs. Nwonuma:

In response to "Docket No. 47027 – Commission Staff's Supplemental Recommendation on Administrative Completeness" containing the memorandum from Jolie Mathis, with the Water Utility Regulation Division and dated June 30, 2017, it was indicated that the application is not sufficient due to deficiencies in application content. Attached you will find the requested tariffs for both Aqua WSC and Fayette WSC, as well as the Certificate of Account Status.

If you have any questions or additional comments, please feel free to me at (512) 930-9412.

Sincerely,

Chris Robertson, GIS Manager

Enclosures: "Attachment A" – Existing tariff for Aqua WSC

"Attachment B" – Existing tariff for Fayette WSC

"Attachment C" – Certificate of Account Status for Fayette WSC

13

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WATER SUPPLY CORPORATION TARIFF FOR

Aqua Water Supply Corporation (Name)	P. O. Drawer P (Business Address)	Bastrop (City)	Texas (State)
78602 (Zip Code)	(512) 303-3943 (Area Code/Telephone No.)		

This Tariff is effective for Aqua's operations under the following Certificate(s) of Convenience and Necessity: CCN #10294.

This Tariff is effective in the following counties: Bastrop, Caldwell, Williamson, Lee, Fayette, and Travis.

This Tariff is effective in the following cities or unincorporated towns (if any): N/A.

This Tariff is effective in the following subdivisions or systems: Various subdivisions located in areas identified on Texas Commission on Environmental Quality water service area maps.

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Appendix A SERVICE APPLICATION AND AGREEMENTS

Appendix B RULES AND REGULATIONS CONCERNING AQUA'S SERVICE TO SUBDIVISIONS

SECTION 1.0 – DEFINITIONS

Section 1.01 – Dwelling

"Dwelling", "dwelling unit", or "residence" means a home, house, mobile home, manufactured home, apartment unit, or any unit in a multiunit residential structure maintaining a restroom facility and area for preparation or storage of foods. A recreational vehicle that is not located in a recreational vehicle park shall be considered a dwelling under this Tariff if it is connected to an Aqua meter and is used for human habitation.

Section 1.02 – Large Volume Service – Conservation Districts

"Large Volume Service – Conservation Districts" means water service provided to a conservation district created pursuant to Article XVI, Section 59, of the Texas Constitution, such as a municipal utility district or a water control and improvement district, by means of a connection with a meter(s) size larger than one (1) inch. Water delivered to such Conservation District is delivered through an air gap so that the District must provide its own storage and pressurization facilities. Water provided under Large Volume Service – Conservation Districts may be submetered for resale by the district within the boundaries of the district. Aqua will not be the retail service provider to the customers within the District.

Section 1.03 – Large Volume Service – Multiple Owner

"Large Volume Service – Multiple Owner" means water service provided to a multiple owner development, such as townhouses, condominiums, or cluster homes by means of a connection with a meter size larger than one (1) inch. Water provided under Large Volume Service - Multiple Owner shall not be submetered for resale.

Section 1.04 – Large Volume Service – Single Owner

"Large Volume Service – Single Owner" means water service provided to a single tract of land owned by a single person, corporation, or other entity by means of a connection with a meter size larger than one (1) inch. Water provided under Large Volume Service – Single Owner shall not be submetered for resale.

Section 1.05 – LUE

"LUE" shall mean the equivalent of one single family residence that can be adequately served by a 5/8" X 3/4" water meter.

Section 1.06 – Manufactured Home

"Manufactured home" or "manufactured housing" means a structure transportable in one or more sections which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. This term shall include any structure defined as a mobile home, HUD-code manufactured home, or manufactured home by TEXAS OCCUPATIONS CODE, CHAPTER 1201.

Section 1.07 – Manufactured Housing Park

“Manufactured housing park” means a single tract of land on which parking spaces for manufactured homes are rented to the general public primarily for nontransient use and for which rental is paid at intervals of one month or longer.

Section 1.08 – Monthly Customer Charge

“Monthly Customer Charge” means the cost to have water available at a meter.

Section 1.09 – Multiple Connection Service

“Multiple Connection Service” means a single meter serving multiple dwellings.

Section 1.10 – Recreational Vehicle

“Recreational vehicle” means a vehicle which is:

1. Built on a single chassis;
2. Four hundred (400) square feet or less when measured at the largest horizontal projections;
3. One hundred and two (102) inches or less in width;
4. Self-propelled or permanently towable by a light duty truck; and
5. Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

Section 1.11 – Recreational Vehicle Park

“Recreational vehicle park” means a property on which parking spaces for recreational vehicles are rented to the general public primarily for transient use.

Section 1.12 – Standard Service

“Standard Service” means service to one living unit equivalent provided through 1” simple or smaller meter.

Section 1.13 – Usage Charge

“Usage Charge” means the charge billed for water delivered through a metered point of delivery.

Section 1.14 – Meter Certificate

“Meter Certificate” means a certificate issued by Aqua as compensation for the dedication of permanent recorded water line easements across private property.

SECTION 2.0 – RATE SCHEDULE

Section 2.01 – Rates

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a. Standard Service

The monthly charge for Standard Service shall be the sum of the Monthly Customer Charge and the Usage Charge. The Usage Charge shall be applicable to all water used.

Meter Type And Size	Monthly Customer Charge	Gallons Included	Usage Charge per 1,000 Gallons 1 to 10,000 gallons	Usage Charge per 1,000 Gallons 10,001 to 20,000 gallons	Usage Charge per 1,000 Gallons Over 20,001
5/8" simple	\$25.15	-0-	\$3.75	\$5.75	\$7.00
3/4" simple	\$25.15	-0-	\$3.75	\$5.75	\$7.00
1" simple	\$25.15	-0-	\$3.75	\$5.75	\$7.00

TCEQ Assessment

The assessments established by TCEQ shall be collected from each member.

Lost Pines Groundwater Conservation District Assessment

The assessments established by the Lost Pines Groundwater Conservation District shall be collected from each member.

b. Large Volume Service

The monthly charge for Large Volume Service shall be the sum of the Monthly Customer Charge and the Usage Charge. The Usage Charge shall be applicable to all water used.

Meter Type And Size	Monthly Customer Charge	Gallons Included	Usage Charge per 1,000 Gallons
1-1/2" simple	\$125.00	-0-	\$5.00
2" simple/compound or equivalent	\$200.00	-0-	\$5.00
2" turbine	\$245.00	-0-	\$5.00

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Meter Type And Size	Monthly Customer Charge	Gallons Included	Usage Charge per 1,000 Gallons
3" compound or equivalent	\$380.00	-0-	\$5.00
3" turbine	\$570.00	-0-	\$5.00
4" compound or equivalent	\$650.00	-0-	\$5.00
4" turbine	\$1,160.00	-0-	\$5.00
6" compound or equivalent	\$1,330.00	-0-	\$5.00
6" turbine	\$3,160.00	-0-	\$5.00
8" compound or equivalent	\$3,620.00	-0-	\$5.00
8" turbine	\$5,190.00	-0-	\$5.00

TCEQ Assessment

The assessments established by TCEQ shall be collected from each member.

Lost Pines Groundwater Conservation District Assessment

The assessments established by the Lost Pines Groundwater Conservation District shall be collected from each member.

(1) Multiple Connection Service – Transient Use

A business such as a recreational vehicle park or motel that serves transient customers shall be required to pay only one Monthly Customer Charge for water service to customers of the business. A recreational vehicle park shall pay only one Monthly Customer Charge for water service provided to recreational vehicles regardless of the number of such vehicles served by the meter. Similarly, a motel shall pay only one Monthly Customer Charge for water service provided to motel rooms regardless of the number of rooms served by the meter.

(2) Multiple Connection Service – Nontransient Use

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The Monthly Customer Charge for residential master meter service using meters of one (1) inch or less for apartments, multiunit residential structures, or manufactured housing parks shall be equal to the Monthly Customer Charge for a 5/8" meter times the number of dwelling units connected to the master meter on the date of meter reading each month. Where a master meter larger than one (1) inch has been installed as a Large Volume Service pursuant to a Feasibility Study performed by Aqua, the Monthly Customer Charge for the master meter shall be equal to the Monthly Customer Charge for a 5/8" meter times the Living Unit Equivalent (LUE) capacity of the meter as determined by Aqua.

(3) Multiple Connection Service – General Provisions Applicable to 1" or smaller Meters

If allowed under this Tariff as an exception to Aqua's one dwelling per meter policy stated in Section 3.07, when more than one dwelling is connected to a single meter, the member shall pay a multiple of the Monthly Customer Charge corresponding to the number of dwellings connected to the single meter.

(4) Recreational Vehicles and Manufactured Homes – General Provisions

When any recreational vehicle used for human habitation is parked in a location other than a recreational vehicle park and is connected to a meter, a Monthly Customer Charge must be paid for that vehicle. Also, a Monthly Customer Charge must be paid for each and every manufactured home connected to a meter, unless the manufactured home is located in a manufactured housing park where a master meter larger than one (1) inch has been installed pursuant to a Large Volume Service Agreement, in which case the Monthly Customer Charge for the master meter shall be equal to the Monthly Customer Charge for a 5/8" meter times the LUE capacity of the meter as determined by Aqua.

Section 2.02 – Connection Fees

- a. Single Dwelling or Single Non-Residential Business Connection (for lots located within compliant subdivisions where capacity has been reserved or for properties not located within a subdivision)

Meter Installation – Straight Set
(no line extension, no road crossing)

Meter Type and Size	Meter Setting Fee	+	System Development Fee	=	Tap Fee	+	Membership Fee	=	Total Fee
5/8" simple	\$380.00		\$3,900.00		\$4,280.00		\$100.00		\$4,380.00
3/4" simple	\$400.00		\$5,650.00		\$6,050.00		\$100.00		\$6,150.00

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"Attachment A"

Aqua Water Supply Corporation

Water Tariff – Page No. 9

Revision No. 39

Meter Type and Size	Meter Setting Fee	+	System Development Fee	=	Tap Fee	+	Membership Fee	=	Total Fee
1" simple	\$600.00		\$9,150.00		\$9,750.00		\$100.00		\$9,850.00

- b. Non-Compliant Subdivisions or Subdivisions requiring capacity reservation (capacity has not been previously reserved)

Meter Installation – Straight Set

(no line extension, no road crossing)

Meter Type and Size	Meter Setting Fee	+	System Development Fee ¹	=	Tap Fee	+	Membership Fee	=	Total Fee
5/8" simple	\$380.00		\$4,500.00		\$4,880.00		\$100.00		\$4,980.00
3/4" simple	\$400.00		\$6,250.00		\$6,650.00		\$100.00		\$6,750.00
1" simple	\$600.00		\$9,750.00		\$10,350.00		\$100.00		\$10,450.00

- c. Multiple Connection Service, 1" or smaller Meter

Straight Set (no line extension, no road crossing)

For meter sizes 1" and smaller, the tap fee for a multiple dwelling connection such as an apartment, multiunit residential structure, or manufactured housing park shall include the meter setting fee for the meter size specified by Aqua plus a System Development Fee equal to the System Development Fee for a 5/8" meter times the number of dwelling units or manufactured home pad sites to be connected to the meter.

Multiple Connection Service is available only for apartments, manufactured housing parks, and multiunit residential structures such as duplexes. All other residential service must comply with the one dwelling per meter policy stated in Section 3.07 of this Tariff. Whenever an increase is proposed in the number of dwelling units, or in the case of a nontransient manufactured housing park, an increase in the number of pad sites, the member shall pay to Aqua the appropriate System Development Fee before making such expansion. Whenever Aqua determines that the number of dwelling units or pad sites connected to a master meter exceeds the number of units that have been paid for by the member, the member shall pay a System Development Fee equal to the System Development Fee for a 5/8" meter times the number of additional dwelling units or pad sites that are connected to the meter. The System Development fee for the additional

¹ \$600 of the System Development Fee is for the capacity reservation fee.

dwelling units or pad sites shall be paid within 30 days of the date that Aqua provides notice to the member.

d. Large Volume Service – Single Owner

In order to obtain Large Volume Service - Single Owner, an applicant must first submit a request for a specific maximum or peak gpm of service expected and pay for a Feasibility Study. Aqua shall determine the size meter assembly required to meet the sustained maximum gpm requested. Aqua shall also calculate the appropriate Meter Set Fee, System Development Fee and Tap Fee associated with the requested meter. The System Development Fee shall be calculated by equating the demand placed on the system by the requested maximum gpm to the demand placed on the system by an equivalent number of LUEs. The Tap Fee for Large Volume Service – Single Owner shall include the actual cost for purchasing and installing the appropriate size and type meter and any flow controlling device and backflow prevention device as determined to be necessary by Aqua. The Membership Fee for Large Volume Service – Single Owner shall be \$100.00.

e. Large Volume Service – Multiple Owner

In order to obtain Large Volume Service - Multiple Owner, an applicant must first submit a request for a specific maximum or peak gpm of service expected and pay for a Feasibility Study. Aqua shall determine the size meter assembly required to meet the sustained maximum gpm requested. Aqua shall also calculate the appropriate Meter Set Fee, System Development Fee and Tap Fee associated with the requested meter. The System Development Fee shall be calculated by multiplying the number of dwelling units to be connected to the meter times the System Development Fee for a LUE. The number of dwelling units shall be adjusted by multiplying by a factor of 0.7 for dwelling units that share common walls, such as townhouses or condominiums. The Tap Fee for Large Volume Service – Multiple Owner shall include the actual cost for purchasing and installing the appropriate size and type meter and any flow controlling device and backflow prevention device as determined to be necessary by Aqua. The Membership Fee for Large Volume Service -- Multiple Owner shall be \$100.00. Large Volume Service -- Multiple Owner shall be subject to the limitations and terms set forth in Section 3.12(b) and the requirements of the Rules and Regulations Concerning Aqua's Service to Subdivisions, including the requirement for payment of capacity reservation fees.

f. Large Volume Service – Lessee

Aqua's Board of Directors may, in its sole discretion, allow a lessee of real property owned by a local, state, or federal governmental entity to file an application for Large Volume Service to said property and seek to become a member of Aqua. Permission of the Board of Directors will be considered on a case by case basis. The General Manager shall make an assessment of the facts and circumstances of each such application and make a recommendation to the Board of Directors regarding whether such permission should be granted and if so, the terms of the contract. In order to obtain Large Volume Service, the lessee must provide written acknowledgement from the lessor of the property that the Service is being sought. In addition, the lessee must obtain a Feasibility Study and must pay the Meter Setting Fee, System Development Fee, Membership Fee, and Tap Fee as set by the Tariff.

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g. Temporary Emergency Meter Sets for Livestock

During periods of extreme drought, the Aqua Board may institute a Temporary Emergency Meter Set program to allow individuals with livestock such as cattle, goats and horses, to acquire an Aqua meter in order to provide water to livestock. Individuals with livestock are required to complete the application attached in Appendix A. Before the provision of water, Aqua must verify that there is sufficient capacity in the water line so there is no impact to existing Aqua members in the area. The Temporary Emergency Meter is available only if the addition of such a meter will not result in the need for Aqua to expand or improve its system to meet state and federal standards to retail customers.

The water must flow into a prefabricated tank or trough equipped with an automatic shutoff. Meters will not be set to provide water to an earthen tank or residence. Installation of backflow prevention devices will be verified prior to the installation of the meter.

The cost to install the Temporary Emergency Meter will be determined by the Board at such time as the program is instituted; the individual will also pay a monthly fee equal to the first tier of the inverted block rate. No System Development Fee, Membership Fee, or Monthly Customer Charge will be billed.

The Temporary Emergency Meter program will remain in effect until it is modified or revoked by the Board. Aqua reserves the right to remove the Temporary Emergency Meter with ten (10) days written notice if it is determined that the terms and conditions of the program are being violated or if the information in the application is determined to be inaccurate.

h. Additional Connection Charges

(1) Charge For Line Extensions And Road Crossings

The cost to construct line extensions and road crossings will be determined on a case by case basis based on the cost of labor and materials at the time of construction.

(2) Nonstandard Service

Requests for service or supplemental service other than those set out in this Tariff, including Appendix B shall be considered Additional Charges and shall be determined on a case by case basis.

(3) Easements

When Aqua determines that private right-of-way easements are necessary to provide service to an applicant, the applicant shall be required to pay all costs incurred by Aqua in obtaining such easements.

(4) Backflow Prevention/Pressure Booster

When backflow prevention is required in connection with a meter, the applicant shall be required to pay all costs for materials and installation of a backflow prevention device. In

the situation where there will be a significant drop in pressure between the meter and the structure where service is to be provided, a condition which is typically caused by a significant difference between the elevation of the meter and the elevation of the structure, a person requesting service may seek a determination of the feasibility of the use of a pressure booster unit to serve the structure. If determined to be feasible, subject to the applicant paying all costs for materials and labor associated with the installation of the pressure booster unit, the applicant for service may elect to have Aqua or a contractor of his or her choice install the unit. The applicant shall also be required to pay all costs for materials and installation of a backflow prevention device when backflow prevention is required at a location where a pressure booster unit is installed. Aqua may pay for the cost of materials and installation of a pressure booster unit at a location that serves more than one member, or is remote from Aqua's pumping and storage facilities and where no improvements to Aqua's System are planned.

(5) Meter Location

When possible, meters should not be placed in locations where they may be subjected to vehicular traffic, such as a meter placed under a driveway providing access to a dwelling. If an applicant desires that one or more meters be placed in a location where, in the opinion of Aqua, the meter(s) may reasonably be subjected to vehicular traffic of any sort, then at the sole expense of applicant: (1) the meter box(es) installed shall be designed and constructed to minimize the likelihood of damage to the meter(s) resulting from said vehicular traffic; and (2) prior to installation of the meter(s), the meter box(es) proposed for use shall first be submitted to Aqua for approval.

Section 2.03 – Miscellaneous Fees

a. Membership Fee \$ 100.00

The Membership Fee is not refundable and applies to each service connection to Aqua's system.

b. Membership Transfer Fee \$ 25.00

In the event the member shall sell his property, Aqua shall charge a membership transfer fee to transfer the membership to the new customer.

c. Customer Service Inspection Fee \$ 70.00

The State of Texas mandates that any requests for new service from a public water supply include a Customer Service Inspection conducted by a licensed Customer Service Inspector. The customer service inspections shall also be conducted when there is a request to transfer service from a membership that has never had an inspection, and whenever there is a request to reconnect service after service has been discontinued for a year.

d. Backflow Prevention Permit and Fees

All members are required to notify Aqua of the possibility of an actual or potential contamination hazard by completing a Backflow Prevention Form and submitting payment of a \$25 Permit Fee. At any residence or establishment where an actual or potential contamination hazard exists, additional protection shall be required in the form of an air gap or backflow prevention assembly device. Aqua's backflow prevention program identifies potential sources of

contamination on a member's property to Aqua's System, determines the degree of hazard that exists and the required backflow prevention assembly device to be installed.

Upon installation of the backflow prevention assembly, a Backflow Prevention Assembly Test and Maintenance Report, required by TCEQ, must be completed and submitted to Aqua. The test and report for the backflow prevention device are to be completed only by a Licensed Backflow Prevention Assembly Tester. A list of licensed testers may be obtained by contacting Aqua.

TCEQ requires all cross connections assessed as a health hazard to be tested each year. Aqua is requiring all other testable backflow devices to be tested every 3 years. A notice will be mailed when it is time for the retest.

Any unreported and/or suspected contamination hazards shall be tested by Aqua and at the members' expense at \$150.00 per test. In the event member refuses to allow such testing, Aqua will follow established TCEQ guidelines in dealing with the potential for contamination.

e.	Reconnection Fees	
	Base Reconnection Fee	\$60.00
	Re-Service Fee	\$25.15 X no. of months of inactively up to \$250.00
	Temporary Reconnection Fee	\$60.00
	Past Due Balance	As applicable

When there has been no change in ownership or right of possession pursuant to a contract for deed, the above Reconnection Fee must be paid before service can be restored to a member who has been disconnected. A Base Fee of \$60.00 shall be charged for all reconnections. The Re-Service Fee shall be the number of months which the meter was inactive times \$25.15 or \$250.00, whichever is less. For purposes of this calculation the inactive period will be rounded down to the nearest full month. The Reconnection Fee shall include the sum of the Base Fee plus the Re-Service Fee plus any past due balances owed for water service at the time of disconnection. At service locations where equipment tampering or an unauthorized connection has resulted in forfeiture of membership and tap rights, the former member shall be required to make full payment of the Membership Fee and the Tap Fee in effect at the time service is requested. Additionally, the former member shall be required to make full payment of applicable Equipment Damage Fees.

When a membership at a service location has been transferred to another location, but the member retains ownership of the former service location, the following Reconnection Fee must be paid before service can be restored to the former service location. A Base Fee of \$60.00 shall be charged for all reconnections. The Re-Service Fee shall be the number of months which the meter was inactive times \$25.15 or \$250.00, whichever is less. For purposes of this calculation the inactive period will be rounded down to the nearest full month. The Reconnection Fee shall include the sum of the Base Fee plus the Re-Service Fee. Additionally, a Membership Fee of \$100.00 must be paid to obtain a new membership at the former service location. For example, if the membership is transferred to a new location and the former service location remains inactive for 20 months, the charges to restore service will be: $\$60.00 + \$250.00 + \$100.00 = \410.00 .

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When there has been a change in ownership or right of possession pursuant to a contract for deed, the following Reconnection Fee must be paid before service can be restored to the new member. A Base Fee of \$60.00 shall be charged for all reconnections, plus a Membership Fee or Membership Transfer Fee, whichever is applicable. Payment of a Membership Fee will be required in all cases where the previous membership was forfeited. No Re-Service fee will be charged, and the new member will not be responsible for any past due balance. At service locations where equipment tampering or an unauthorized connection has resulted in forfeiture of membership and tap rights, the new owner shall be required to make full payment of the Membership Fee and the Tap Fee in effect at the time service is requested.

To temporarily reconnect a service for renovation or construction, the service shall not be reconnected for longer than 30 days. The fee for a temporary reconnect is \$60.00 plus consumption at the rate in effect per 1,000 gallons.

f. Meter Disconnection And Removal Fee

(5/8", 3/4", & 1" meters)

\$100.00

The meter disconnection and removal fee will be charged to compensate Aqua for the cost of disconnecting, sealing, and removing the existing line tap and meter whenever a meter is removed or relocated at the request of a member. The fee to disconnect and remove meters larger than 1" will be determined on a case by case basis.

g. Late Charge

A 10% penalty will be added for payment received after the 10th day of the month. Failure to pay by the 10th, may require disconnection. The penalty on delinquent bills may not be applied to any balance to which the penalty was applied in a previous billing.

h. Returned Check Charge

\$ 35.00

In the event Aqua receives three (3) returned checks for insufficient funds, Aqua may require the member or customer to pay with guaranteed funds, such as cash, money order, cashier's check or credit card, for the following twelve (12) months from the date of the last offense. After twelve months from the most recent offense, Aqua may reconsider accepting checks from the member or customer.

i. Meter Reading Fee

\$ 30.00

Failure to furnish a reading actually obtained from the meter by the 15th of the month for two consecutive months will necessitate Aqua having to read the meter at the member's expense and include the meter reading fee on the next bill.

At the discretion of the General Manager, this fee may be waived upon demonstration of a physical need for this service to be provided by Aqua.

j. Change In Use Of Property Requiring Increase In Meter Size

In cases where the customer has an Aqua meter, and wishes to increase the size of the meter, the customer shall pay to Aqua the difference between the current amount of the System Development

Fee on the existing meter and the current amount of the System Development Fee on the proposed meter. In addition, the customer shall pay the cost of the new meter setting fee.

k. Charge For Moving Or Reinforcing Existing Aqua Facilities When Required By Change To Existing Or New Development

In cases where Aqua's facilities are lawfully situated in a private or public easement or road right-of-way, and in the opinion of Aqua, a new development or change to an existing development requires Aqua to either move or reinforce its facilities to ensure the protection of said facilities, the customer shall pay the costs incurred by Aqua to move or reinforce its facilities.

l. Water Lines For Fire Protection

Fire flows may be achieved through meter and water line sizing. In those cases where Member intends to install a fire line or loop for the purposes of providing water service for fire fighting, Member shall provide the requested water demand, in quantity and time, to meet the needed fire flow requirements and pay a fee in the amount of \$3,000 for the purposes of Aqua's review of the plan, and determining any necessary water line extensions and/or any necessary backflow prevention device. Member shall also pay the costs of the double detector check assembly and all necessary appurtenances to be placed on such fire line or loop and the cost of any necessary backflow prevention device. All double detector check meters shall be billed a monthly customer charge as defined in Section 2.01(a) of this Tariff, plus any Usage Charges for all water used, excepting those instances where water is used for fire fighting. It will be the responsibility of the Member to notify Aqua of the quantity of water used for fire fighting.

m. Equipment Damage Fees

For connections with 5/8", 3/4", and 1" meters the following Equipment Damage fees will be charged to compensate Aqua for repairs due to damage to Aqua's water distribution system which is caused by an unauthorized reconnection of water service where such service has been discontinued.

a.	Replace damaged or destroyed locks	\$100.00
b.	Replace damaged or destroyed water meters	
	(1) 5/8" meter	\$380.00
	(2) 3/4" meter	\$400.00
	(3) 1" meter	\$600.00
c.	Replace damaged or destroyed angle stops	\$150.00

Equipment Damage Fees for connections with meters larger than 1" will be determined on a case by case basis according to the actual costs incurred by Aqua because of such damage.

n. Feasibility Study Fee

All requests for a Feasibility Study shall be accompanied by a non-refundable fee according to the following schedule:

<u>Proposed Number of LUEs</u>	<u>Fee</u>
1-10	\$1,200.00
11-250	\$1,800.00
251 or more	\$3,000 plus any additional cost to Aqua

If fire flow is needed, an additional non-refundable fee of \$3,000 shall be added to the applicable Feasibility Study fee listed above. This fee shall be paid at the time the request is filed.

o. **Fire Hydrant Meter Fees and Deposits**

In the event a request is made to Aqua for the usage of a fire hydrant meter, Aqua shall charge a deposit of \$1,200.00 for the use of a fire hydrant meter. Aqua shall also charge a Monthly Charge and a Usage Charge. The Monthly Charge and the Usage Charge shall be defined by the size of the meter and be equivalent to the charges outlined under Section 2.01 – Rates. b. Large Volume Service in this Tariff. The deposit shall be returned upon the payment of all monthly and usage fees due Aqua and the return of the meter in good working condition.

p. **Fee for Review of Real Property Records**

Any request for new service or request for an estimate to provide service to a tract of land of 10 acres or more and described by metes and bounds shall include a fee in the amount of \$150.00. The fee shall be used by Aqua to research the real property records of the applicable county to determine compliance with the applicable county's subdivision regulations and to determine which sections of Appendix B of the Tariff may apply.

SECTION 3.0 – SERVICE RULES AND REGULATIONS

Section 3.01 – Application for Service

An owner of title to real property or a purchaser under an executory contract for conveyance of real property ("contract for deed") may file an application for service and seek to become a member of Aqua. All applications for service will be made on Aqua's standard service application and service agreement forms (attached as Appendix A to this Tariff) and must be signed by the applicant before water service will be provided by Aqua. The terms and conditions of Appendix A are an integral part of this Tariff.

A lessee of real property owned by a local, state, or federal governmental entity may file an application for Large Volume Service and seek to become a member of Aqua with permission of the Board which will be considered on a case by case basis.

A separate application or contract will be made for each service at each separate location. All applicants for service must submit a legal description of the property to be served which shall consist of the lot, block, and section number for land in a platted subdivision, or shall consist of a metes and bounds description for tracts of land that are not platted.

No application for service in a subdivision shall be approved unless the Developer has fully complied with all the requirements of the Rules and Regulations Concerning Aqua's Service to

Subdivisions (Appendix B), including, without limitation, full payments of all capacity reservation fees. The terms and conditions of Appendix B are an integral part of this Tariff.

If two or more meters are used to provide water service to a single contiguous tract of land, Aqua shall not transfer one or more of the associated memberships if such transfer will result in service to a subdivided tract of land where all the requirements of the Rules and Regulations Concerning Aqua's Service to Subdivisions (Appendix B) have not been satisfied.

If the owner of a single contiguous tract of land obtains five or more meters for that tract in order to provide water service to five or more dwellings in compliance with the one dwelling per meter policy contained in Section 3.07 of this Tariff, and that owner later desires to convey some portion of that tract which contains one or more meters and/or one or more dwellings, then prior to the transfer of title to the new owner(s), the original owner shall comply with the Rules and Regulations Concerning Aqua's Service to Subdivisions (Appendix B) including, without limitation, the obtainment of a feasibility study and the payment of capacity reservation fees.

Upon transfer of title to property, the new owner(s) must comply with the one dwelling per meter policy contained in Section 3.07 of this Tariff. If additional meters are required, the transfer applicant must pay the corresponding number of tap fees and membership fees.

An applicant seeking service for a tract of land located in a subdivision must provide information showing compliance with all applicable city and county subdivision ordinances. This information shall include a copy of the recorded deed conveying the property to the applicant and a copy of the recorded plat depicting the property. Pursuant to Section 13.2501 of the Texas Water Code, Aqua will refuse to serve an applicant if the requested service is prohibited under Sections 212.012 of the Texas Local Government Code, which require certification of compliance with plat requirements prior to connection of water, sewer, electricity, gas, or other utility service.

Any applicant seeking service for a tract of land of 10 acres or more and described by metes and bounds must provide information showing compliance with all applicable city and county subdivision ordinances. This information shall include a copy of the recorded deed conveying the property to the applicant and a fee in the amount of \$150.00. Aqua will perform a detailed review of the history of the tract and its division, if any, as set out in the real property records to determine if the tract is in compliance with all applicable city and county subdivision ordinances and to determine which provisions of the Appendix B of the Tariff may apply. Pursuant to Section 13.2501 of the Texas Water Code, Aqua will refuse to serve an applicant if the requested service is prohibited under Sections 212.012 of the Texas Local Government Code.

Section 3.02 – Water Installation

After the applicant has met all requirements, conditions, and regulations herein set forth, Aqua will then: (i) install a tap, meter, and cut-off valves within the boundaries of the parcel of land or lot to be served; and (ii) take all necessary actions to initiate service.

Section 3.03 – Payment Plans for Delinquent Accounts

Aqua shall offer a deferred payment plan to any residential member if the member's bill is more than three times the average monthly bill for that member for the previous 12 months and if that member has not been issued more than two disconnection notices at any time during the preceding 12 months. In all other cases, Aqua shall offer a deferred payment plan to residential members who cannot pay an outstanding bill in full but are willing to pay the balance in reasonable installments. All deferred payment plans shall include any late penalties and finance charges, as applicable.

Section 3.04 – Refusal of Service

Aqua shall decline to serve an applicant until such applicant has complied with Federal, State and Municipal regulations, the rules and regulations of Aqua, and for the following reasons:

1. The applicant's installation or equipment is known to be inadequate or of such character that satisfactory service cannot be given;
2. The applicant is indebted to any utility for the same kind of service as that applied for;
3. Refusal to pay a membership fee or refusal to make a deposit, if applicant is required to make a deposit by Aqua;
4. The property to be served has been subdivided in violation of applicable city or county subdivision ordinances;
5. Serving the property is prohibited by Sections 212.012 or 232.0047 of the Texas Local Government Code, which require certification of compliance with plat requirements prior to connection of water, sewer, electricity, gas, or other utility service;
6. More than one dwelling will be connected to a single meter on the property, unless the service location qualifies for master meter service under this Tariff;
7. The meter to be set would be located within a 100-year floodplain as established by the Federal Emergency Management Agency;
8. The applicant fails or refuses to have a customer service inspection performed or fails or refuses to submit a properly completed customer service inspection certification form as required by Texas Commission on Environmental Quality regulations;
9. The applicant fails to submit the NOTICE OF ENDANGERED SPECIES HABITAT acknowledgment if the property is within designated critical habitat under the Endangered Species Act or encompasses habitat of an endangered or threatened species under federal or state law; or

10. Construction by Aqua of the General Purpose Transmission Facilities to serve the applicant would violate the federal Endangered Species Act or the Texas Endangered Species Act, and Aqua cannot reasonably obtain authorization from the relevant agencies.
11. The applicant refuses to execute a permanent, recorded water line easement on the property in which water service is requested, on a form satisfactory to Aqua and within the scope of the terms identified in Section 49.218 of the Texas Water Code, should the property in which the applicant desires water service not have adequate public utility easements.

Section 3.05 – Member Deposits

If a member or applicant has filed a petition for relief in U.S. Bankruptcy Court, Aqua may require a deposit to assure payments for service in accordance with 11 U.S.C. § 366.

Section 3.06 – Meter Requirements, Readings, and Testing

All water sold by Aqua shall be billed based on meter measurements. Aqua shall provide, install, own and maintain meters to measure amounts of water consumed by its members. Members shall submit an accurate meter reading to Aqua every month, unless meters are read electronically.

One meter is required for each residential, commercial or industrial facility. A recreational vehicle park will be considered to be a single commercial facility.

A manufactured housing park will be allowed to serve more than one manufactured home through a master meter, provided the Monthly Customer Charges are paid in accordance with Section 2.01 of this Tariff. Apartment buildings, duplexes or other multiunit residential structures may be served by a single master meter for each structure, provided the Monthly Customer Charges are paid in accordance with Section 2.01 of this Tariff.

Upon request by a customer, Aqua will have the meter professionally tested for accuracy. If the meter is found to be within the accuracy standards established by the American Water Works Association, the customer shall be charged \$150.00 and shall pay the cost to perform this test, including the cost to remove, transmit and reinstall the meter. For anything larger than a standard service, Aqua will estimate the cost of the test and the customer shall put up a deposit. If the meter is found to be outside the accuracy standards established by the American Water Works Association, Aqua will pay the cost of the test for standard service, and Aqua will take whatever steps are necessary to provide an accurate meter.

Section 3.07 – One Dwelling Per Meter Policy

It is the policy of Aqua to require one paid meter and tap for each residence and dwelling for human habitation.

The General Manager will detect possible multiple dwellings on one meter, communicate verbally and in writing to the suspected violating party and/or parties violating this policy, and require pre-payment for the setting of additional water meters for the dwellings requiring same.

Noncompliance shall constitute basis for a disconnect from Aqua's System, such reconnection fee to be borne by the member.

At the discretion of the General Manager, payment of the System Development Fee may be extended for a pay-out of up to 18 months, interest free for hardship cases.

In the event that more than one Monthly Customer Charge is currently being paid from a member and is currently being accepted by Aqua for service to more than one dwelling connected to a single meter, service will be continued, accepting two or more minimum payments each month until such time as the property is transferred in whole or in part. The new owner(s) must then comply fully with this one meter per dwelling policy.

When property having more than one dwelling connected to a single meter is subdivided, any owner of a subdivided portion of the property who wishes to continue water service must become a member of Aqua and obtain a meter dedicated to providing water service to the individual portion of the property. Each owner of a portion of the property shall be required to convey to Aqua any easements that are necessary to provide water service to other portions of the property. The new service connections shall be subject to all of the requirements of Aqua's Tariff and the Rules and Regulations Concerning Aqua's Service to Subdivisions (Appendix B), including, without limitation, full payment of tap fees and membership fees. Failure to have meters installed to serve each tract may result in disconnection of service to any or all subdivided portions of the property.

More than one manufactured home may be connected to a single master meter provided the Monthly Customer Charges are paid in accordance with Section 2.01 of this Tariff and such dwellings are located in a manufactured housing park.

Section 3.08 – Billing

Water bills shall be rendered monthly unless service is terminated before the end of a billing cycle. Service initiated less than one week before the next billing cycle may be billed with the following month's bill.

Payment is considered late if not received at Aqua's office or postal address by the 10th of the month. A 10% penalty will be added for payment received after the 10th day of the month. Failure to pay by the 10th, may require disconnection.

The member will be responsible for the bill. Aqua will not bill occupants who are not members separately, unless the member agrees to be responsible for the bill.

Section 3.09 – Service Disconnection

A member's utility service may be disconnected if a bill has not been paid and proper notice has been given.

Proper notice shall consist of a separate mailing or hand delivery at least five (5) days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. If applicable, the notice must also list the past due balance.

Service may be disconnected after proper notice for any of the following reasons:

1. Failure to pay a delinquent account or to comply with a deferred payment agreement;
2. Willful violation of a usage rule when that violation interferes with another member's service;
3. Failure to comply with valid deposit or guarantee arrangements;
4. Upon discovery by Aqua that the property has been subdivided in violation of applicable county subdivision ordinances;
5. Upon discovery by Aqua that more than one dwelling is connected to a single meter on the property, unless the present members pay each month and Aqua has accepted the appropriate multiple of the Monthly Customer Charge;
6. Upon discovery by Aqua that one meter is serving more than one dwelling and the dwellings are located on separate parcels of land;
7. A member has failed to have a customer service inspection performed or has failed to provide access to the service location for the purpose of performing a customer service inspection; or
8. Nonpayment of charges for sewer service that are collected by Aqua under an agreement between Aqua and the provider of the sewer service.

Service may only be disconnected without notice:

1. When a known dangerous condition exists, for as long as the condition exists;
2. When service is established through meter bypassing, an unauthorized connection or unauthorized reconnection; or
3. In instances of tampering with Aqua's meter or equipment.

A residential member may request a delay of disconnection of service upon establishing that disconnection of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is disconnected. Each time a member seeks to avoid termination of service under this provision, the member must have the attending medical doctor call or contact Aqua within 15 days of the issuance of the bill. A written statement must be received by Aqua from the attending medical doctor within 20 days of the issuance of the bill. Upon receipt of the doctor's written statement, Aqua may, at the discretion of the General Manager, delay disconnection of service for a period not exceeding 45 days from the issuance of the bill. At the discretion of the General Manager, Aqua may allow the member to enter into a deferred payment plan.

Section 3.10 – Customer Service Inspections

A customer service inspection certification conforming to Texas Commission on Environmental Quality Regulations, which is currently codified as 30 TAC § 290.46(j), must be completed for all new connections and for existing service locations where Aqua has reason to believe that cross-connections or other unacceptable plumbing practices exist, or after any material improvement, correction, or addition to the private plumbing facilities. A Customer Service Inspection Fee will be collected at the time an application for service is made. For existing service locations where a customer service inspection is required by Aqua, a Customer Service Inspection Fee will be added to the member's monthly bill. The inspection must be conducted by a licensed Customer Service Inspector and a certification form completed by Aqua before water service will be provided or continued.

The inspection will be based on the conditions existing at the service location at the time the meter is set. If any material improvement, correction, or addition to the private plumbing facilities occurs, the member shall have an additional customer service inspection performed for the service location. For example, in cases where water service is provided to facilitate construction of a new residence or other structure, a customer service inspection must be performed for the new structure and a properly completed customer service inspection certification form must be completed by Aqua's Customer Service Inspector as soon as practicable. Upon Aqua's discovery that there has been a change in service conditions and an appropriate inspection certification form has not been completed, service to the location will be disconnected, unless a properly completed certification form is filed at Aqua's office within 30 days after the date that Aqua provides notice pursuant to Section 3.09 of this Tariff. Service will not be restored until after the customer service inspection is performed.

Section 3.11 – Meter Relocation

Upon written request by a member, Aqua will relocate a meter. All relocated meters shall be relocated at a point as near as possible to the member's property line consistent with ease of access to and safety and maintenance of the meter. Aqua will determine, on a case by case basis, whether moving the location of the meter is feasible, including a determination whether capacity is available in Aqua's system at the location at which the meter would be relocated. The fee for moving a meter shall include the following:

- a. the Meter Setting Fee for the size of meter requested at the new location;

- b. the Meter Disconnection and Removal Fee; and
- c. the cost of any line extensions or other equipment necessary to deliver water to the new location.

If the meter to be installed at the new location is larger in size than the existing meter, the member shall also pay the difference between the System Development Fees for the larger meter size and the smaller meter size that are in effect at the time the relocation is requested.

Relocation of a tap or meter at a member/customer's request shall be made at the actual cost of the relocation, subject to a \$100.00 minimum charge, provided that the property to which the tap or meter is to be relocated is owned by the member/customer making the request.

Section 3.12(a) – Large Volume Service – Single Owner (Meters Larger Than 1")

Large Volume Service – Single Owner may only be used to serve facilities located within a single tract of land that is owned by a single person, corporation, or other entity. Large Volume Service – Single Owner is not available for service to land that is intended to be subdivided; provided however, the capacity purchased for a Large Volume Service – Single Owner location may be converted to serve a subdivision that is created on the same land within 10 years of the date of connection of the Large Volume Service -- Single Owner. This right of conversion of capacity shall not be severable, but shall be assignable with the land as long as the land stays in a single tract, with a single owner. Large Volume Service – Single Owner is not applicable to water purchased for resale or water sold to Large Volume Service – Conservation District customers. Customers requesting Large Volume Service shall enter into a separate written contract with Aqua setting out the terms and conditions of service.

Section 3.12(b) – Large Volume Service – Multiple Owner (Meters Larger Than 1")

Large Volume Service -- Multiple Owner may be obtained by a management company, homeowners association, or other similar entity for water service to a multiple owner development such as townhouses, condominiums, or cluster homes by means of a master meter connection. Water provided under Large Volume Service -- Multiple Owner shall not be submetered for resale. In order to obtain Large Volume Service -- Multiple Owner, an applicant must obtain a Feasibility Study and enter a contract with Aqua. Large Volume Service -- Multiple Owner shall be subject to the requirements of the Rules and Regulations Concerning Aqua's Service to Subdivisions, including the requirement for payment of capacity reservation fees.

Section 3.12(c) – Large Volume Service – Conservation Districts (Meters Larger Than 1")

This subsection is only applicable to conservation districts that entered into agreements with Aqua prior to August 5, 2013.

Large Volume Service -- Large Volume Service may be obtained by conservation districts that are created pursuant to Article XVI, Section 59, of the Texas Constitution, such as municipal

utility districts or water control and improvement districts, to supply water to land within the boundaries of the district. Water provided under Large Volume Service -- Conservation Districts may be submetered for resale by the district within the boundaries of the district. Aqua will remove the area within the boundaries of the district from the authorized Service Area under Aqua's Certificate of Convenience and Necessity issued by the Texas Commission on Environmental Quality. In order to obtain Large Volume Service -- Conservation Districts, the district must obtain a Feasibility Study, and the district must enter a contract with Aqua providing that Aqua shall be the exclusive source of water supply for the district. The district has the obligation to provide all water storage and pressurization necessary to provide water service within the boundaries of the district, and the district must maintain water storage facilities. For additional requirements, please refer to Aqua's Policy for Water Service to Areas to be Decertified from Aqua's CCN No. 10294.

Section 3.12(d) – Large Volume Service – Installment Contracts

Whenever the System Development Fee for a proposed Large Volume Service connection exceeds \$50,000.00, the applicant may enter a contract with Aqua to obtain service on a first right of refusal basis, subject to competing requests as provided below, and pay System Development Fees in no more than three installments. The first installment shall be paid on the date of execution of the contract and shall be in the amount of 35% of the total System Development Fee and it will obtain 25% of the capacity needed for the proposed service. The second installment shall be in the amount of 35% of the total System Development Fee and it will obtain 35% of the capacity needed for the proposed service. The second installment payment shall be paid no later than 12 months after the date of execution of the contract. The third installment shall be in the amount of 30% of the total System Development Fee and it will obtain 40% of the capacity needed for the proposed service. The third installment payment shall be paid no later than 24 months after the date of execution of the contract. All fees and charges associated with the proposed service, other than System Development Fee charges, must be paid on the date of execution of the contract. The contract shall include an obligation for applicant to pay for installation and replacement of meters, flow restriction devices, and backflow prevention devices as necessary to allow staging of capacity.

If the applicant fails to make an installment payment by the due date, all capacity that has not been paid for, but is held for the project on a first right of refusal basis, including that which would be paid for in future installments, shall revert to first come, first served availability. The installment contract shall contain a provision that places the applicant on notice of this requirement, and no additional notices shall be given.

A person or entity that seeks to obtain all or part of the capacity that is held on a first right of refusal basis for a project shall be required to deposit the full amount of the System Development fees for the amount of capacity sought to be acquired. The deposit shall be in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager. After receipt of the deposit, Aqua will provide the holder of the claim to water in Aqua's System under an installment contract, written notice that a competing request has been received for capacity that is held for the project on a first right of refusal basis. The submittal of a deposit for a competing request to purchase capacity held for a project shall accelerate the due date of all remaining installment payments such that the holder shall have 30

days after receipt of the written notice to make full payment of the total amount of all installment payments that have not been previously paid. To the extent that the holder fails to exercise its first right of refusal and make the required accelerated payments, the available capacity may be allocated to the competing request by the person or entity that has paid the deposit. If more than one person holds a first right of refusal to capacity in the portion of Aqua's System that is the subject of a competing request, all holders of the first right of refusal must make the required accelerated payments or lose their claim to capacity.

The above provisions relating to Installment Contracts do not apply to Large Volume Service – Conservation Districts.

Section 3.13 – Feasibility Study

Any person seeking Large Volume Service and/or multiple connection service, such as apartments, manufactured housing parks, or multiunit residential structures such as duplexes, shall submit a written request that Aqua perform a Feasibility Study to determine if there exists sufficient capacity in Aqua's System to serve the number of dwelling units proposed to be located on the tract of land, or if a need exists for an expansion to the capacity of the production and storage or general purpose transmission facilities, or a combination of both, to serve the proposed connection. Aqua's ability to provide fire flow for Large Volume Service and/or multiple connection developments is dependent on many factors: the size of infrastructure (production and delivery facilities); the topography of the area; and the specific flows required for the particular project.

Each request for a Feasibility Study shall include the following:

- a. Four copies of a map or plat showing the property indicating the location of said property within Aqua's CCN, and the proposed improvements to be constructed to connect such facilities to Aqua's system. The map or plat must show the legal description and the dimensions of the property. The map or plat must be signed and sealed by a licensed surveyor or registered professional engineer.
- b. The intended land use of the property, including detailed information concerning the types of land uses proposed.
- c. The proposed number of dwelling units and the projected water demand of the connection, including average and peak demands in gallons per minute (GPM). A projected growth schedule tied to the demand for water.
- d. A statement on whether fire flow is needed and requested water demand, in quantity and time, to meet the fire flow requirements.
- e. A proposed calendar of events, including design, construction phasing and initial occupancy, and the approximate date upon which service from Aqua will first be needed.
- f. Information concerning on-site storage and pressurization facilities to reduce peak demand.

Because of factors such as unique topographic features, after initial review of the request Aqua's Engineer may determine that additional information will facilitate evaluating the proposed Project. The Developer shall submit such additional information as specified by Aqua's Engineer on a case by case basis.

All requests for a Feasibility Study shall be accompanied by a non-refundable fee according to the following schedule:

<u>Proposed Number of LUEs</u>	<u>Fee</u>
1-10	\$1,200.00
11-250	\$1,800.00
251 or more	\$3,000.00 plus any additional cost to Aqua

If fire flow is needed, an additional non-refundable fee of \$3,000 shall be added to the applicable Feasibility Study fee listed above.

Aqua shall take action on a Feasibility Study for a Large Volume Service or multiple connection service using the procedures provided for a subdivision Feasibility Study in Section III of the Rules and Regulations Concerning Aqua's Service to Subdivisions. Existing water supply capacity that is contemplated for use to serve a proposed Large Volume Service or multiple connection service may be held for the proposed service location for a period of 120 days by payment of the greater of \$2500 or 10% of the total System Development Fee, which payment shall be nonrefundable. A request to hold capacity must be written and hand delivered or sent by certified mail to Aqua's General Manager accompanied by the appropriate fee. The request to hold capacity must be received by Aqua within 30 days after the date of the meeting of the Board of Directors at which service to the proposed service location is determined to be feasible.

Section 3.14 – Forfeiture of Membership

If a service has been disconnected for nonpayment for more than 365 consecutive days or if Aqua's equipment has been tampered with or water is taken by means of an unauthorized connection, or both:

The member shall forfeit all rights and privileges of membership;

The member shall forfeit all connection and tap rights;

The meter shall be removed; and

The line tap shall be sealed.

Any future service at the location of a property described in this Section will be subject to all application and fee requirements of Sections 2.02 and 3.01 of this Tariff. In addition to payment of a Membership Fee, full payment must be made of the Tap Fee in effect at the time service is requested, which includes the Meter Setting Fee and the System Development Fee.

Section 3.15 – Service Outside Certificated Area

1. To the extent authorized by state law, Aqua may provide water outside the area of its Certificate of Convenience and Necessity (CCN) on a contractual basis. Each case will be considered separately. Water will be sold on a term basis only.
2. For those persons or entities who wish to obtain wholesale water service from Aqua for areas outside of Aqua's CCN, such wholesale service will be provided in accordance with Aqua's Terms and Conditions for Wholesale Service Outside CCN No. 10294.

Section 3.16 – Service to Areas of Purchased Water Systems

Whenever Aqua purchases a certificated water system and the Texas Commission on Environmental Quality has approved the transfer of the certificate of convenience and necessity, service to the customers of the purchased water system will be conducted under this Tariff and all rules and regulations of Aqua. Upon transfer of the certificate, all then existing customers of the purchased water system automatically become members of Aqua. As members of Aqua, the terms and conditions of the service agreement, included as Appendix A to this Tariff, will be binding on the customers of the purchased water system, regardless of whether the transferred customer has executed a service agreement with Aqua. No membership will be transferred to a subsequent customer in such purchased water system unless a service agreement is executed by the subsequent customer. Prior to the effective date of Aqua's purchase of a certificated water system, the seller of the water system shall notify every customer of the applicability of all rules, regulations, and policies of Aqua, including the terms and conditions of the Aqua service agreement.

Section 3.17 – Limitation of Liability

Aqua shall not be liable for any damages, including without limitation, direct damages, special damages, incidental damages, consequential damages, or loss of profit or revenue, resulting from failures or interruptions of water supply occurring because of maintenance of Aqua's water distribution system or that are occasioned by causes beyond the control of Aqua. Aqua shall not be liable in any event for consequential damages.

Section 3.18 – Transfer of Membership

Where water service has not been disconnected by Aqua, a membership may be transferred to a new owner or purchaser under a contract for deed upon the member's full payment of all amounts owed for water service, tender of the membership certificate, and payment of the Membership Transfer Fee. The former member will not receive a refund of the Membership Fee when membership has been transferred. All rights of membership will be assigned to the new member.

Section 3.19 – Litigation

This Tariff shall be construed under and in accordance with the laws of the State of Texas. All obligations of the parties created under this Tariff shall be performable in Bastrop County, Texas. All payments required to be made to Aqua under this Tariff shall be made at Aqua's offices in

Bastrop County, Texas. Bastrop County, Texas shall be the exclusive place of venue for any disputes arising under this Agreement. In the event Aqua is required to retain an attorney to enforce this Tariff or collect amounts owed under this Tariff, the member shall be responsible for all costs incurred by Aqua, including reasonable attorneys' fees.

Section 3.20 – Hydrants and Flushing Valves

All hydrants or flush valves are installed to facilitate operation and maintenance of the water distribution system and may only be used for refilling purposes by authorized fire departments. Aqua reserves the right to remove any hydrant or flush valve, due to improper use or detriment to the system as determined by Aqua, at any time without notice, refund, or compensation to the contributors.

Section 3.21 – Release of Easements

Aqua may comply with the request of another party to release, or partially release, an existing water line easement, or Aqua's interests in a platted public utility easement within a subdivision, after the following requirements have been fulfilled:

1. A written request submitted by the requesting party to Aqua's office for the specific easement in need of release by completion of the Request of Easement form with all required attachments.
2. A fee of \$50.00 will be paid to Aqua at the time a request for release of easement is submitted to cover processing and recording fees. Any additional cost incurred by Aqua as a result of releasing an easement shall be borne by the requesting party.
3. The release request will be researched by Aqua staff for feasibility.
4. If the requested release of easement is feasible, a written statement from Aqua's engineer of no reasonable probability that such easement being requested for release would be utilized.
5. Approval from the Board of Directors of Aqua for the release of easement.

Once all requirements have been complied with, the request will be researched. If such request is found feasible, a release of easement document will be executed and then filed of record in its respective county. Once the release has been recorded, a copy will be delivered to the requesting party. If such request is not feasible, the processing fee will be refunded.

Section 3.22 – Meter Certificate

A Meter Certificate may be issued by Aqua as compensation for the dedication of permanent recorded water line easements across private property and is redeemable for one (1) 5/8" x 3/4" simple water meter and includes waiver of all costs required to provide service, save and except, the Customer Service Inspection Fee, as well as, the cost of any line extensions or other equipment necessary to deliver water to a specific location, all as identified in Aqua's Tariff. A Meter Certificate shall have an expiration date of 10 years from the date of issuance and is subject to

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Aqua's meter relocation provisions, as identified in this Tariff. A Meter Certificate is transferable to another individual upon written request and approval by Aqua.

SECTION 4.0 – EXTENSION POLICY

Section 4.01 – Service Extension Requirements

Extensions to Subdivisions

Aqua will extend water service to subdivisions within its certificated area, in accordance with the attached Rules and Regulations Concerning Aqua's Service to Subdivisions. (Attached as Appendix B to this Tariff.)

Extensions to Others

Aqua will make extensions from existing lines with sufficient capacity to locations within its certificated area, at member's expense. Prior to construction of such extension, the member will pay the amount shown on the Aqua Water Supply Corporation Cost Estimate To Provide Water Service. If a water line easement is needed from the member requesting water service, the water line easement will cover the entire frontage area of the member's property, unless otherwise determined. In such case, the General Manager would have final discretion. If such agreement cannot be reached for executing the proper water line easement document, a refund for the water service request will occur.

If water line easements from adjacent landowner(s) are needed for extension purposes, Aqua requests donations of such easements from these landowner(s). If such landowner(s) requests compensation for granting of said water line easement, all costs associated with said compensation are the responsibility of the member requesting water service. If such agreement cannot be reached by all parties for the acquisition of necessary easements, a refund of the extension for water service will occur.

If and only if good faith negotiation efforts have failed and acquisition of the necessary water line easement must be obtained through the court system, Aqua will exercise its right to eminent domain of behalf of the member, and at the member's expense. Aqua is a Texas corporation duly and lawfully organized pursuant to the provisions of the Texas Business Corporation Act. Pursuant to Texas Water Code § 49.222, Aqua is empowered by the legislature of the State of Texas to exercise the right and power of eminent domain through which it may enter on and condemn the land, rights-of-way, easements, and property of any person or corporation where same is necessary for the construction, maintenance, or operation of water lines, as well as other fixtures usually and necessarily associated with the ongoing existence of a public utility company.

SECTION 5.0 – WATER RATIONING PLAN

Section 5.01 – General Provisions

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1. Declaration of Necessity for Rationing: When system demand threatens to exceed production or storage capability, or refilling the storage facilities is rendered impossible, Aqua, acting through its General Manager, may declare that a necessity for rationing exists, and thereafter ration water in the following manner.
2. Notice Requirements: Reasonable notice, including, by way of example and without limitation, notice published in a local newspaper, radio and television announcements, and by posting notice in public buildings, of the proposed rationing shall be provided 24 hours before Aqua actually starts the program. Published notice may be followed by mailed notice included in the next regular bill. Any notice shall contain the following information:
 - a. the date rationing shall begin;
 - b. the date rationing shall end;
 - c. the stage (level) and explanation of rationing to be employed; and
 - d. explanation of penalties for violations.
3. Violation of Rationing Rules:
 - a. First violation -- Aqua may install a flow restrictor in the line to limit the amount of water which will pass through the meter in a 24-hour period. The cost to be charged to the member's account shall be the actual installed cost to Aqua.
 - b. Subsequent violations -- Aqua may terminate service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of Aqua shall apply for restoration of service.
4. Exemptions or Variances From Rationing Rules: Aqua may grant any member an exemption or variance from the uniform rationing program, for good cause. Aqua shall treat all members equally concerning exemptions and variances, and shall not employ discrimination in such grants.
5. Rates: All existing rates schedules shall remain in effect during the rationing period, and no charges may be levied against a member which are not contained in the approved Tariff of Aqua as filed with the Commission.

The purpose of the Water Rationing Program is to conserve the total amount of water demanded from Aqua until supply can be restored to normal levels.

Section 5.02 – Stages of Rationing

Stage I (Voluntary Conservation)

Under Stage I, Aqua members will be requested to voluntarily restrict usage of water for outdoor purposes such as lawns, gardens, car washing, etc. Members will be requested to voluntarily limit the amount of water used to that amount absolutely necessary for health, business, and outdoor

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water use. Voluntary Conservation may include following the "Central Texas Water Wise Plan" which includes the following:

1. Landscape Watering Schedule: Aqua will provide a calendar noting the respective outdoor watering days and the order will remain consecutive as new months begin. For members having rural delivery numbers, the last numerical digit of the rural delivery number, whether route or box number, shall be used to determine watering days.
2. Restricted Outdoor Watering Hours: Outdoor watering should be done only before 10 a.m. and after 7 p.m. on your watering day.
3. Restricted Outdoor Watering Volume: Water no more than 1 inch on your watering day.

Stage II (Mild Rationing Conditions)

Under Stage II, Aqua may select one or more of the alternatives listed below, except that usage for livestock is exempt.

1. Time of Use Restriction: Usage of water for outdoor purposes such as lawns, gardens, car washing, etc. may be restricted according to one or more of the following schedules, except that Aqua may allow irrigation by hand-held hoses, hand-held buckets, drip irrigation or permanently installed automatic irrigation sprinkler system only.
 - a. Landscape Watering Schedule: Members with even numbered addresses or rural delivery numbers can use water outdoors on Monday and Thursday and members with odd numbered addresses or rural delivery numbers can use water outdoors on Tuesday and Friday. For members having rural delivery numbers, the last numerical digit of the rural delivery number, whether route or box number, shall be used to determine watering days.
 - b. Weekday Use Only: No outside watering allowed on Saturdays, Sundays, or official Federal holidays.
 - c. Landscape Watering Schedule: Aqua will provide a calendar noting the respective watering days. For members having rural delivery numbers, the last numerical digit of the rural delivery number, whether route or box number, shall be used to determine watering days.
2. Hand Watering Restriction: Aqua may require that only a hand-held hose or a hand-held bucket be used for watering of lawns, gardens, trees, and shrubs.
3. Vehicle Washing Restriction: Aqua may prohibit or limit the times for washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment.

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Stage III (Moderate Rationing Conditions)

All outdoor water usage is prohibited; however, usage for livestock is exempt.

Stage IV (Severe Rationing Conditions)

All outdoor water usage is prohibited; usage for livestock is exempt. All consumption shall be limited to each member in one of the following ways:

1. A fixed percentage of each member's average use in the prior month, the percentage to be uniformly applied on a system wide basis, each member being notified of this percentage amount, OR
2. A maximum number of gallons per meter (member), per week, with notice to each member of this number.

All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the members.

SECTION 6.0 – REQUESTS FOR PUBLIC INFORMATION

Section 6.01 – Procedures

The procedures for inspecting or obtaining copies of Aqua's records that are subject to inspection under Chapter 552 of the Texas Government Code are as follows:

1. All requests for inspection and/or copies of public information must be made in writing.
2. The request must sufficiently identify the required information. If the request is vague or too broad Aqua may require that it be narrowed in writing.
3. The requestor must complete inspection of the public information not later than the 10th day after it is made available. Two additional ten-day periods, one at a time, may be granted if a written request for additional time is filed with Aqua.
4. If the requested information is stored electronically, and requires programming or manipulation of data, Aqua will provide a written statement in accordance with Section 552.231 of the Texas Government Code.
5. Whenever possible, Aqua will estimate the time needed to fulfill the request, and any applicable charges.
6. If applicable charges will exceed \$100.00, Aqua will require a deposit or bond before compiling the information. All charges must be paid before the copies are delivered.

Section 6.02 – Copy Charge Schedule

The charges for obtaining copies of Aqua's records that are subject to inspection under Chapter 552 of the Texas Government Code are as follows:

1. Standard-size paper copy--\$.10 per page.
2. Nonstandard-size copy:
 - (A) diskette--\$1.00 each;
 - (B) magnetic tape—actual cost;
 - (C) VHS video cassette--\$2.50 each;
 - (D) audio cassette--\$1.00 each;
 - (E) paper copy--\$.50 each;
 - (F) data cartridge — actual cost;
 - (G) rewritable CD (CD-RW) -- \$1.00;
 - (H) nonrewritable CD (CD-R) --\$1.00;
 - (I) digital video disc – DVD -- \$3.00;
 - (J) tape cartridge – actual cost;
 - (K) JAZ drive – actual cost;
 - (L) Oversize paper copy (e.g. 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper) - \$0.50
 - (M) other--actual cost.
3. Personnel charge for locating, compiling and reproducing--\$15 per hour.
4. Overhead charge--20% of personnel charge.
5. Microfiche or microfilm charge:
 - (A) paper copy--\$.10 per page;
 - (B) fiche or film copy--actual cost.
6. Remote document retrieval charge--actual cost.
7. Computer resource charge:

PC or LAN--\$1.00 per clock hour.
8. Programming time charge--\$28.50 per hour.
9. Miscellaneous supplies--actual cost.
10. Postage and shipping charge--actual cost.
11. Photographs – actual cost [see Table 4 below]
12. Maps – actual cost [see Table 5 below]

13. Outsourced/Contracted Services – actual cost for the copy. May not include development costs.
14. Sales Tax – No sales tax shall be applied to copies of public information.
15. Fax charge:
 - (A) local--\$.10 per page;
 - (B) long distance, same area code--\$.50 per page;
 - (C) long distance, different area code--\$1.00 per page.
16. Other costs--actual cost.

The following tables present a few examples of the calculations of charges for obtaining copies of Aqua's records that are subject to inspection under Chapter 552 of the Texas Government Code.

TABLE 1

Readily Available Information (fewer than 50 pages):

\$.10 per copy x number of copies (standard-size paper copies) or cost of nonstandard copy
(e.g., diskette)
Postage and shipping (if applicable)

\$ TOTAL CHARGE

TABLE 2

Readily Available Information (more than 50 pages):

\$.10 per copy x number of copies (standard-size copies) or cost of nonstandard copy
(e.g., diskette)
Personnel charge (if applicable)
Overhead charge (if applicable)
Document retrieval charge (if applicable)
Actual cost of miscellaneous supplies (if applicable)
Postage and shipping (if applicable)

\$ TOTAL CHARGE

TABLE 3

Information that is Not Readily Available:

Cost of copy (standard-size or nonstandard-size, whichever applies)
Personnel charge
Overhead charge
Computer resource charge (if applicable)
Programming time (if applicable)
Document retrieval charge (if applicable)
Actual cost of miscellaneous supplies (if applicable)
Postage and shipping (if applicable)

\$ TOTAL CHARGE

TABLE 4

Photographs:

Cost of paper (Cost of Sheet of Photographic Paper/Avg. # of Photographs per sheet)
Developing/Fixing Chemicals (if applicable)
Labor Charge (if applicable)
Overhead charge (if applicable)
Postage and shipping (if applicable)

\$ TOTAL CHARGE

TABLE 5

Maps:

Cost of paper (Cost of Roll/Av. # of Maps)
Cost of toner (Black or Color, #of Maps per toner cartridge)
Labor charge (if applicable)
Overhead charge (if applicable)
Plotter/Computer resource charge
Actual cost of miscellaneous supplies (if applicable)
Postage and shipping (if applicable)

\$ TOTAL CHARGE

APPENDIX A
AQUA WATER SUPPLY CORPORATION SERVICE APPLICATION

Please Print

Date: _____

ZONE: _____ MAP PAGE NO: _____ GENERAL DESCRIPTION: _____

MEMBER'S NAME: _____

SPOUSE'S NAME: _____

CURRENT BILLING ADDRESS: _____

PHONE NUMBER - Home: _____ Work: _____

PROOF OF OWNERSHIP OR RIGHT OF OCCUPANCY PROVIDED BY: _____

DRIVER'S LICENSE # OF APPLICANT: _____

DATE OF BIRTH: _____ SOCIAL SECURITY # (optional): _____

LEGAL DESCRIPTION OF PROPERTY (Include name of road, subdivision with lot and block number):
_____PREVIOUS MEMBER'S NAME AND ADDRESS (if transferring Membership):

ACREAGE: _____ HOUSEHOLD SIZE: _____

NUMBER IN FAMILY: _____ LIVESTOCK AND NO: _____

SPECIAL SERVICE NEEDS OF APPLICANT, INCLUDING MULTIPLE CONNECTIONS: _____

Signature of Applicant for Service: _____

Printed Name: _____

NOTE: Form must be completed by Applicant only. A map of service location request must be attached.

PRIVACY STATEMENT

Aqua Water Supply Corporation Account Information

YOU CAN REQUEST THAT PERSONAL INFORMATION CONTAINED IN AQUA WSC'S RECORDS NOT BE RELEASED TO UNAUTHORIZED PERSONS.

The Texas Utilities Code authorizes water supply corporations, such as Aqua WSC, to give their members the option of making the members' address, telephone number, and social security number confidential as that term is defined under Texas law. This choice by Aqua WSC's members is important because Aqua WSC may keep a member's personal information confidential only upon the request of its individual members. Aqua WSC itself can not make this confidentiality decision.

Please place a "X" on the line next to the statement below if you would like to request that your confidential information remain confidential and please provide your account number, the name of the account holder(s), and your signature.

_____ YES, I WANT TO MAKE MY PERSONAL INFORMATION (ADDRESS, TELEPHONE NUMBER, SOCIAL SECURITY NUMBER, ETC.) CONFIDENTIAL.

Account Number(s) _____
Name of Account Holder(s) _____
Signature _____
Date _____

Unless Aqua WSC receives this Privacy Statement properly executed, your personal information cannot be kept confidential under Texas law.

(There is no charge for this service.)

Effective February 2, 2006

**AQUA WATER SUPPLY CORPORATION
SERVICE AGREEMENT**

AGREEMENT made this _____ day of _____, _____, between Aqua Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the Corporation or Aqua) and _____ (hereinafter called the Member).

Witnesseth:

The Corporation shall sell and deliver water service to the Member and the Member shall purchase, receive, and/or reserve water 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 Membership Fee, the Member qualifies for Membership as a new Member 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 is available for review at the Aqua office, upon the request of any Member.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or connection is for the sole use of the Member or customer and is to serve water to only one (1) dwelling and/or only one (1) business. Extension of pipe or pipes to transfer water from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, business, and/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 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 Corporation's authorized employees shall have access to the Member's property or premises and service lines and plumbing facilities at all reasonable times for the purpose of inspecting for possible violations of the Corporation's policies and to ensure compliance with the state required Minimum Acceptable Operating Practices for Public Drinking Water Systems, as promulgated by the Texas Commission on Environmental Quality or successor agency, applicable plumbing codes, and utility construction standards. The Corporation strictly prohibits any direct connection between the public drinking water supply and a potential source of contamination. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device. The Corporation strictly prohibits any cross-connection between the public drinking water supply and a private water system. These potential threats to the public drinking water shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device. The Corporation strictly prohibits any connection which allows water to be returned to the public drinking water supply.

The Member shall allow his property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the Corporation or its designated agent: (i) prior to initiating new water service; (ii) when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; and/or (iii) after any major changes to the private plumbing facilities. The Corporation shall notify the Member in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the initial inspection or the periodic re-inspection. The Member shall immediately correct any unacceptable plumbing practice on his premises. The Member shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation.

In the event the total water supply is insufficient to meet all of the needs of the Members, or in the event there is a shortage of water, the Corporation may initiate the Water Rationing Plan as specified in the Corporation's Tariff. By execution of this Service Agreement, hereof, the Member shall comply with the terms of Water Rationing Plan.

The Member shall install at his own expense a service line from the water meter to the point of use, (herein referred to as the member's side of the meter), including any customer service isolation valves and other equipment as may be specified by the Corporation. The Corporation does not install any equipment on the Member's side of the meter. The Member is responsible for maintaining the line and all equipment on the Member's side, including without limitation the pipe, fittings, and any other equipment installed by the Member. The use of pipes and pipe fittings that contain more than 0.25% lead or solders and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation.

The Corporation does not install pressure relief valves or other pressure-reducing equipment on the Member's side of the meter, nor does the Corporation inspect, maintain, or bear any responsibility for any such valve or equipment installed by Member on Member's side of the meter. If Member chooses to install a pressure relief valve or other pressure-reducing equipment on the Member's side of the meter, Member shall be solely responsible for such installation.

RELEASE. MEMBER HEREBY WAIVES, RELEASES, AND DISCHARGES THE CORPORATION OF ANY AND ALL LIABILITY, CLAIMS, DEMANDS, ACTIONS, OR RIGHTS OF ACTION, OR DAMAGES OF ANY KIND RELATED TO, ARISING FROM, OR IN ANY WAY CONNECTED WITH, MEMBER'S INSTALLATION, MAINTENANCE OR FAILURE TO MAINTAIN, INSPECT, OR REPLACE, OF A PRESSURE RELIEF VALVE OR OTHER PRESSURE-REDUCING EQUIPMENT ON MEMBER'S SIDE OF THE METER, INCLUDING THOSE ALLEGEDLY ATTRIBUTED TO THE NEGLIGENT ACTS OR OMISSIONS OF THE CORPORATION. IF MEMBER CHOOSES TO INSTALL A PRESSURE RELIEF VALVE OR PRESSURE-REDUCING EQUIPMENT ON MEMBER'S SIDE OF THE METER, MEMBER WILLINGLY ASSUMES FULL RESPONSIBILITY FOR ANY AND ALL RISKS ASSOCIATED WITH SUCH VALVE OR EQUIPMENT AND ACCEPTS FULL RESPONSIBILITY FOR ANY DAMAGES OF ANY KIND THAT MAY RESULT FROM SUCH INSTALLATION, MAINTENANCE, AND USE OF SUCH VALVE OR EQUIPMENT. MEMBER AGREES TO ASSUME ALL RISK ASSOCIATED WITH THE INSTALLATION, USE, MISUSE, OR FAILURE OF SUCH VALVE OR EQUIPMENT AND FROM MEMBER'S FAILURE TO TIMELY INSPECT, MAINTAIN, OR REPLACE SUCH VALVE OR OTHER EQUIPMENT.

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

By execution of this Service Agreement, Member shall guarantee payment of all other rates, fees, and charges due on any account for which said Member owns a Membership Certificate. MEMBER ACKNOWLEDGES THAT NONPAYMENT OF AMOUNTS DUE TO AQUA WILL RESULT IN DISCONNECTION OF THE WATER SERVICE TO MEMBER'S PROPERTY. IN THE EVENT WATER SERVICE IS DISCONNECTED, A FEE SET BY AQUA IN ITS TARIFF WILL BE CHARGED AND MUST BE PAID BEFORE SERVICE WILL BE RECONNECTED.

The Board of Directors shall have the authority to 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. IF AQUA'S EQUIPMENT IS TAMPERED WITH OR WATER IS TAKEN BY MEANS OF AN UNAUTHORIZED CONNECTION OR BOTH, THE MEMBER SHALL FORFEIT ALL RIGHTS AND PRIVILEGES OF MEMBERSHIP; THE MEMBER SHALL FORFEIT ALL CONNECTION AND TAP RIGHTS; THE METER SHALL BE REMOVED; AND THE LINE TAP SHALL BE SEALED.

By execution of this Service Agreement, Member agrees that if Member fails to comply with the terms of this Agreement the Corporation shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow protection device at the service connection. Any expenses associated with the enforcement of the Agreement, shall be billed to and paid by the Member.

Any misrepresentation of fact(s) by the Member on any part of this Agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's Tariff.

Each Member must sign this Agreement before the Corporation will begin service. If service to an existing connection has been suspended or terminated, the Corporation will not re-establish service unless it has a signed copy of this Agreement. The Corporation shall maintain a copy of this Agreement as long as the Member and/or the Member's premises are connected to the Corporation.

Member

Aqua Water Supply Corporation

NOTICE AND RELEASE CONCERNING WATER PRESSURE HAZARD

MEMBER EXPRESSLY ACKNOWLEDGES THAT AQUA MAY INSTALL A CHECK VALVE OR OTHER BACKFLOW PREVENTION DEVICE AT THE METER SERVING MEMBER'S PROPERTY, AND THAT SUCH DEVICE WILL CONTAIN WATER PRESSURE WITHIN MEMBER'S PRIVATE PLUMBING SYSTEM. MEMBER FURTHER ACKNOWLEDGES AND UNDERSTANDS THAT A PROPERLY OPERATING PRESSURE RELIEF VALVE MUST BE INSTALLED BY MEMBER AND MAINTAINED BY MEMBER AT ALL TIMES ON MEMBER'S WATER HEATER. MEMBER UNDERSTANDS THAT FAILURE TO MAINTAIN A PROPERLY OPERATING PRESSURE RELIEF VALVE ON A WATER HEATER IS A DANGEROUS PRACTICE THAT CAN RESULT IN PERSONAL INJURY AND PROPERTY DAMAGE. MEMBER HEREBY AGREES TO WAIVE, RELEASE, AND HOLD AQUA HARMLESS FROM ANY CLAIMS AND DAMAGES RESULTING FROM MALFUNCTIONING, FAILURE, OR ABSENCE OF CHECKVALVES, BACKFLOW PREVENTION DEVICES, AND PRESSURE RELIEF VALVES ON WATER HEATERS, INCLUDING WITHOUT LIMITATION, DAMAGES TO PERSONS OR PROPERTY, DIRECT DAMAGES, SPECIAL DAMAGES, INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, OR LOSS OF PROFIT OR REVENUE, AND INCLUDING THOSE ALLEGEDLY ATTRIBUTED TO THE NEGLIGENT ACTS OR OMISSIONS OF THE CORPORATION.

Member

Effective January, 2016

Date: _____

TEMPORARY EMERGENCY METER APPLICATION**AQUA WATER SUPPLY CORPORATION
APPLICATION FOR A TEMPORARY EMERGENCY METER**

Aqua WSC understands that the current drought conditions have affected local ranchers ability to provide water to livestock. Aqua is committed to help local ranchers affected by this drought by providing interim water to livestock through a Temporary Emergency Meter. This Temporary Emergency Meter program is an accommodation to Aqua's members to offer relief to the owners of small livestock operations from the hardships created by these drought conditions.

Name: _____

Address: _____

Telephone: _____

Account No (if existing Aqua member): _____

Proposed Location of Temporary Emergency Meter: _____

Livestock: _____

Type: _____

Number: _____

TERMS AND CONDITIONS OF TEMPORARY EMERGENCY METER PROGRAM:

1. Cost of meter is \$ _____, as set by the Board of Directors.
2. Monthly water rates are fee equal to the first tier of the inverted block rate.
3. Water may not be used to fill earthen tanks or used for residential purposes.
4. An automatic shutoff such as a non-siphoning float valve or air gap must be installed on the prefabricated water trough.
5. Temporary Emergency Meter program is available to the owners of lands within Aqua's CCN service area, provided sufficient capacity is available and the use of the water will not adversely affect water service to existing Aqua members.
6. Aqua reserves the right to modify or cancel this program at any time.
7. Aqua reserves the right to remove a meter if the terms and conditions of this policy are violated or the information provided is or becomes inaccurate.

The above information is true and correct and I agree to the Temporary Emergency Meter Policy terms and conditions.

Signature: _____

Date: _____

APPENDIX B RULES AND REGULATIONS CONCERNING AQUA'S SERVICE TO SUBDIVISIONS

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APPENDIX B
Rules and Regulations Concerning Aqua's Service to Subdivisions

I. Purpose

The purpose of this policy is to establish the terms and conditions under which Aqua will provide water for subdivisions, additions to subdivisions, or developments where service to one or more tracts is requested. The General Manager of Aqua shall act on behalf of the Board to implement this policy.

II. Definitions

- A. "Aqua" means the Aqua Water Supply Corporation as represented by its Board of Directors.
- B. "Aqua's Engineer" means a person or firm licensed by the State of Texas and engaged by Aqua to provide engineering consulting services to Aqua.
- C. "Aqua's System" means Aqua's production, treatment and storage facilities and Aqua's general purpose transmission facilities.
- D. "Board of Directors" or "Board" means the duly elected members of the Board of Directors of Aqua Water Supply Corporation.
- E. "Cost of Construction" means all expenses associated with constructing, installing and placing a facility into operation including, but not limited to, planning, engineering, clearing, surveying, legal, land acquisition, acquisition of rights-of-way, the construction contract, and the like.
- F. "Developer" means an individual, partnership, corporation, or other legal entity that has subdivided land or desires to subdivide land or requests more than two water service connections on a single contiguous tract of land.
- G. "Developer Project" means the construction of facilities by a Developer to serve a subdivision owned or controlled by the developer, including water lines and related equipment necessary to transport water from General Purpose Transmission Facilities to provide water service to individual lots in a subdivision, which facilities will be deeded to Aqua.
- H. "Feasibility Study" means the report prepared by Aqua's Engineer to determine if sufficient water capacity is available to a particular tract of land, and if construction of certain improvements to Aqua's System is required before capacity is available.
- I. "General Purpose Transmission Facilities" means those pumps, filters, lines, chlorination units, and the like which are designed to provide water service to more than one subdivision.
- J. "Production and Storage Facilities" means the equipment, structures, and appurtenances necessary to produce, treat and store water from groundwater or surface water sources for delivery to General Purpose Transmission Facilities.

- K. "Service Area" means that area to which Aqua may lawfully provide water service, whether within or outside the area described by the Certificate of Convenience and Necessity held by Aqua.
- L. "Subdivision" means the division of any lot, tract, or parcel of land, within the Service Area of Aqua, 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. The following are exempted from this definition: Divisions of land resulting from a family or testamentary transfer of a parcel of land having an area of two (2) acres or more, which will not require Aqua to construct new water lines and which may be accessed by existing water lines which meet Texas Commission on Environmental Quality requirements to service the additional meters. The term "family" includes only the grantor's spouse, parents, children, grandparents, grandchildren, or siblings. The exemption provided in this definition for the divisions of any lot, tract, or parcel of land as a result of a family transfer also extends to any purchaser of such a lot, tract, or parcel of land from a person who meets the definition of "family" under this definition. Provided, however, this exemption shall not apply to an *inter vivos* family transfer that constitutes a subdivision of land for sale to the public.
- M. "United States Department of Agriculture – Rural Development Rules" or "USDARD Rules" means those rules promulgated by USDARD with which Aqua must comply. This includes existing and future rules to which Aqua is subject.

III. Process to Identify Water Availability to Subdivision – Feasibility Study

- A. To begin the process of reserving water capacity and the subsequent provision of water service to a proposed Subdivision, Developer must file, a request in writing for Aqua to prepare a Feasibility Study for the proposed Subdivision to determine if there is sufficient capacity in Aqua's System to serve the proposed Subdivision, or if a need exists for an expansion to the capacity of the production, treatment and storage or General Purpose Transmission Facilities, or a combination of both, to serve the proposed Subdivision. Aqua's ability to provide fire flow to the development is dependent on many factors: the size of infrastructure (production and delivery facilities); the topography of the area; and the specific flows required for the particular project.

In addition to the payment of the fees set out in Paragraph B, a request for a Feasibility Study shall include the following:

- 1. Four (4) copies of a map or plat showing the proposed Subdivision, indicating the location of said Subdivision within Aqua's CCN, and the proposed improvements to be constructed by Developer necessary to connect to Aqua's System. The map or plat must show the dimensions of the lots or tracts that result from the subdivision of the property. The map or plat, and any revisions, amendments, or supplements thereto, must be signed and sealed by a licensed surveyor or registered professional engineer.

2. The intended land use of the Subdivision, including detailed information concerning the types of land uses proposed.
 3. The projected water demand of the Subdivision when fully built out and occupied, the anticipated water demands for each type of land use, and a projected schedule of build-out for the Subdivision and associated water demand schedule of events leading up to the approximate date upon which service from Aqua will first be needed.
 4. A statement on whether fire flow is needed and requested water demand, in quantity and time, to meet the fire flow requirements.
 5. A proposed calendar of events, including design, plat approval, construction phasing and initial occupancy, and the approximate date upon which service from Aqua will first be needed.
 6. Any other information required by Aqua to facilitate the evaluation of water service for the proposed Subdivision.
- B. All requests for a Feasibility Study shall be accompanied by a non-refundable fee according to the following schedule:

Proposed Number of LUEs	Fee
1-10	\$1,200.00
11-250	\$1,800.00
251 or more	\$3,000 plus any additional cost to Aqua

If fire flow is needed, an additional non-refundable fee of \$3,000 shall be added to the applicable Feasibility Study fee listed above.

- C. The request for a Feasibility Study will be submitted by Aqua's General Manager to Aqua's Engineer for review and evaluation. Under normal circumstances and where sufficient information is submitted with the request, Aqua's Engineer will complete the Feasibility Study within 30 days of Aqua's receipt of the request and payment of the required fee. The Feasibility Study will include the cost of additional facilities, if any, needed by Aqua to provide water service to the proposed Subdivision based on current material and labor prices and preliminary site and engineering information. A copy of the Feasibility Study will be provided to the Developer upon payment of all fees listed above.
- D. Upon the request of Developer and payment of all applicable fees, the Feasibility Study shall be submitted to the Board of Directors for its consideration at the next regular Board meeting, provided that the next Board meeting is at least 10 days following the date the request is received. If the request is received less than 10 days prior to the next Board meeting, the request will be on the agenda for the following

month's meeting. If the Board of Directors determines that providing water service to the proposed subdivision is feasible, the Board shall adopt a resolution indicating Aqua's ability to provide water service to the Subdivision subject to special terms and conditions to such service identified in the Feasibility Study and to be incorporated in a Reserve Capacity Agreement. Aqua's General Manager shall provide the Developer with the final Feasibility Study identifying the estimated cost to the Developer for Aqua to provide water service to the proposed Subdivision and Aqua's fees to reserve capacity in Aqua's System. The Developer's share of the actual cost to construct the facilities necessary to provide water service to the proposed Subdivision will be determined at the time Aqua receives quotations from contractors based on final detail design of the facilities. In addition, Aqua will provide the Developer with the amount of expenses, such as attorney's fees, estimated to be incurred by Aqua in negotiating and drafting the Reserved Capacity Agreement. The Developer must pay Aqua a deposit in the amount of estimated expenses and provide Aqua with a copy of the warranty deed conveying title to the Developer prior to the drafting of the Reserved Capacity Agreement. If there are any funds remaining after payment is made to cover all such expenses, then Aqua will refund the amount of surplus funds to the Developer. If the deposit is insufficient to cover such expenses, then the Developer shall immediately pay Aqua additional funds in the amount of the balance.

- E. A determination that providing water service to a proposed Subdivision is feasible does not reserve capacity for use with the proposed Subdivision. Uncommitted water supply capacity that exists in Aqua's System is available on a first come, first served basis and may be reserved only in accordance with Section IV of this Tariff. Developer shall not have any rights to water supply capacity until after the Reserved Capacity Agreement is fully executed and capacity reservation fees have been paid.
- F. Aqua recognizes that a developer may desire to determine the feasibility of providing water supply to a proposed Subdivision prior to the purchase of the property. When a request for a Feasibility Study has been submitted by a Developer who does not own the subject property and service to the property has been determined to be feasible, the subject capacity may be held for the proposed Subdivision until the next regularly scheduled meeting of the Board of Directors. Existing water supply capacity may be held for a proposed Subdivision for a period of 120 days by payment of the greater of \$2500 or 10% of the total capacity reservation fee, which payment shall be nonrefundable. A request to hold capacity must be written and hand delivered or sent by certified mail to Aqua's General Manager accompanied by the appropriate fee. The request to hold capacity must be received by Aqua within 30 days after the date of the meeting of the Board of Directors at which service to the proposed Subdivision is determined to be feasible.
- G. In order to maintain the right to utilize the capacity held under Subsection IV.A, the Developer must execute the Reserve Capacity Agreement required under Subsection III. E and pay in full the capacity reservation fees required under Section IV, prior to the expiration of the holding period. The capacity reservation fees shall be payable

in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager. If all requirements of this subsection are not satisfied, any capacity held for the proposed Subdivision shall revert to first come, first served availability.

H. Large Volume Service – Conservation Districts

This section is only applicable to conservation districts that entered into agreements with Aqua prior to August 5, 2013.

1. Any Conservation District desiring to buy water on a bulk basis will be required to negotiate a special contract for such purpose. The contract shall, as a minimum, provide that Aqua will provide a specified quantity of water at a metered point of delivery. Each Conservation District will be responsible for constructing, owning, operating, and maintaining all repressurization facilities, retail water distribution facilities, and the like to provide retail water service.
2. All Large Volume Service – Conservation District contracts will require that Aqua be the sole source of water for whatever area is to be served by the Conservation District.

IV. Reserving Capacity in Aqua's System

Except as allowed by Section V of these Rules and Regulations, Aqua will not provide water service to a lot in a Subdivision unless the Developer has reserved capacity for the requested connection under this Section pursuant to Section 3.01 of Aqua's Tariff.

A. Reserving Existing Production, Treatment and Storage Capacity

1. In order to reserve available capacity for a Subdivision, based on the following types of service, the Developer shall:
 - (a) Standard Service. Pay to Aqua a commitment fee in the amount of \$600.00 for each LUE. The commitment fee is a component of the System Development Fee. The commitment fee is paid at the time capacity is reserved and the remainder of the System Development Fee is collected at the time a meter is installed. The System Development Fee compensates Aqua for its investment in the water production, treatment, storage, and transmission facilities which the new customer will utilize when connected to Aqua's System. In the case of multi-family residences with 2 or more units, each dwelling unit shall have its own meter and a capacity reservation fee shall be charged for each dwelling unit. This fee shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors at the time the Reserved Capacity Agreement is executed

- (b) Multi-Unit Residences. In the case of multi-dwelling unit residences served by Large Volume Service -- Multiple Owner, the development may be served by one or more master meters. The number of dwelling units shall be adjusted by multiplying by a factor of 0.7 for dwelling units that share common walls, such as townhouses or condominiums. This fee shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors at the time the Reserved Capacity Agreement is executed
 - (c) Commercial. Each commercial user shall have its own meter. The commercial capacity reservation fee shall be calculated by calculating the ratio of the water demand needed by the commercial customer to the water demand for a single family residential customer, and then multiplying the then current single family capacity reservation fee times the ratio derived above. Provided, however, the cost of a commercial capacity reservation fee shall never be less than the single family residential capacity reservation fee. This fee shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors at the time the Reserved Capacity Agreement is executed
- 2. Pay to Aqua the Costs of Construction necessary to provide service from the nearest point of adequate supply in Aqua's existing General Purpose Transmission Facilities to the proposed Subdivision. Developer shall pay Aqua the Costs of Construction at the time the Reserved Capacity Agreement is executed. These costs shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager.
- 3. Agree to construct all facilities included in Developer Project and deed all facilities constructed under this Paragraph to Aqua together with all easements in which the facilities are located, upon completion and acceptance by Aqua's Engineer.

B. Reserving New Production, Treatment and Storage Capacity

If it is necessary for Aqua to add capacity to Aqua's System before Aqua can adequately serve the Subdivision proposed by the Developer, the following requirements shall apply:

- 1. The Developer shall pay the Costs of Construction necessary to provide service from the nearest point of adequate supply in Aqua's existing General Purpose Transmission Facilities to the proposed Subdivision.

2. The Developer shall pay the greater of (i) a commitment fee in the amount of \$600.00 for each single family residential customer (or equivalent as described in Section IV.A.1 above), or (ii) all Costs of Construction necessary to upgrade that portion of Aqua's Production and Storage Facilities to meet the needs of the Developer's requested service.
3. The design of all improvements to Aqua's System shall be accomplished by Aqua's Engineer and the construction of such improvements shall be done by Aqua or Aqua's agents. The Costs of Construction of all such improvements shall be borne by the Developer in accordance with Subsections IV.B.1 and IV.B.2 above. Developer shall pay to Aqua the full amount of the Costs of Construction at the time the Reserved Capacity Agreement is executed. These costs shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager.
4. The Developer shall agree to construct all facilities identified as Developer Project and convey all facilities constructed under this Paragraph to Aqua together with all easements in which the facilities are located upon completion and acceptance by Aqua.

C. Reserved Capacity Agreements

All Reserved Capacity Agreements shall be subject to the terms of the Aqua Water Supply Corporation's Rules and Regulations, including the Tariff on file with the Texas Commission on Environmental Quality. All Reserved Capacity Agreements shall also be subject to all future amendments or modifications of the Rules and Regulations and the Tariff. In the event the terms of a Reserved Capacity Agreement conflict with the Rules and Regulations and the Tariff, the Rules and Regulations and the Tariff shall control. The Reserved Capacity Agreement shall have a term of ten years. A request for an agreement with a term of greater than ten years or any extensions to existing agreements shall be considered on a case by case basis. Upon the expiration of any Reserved Capacity Agreement and the construction of Developer Project is not underway, the capacity reserved pursuant to such Agreement shall be returned to Aqua and available on a first come, first served basis.

D. Construction of Developer Project Required to Establish Availability of Water Service to Individual Lots

The approval and execution of the Reserved Capacity Agreement between Developer and Aqua results in the availability of a specific amount of water capacity at the boundary of the Subdivision. The availability of water capacity at the boundary of the Subdivision does not mean that water service is available at a particular lot or that Aqua will set a meter at a lot upon request by the owner of the lot. Developer must complete Developer Project and deed to Aqua in order for capacity and water service to be available at a lot within the Subdivision.

E. Developer Request for Aqua to Indicate on a Plat that Water Capacity is Available to a Subdivision

In order for Aqua to indicate on a final plat of a Subdivision that water service is available, Developer must either (1) complete construction of Developer Project, or (2) if construction of Developer Project is not complete, (i) execute restrictive covenants in a form similar to Exhibit A attached hereto, or (ii) provide a letter of credit ("LOC") payable to Aqua in an amount equal to the costs of construction of the on-site water facilities plus 15% contingencies.

In the event Developer chooses to request the filing of restrictive covenants, said restrictive covenants will be filed by Aqua in the real property or plat records of the county where the Subdivision is located. Aqua will file the appropriate instrument to release the restrictive covenants when Developer Project is complete; however, if Developer Project is larger than 10 lots and completed in stages, Aqua will release specific lots from the restrictive covenants in groups of not less than 10 lots.

In the event, Developer chooses to submit a LOC as set out herein, Developer must first submit construction plans and specifications for Developer's Project, including a detailed cost estimate, to Aqua for its review and approval. Aqua shall have 30 days to review and approve the plans and cost estimate for Developer's Project.

The LOC shall be in an amount equal to the detailed cost estimate for Developer's Project plus 15% contingencies, shall be irrevocable, issued by a state or federally chartered banking institution, payable to Aqua Water Supply Corporation and have a one year term. Aqua will release the LOC to Developer at the time the Developer's Project has been completed and accepted by Aqua.

If Developer's Project is not constructed within 30 days of the expiration date of the LOC, then Aqua will cash the LOC and construct Developer's Project. Any amounts remaining from the LOC after payment of all costs resulting from the construction of Developer's Project shall be refunded to Developer.

If Developer desires to extend the LOC beyond the one year term, a request for a substitute LOC must be submitted to Aqua not later than 60 days prior to the expiration of the LOC. Developer shall submit a revised cost estimate for Developer's Project for Aqua's review and approval. The amount of the successor LOC must include any cost increases for construction of Developer's project. The substitute LOC shall be submitted to Aqua not later than 30 days prior to the expiration of the LOC. Upon Aqua's receipt of a substitute LOC, Aqua will release the previous LOC to Developer.

Once water supply capacity has been reserved and allocated to a particular tract of land and Aqua has indicated on a final plat that water service is available to the land, the water supply capacity shall not be transferred to other land.

F. One Time Eligibility for Refund of Capacity Reservation Fees

A Developer who has paid commitment fees but has not received approval of the subdivision plat from a local governmental entity having jurisdiction and authority to approve subdivision plats in the area in which the proposed Subdivision is located, may request a refund of commitment fees, less any costs and expenses incurred by Aqua in connection with the proposed Subdivision provided the following additional conditions are satisfied:

1. Not more than 90 days have elapsed since the date the commitment fees were paid to Aqua; and,
2. The Developer has not received a previous refund of commitment fees in connection with the land on which the proposed Subdivision is located; and
3. No plat has been filed of record indicating that Aqua will provide service to the proposed Subdivision.

The General Manager shall determine the Developer's eligibility for a refund and the amount of refund to be made, if any. Any unrecorded plat bearing an original signature showing Aqua's commitment for service to a proposed Subdivision must be returned to Aqua with the request for a refund. The 90 day deadline for requesting a refund may be extended for a period of 30 days for good cause by action of the Board of Directors. A request for the extension that states the grounds for good cause must be submitted to Aqua no less than seven days prior to the last Board of Directors meeting that is held within the 90 day period.

G. Transfer of Reserved Capacity Prohibited

Any agreement entered into in accordance with this policy shall only be a commitment to provide water to the specific tract of land described in the Reserved Capacity Agreement.

H. Recording of Information Concerning Water Availability

When a tract of land is subdivided and water supply capacity is not reserved for the entire tract, Aqua may file a notice concerning water availability in the real property records of the county in which the tract of land is located. The notice may reference the agreement between Aqua and the Developer and the notice may specify the portions of the tract of land for which water service is available and the residual portions of the tract of land for which no water supply capacity has been reserved.

V. Obtaining Water Service in Small Subdivisions Containing No More than Four Lots or Parcels

This Section applies to an application for setting a meter and providing water service to a lot or parcel of land where the lot or parcel results from subdividing a tract of land into 4 or less lots or parcels, and where the Developer has not complied with the requirements of these Rules and Regulations Concerning Aqua's Service to Subdivisions. Subject to availability

of water supply capacity in Aqua's System, an applicant, other than the Developer, may obtain service to a single lawfully platted lot or a single lawfully subdivided parcel by payment of the membership fee, the applicable meter installation and System Development Fees, and the capacity reservation fee required by Section IV.A of these Rules and Regulations. Additionally, if an extension of Aqua's water supply lines is necessary to provide water service to the lot or parcel, the applicant must pay all costs which the Developer would have been required to pay to receive service, including but without limitation, those costs to extend Aqua's General Purpose Transmission Facilities and the cost of materials and installation of an adequately sized water line to deliver water to the lot or parcel, which in no case shall be smaller than a four (4) inch line.

VI. Construction Rules and Regulations

A. A preliminary or final plat and water facilities plan must be submitted to Aqua and approved by Aqua's Engineer before construction of Developer Project commences. There shall be a non-refundable fee of \$50 per LUE to review the water facilities plan internal to the subdivision. The water facilities plan shall include the plans and specifications (construction drawings) of the improvements to be located within the subdivision and a description of the rights-of-way in the subdivision in which the facilities will be constructed. The preliminary or final plat and plan must be approved, if needed, by:

1. The county or counties in which the land is located;
2. The governing body of any city within whose corporate or extraterritorial jurisdiction the Subdivision lies;
3. The United States Fish and Wildlife Service and/or the Texas Parks and Wildlife Department; and
4. Any other person or political subdivision whose approval will be required before Aqua can provide the service contemplated by the Developer's request.

A Developer may also meet the requirements of VI.A.1. with a statement in writing from a county or counties that approval of the plat is not required. In the event there is no response from the pertinent county or counties regarding plat approval or exemption, the Developer shall submit written documentation establishing that approval of the plat by the pertinent county or counties is not required.

B. Easements

1. Easements for Approach Main

Before construction of the Developer Project begins, the Developer shall dedicate to Aqua, or pay the cost of acquiring, title to a 15 foot permanent easement and an adjacent 15 foot temporary workspace easement, which easements shall run from Aqua's existing General Purpose Transmission Facilities to the Developer's subdivision. The 15 foot permanent easement

shall include exclusive easement rights to a 5 foot wide strip of land, the center line of which shall be defined as the center line of the water line as installed. These costs shall be payable in the form of a Cashiers Check or other form of payment approved by the Board of Directors or Aqua's General Manager.

2. Easements for Developer Project

The Developer shall dedicate to Aqua all easements within the subdivision necessary for water line construction within the subdivision and shall dedicate such additional easements as are necessary where a deviation from dedicated utility easements is deemed necessary by Aqua. In locations where the applicable county commissioner's court or municipal governing body has approved specific utility location assignments within public utility easements (PUE), internal water distribution lines shall be installed within the PUE at the location assigned for water utility service. Where specific utility location assignments are not applicable, every easement for water lines within the subdivision shall have a minimum width of 15 feet. All water line easements shall be shown on the final recorded plat of the subdivision.

3. Boundary Easements

The Developer shall dedicate to Aqua title to a 15 foot permanent easement and an adjacent 15 foot temporary workspace easement along all roads and highways adjoining the subdivision for future water line construction. The 15 foot permanent easement shall include exclusive easement rights to a 5 foot wide strip of land, the center line of which shall be defined as the center line of the water line as installed.

4. Clearing of Easements

The Developer shall bear the cost of clearing and chipping the entire width of: (1) all easements which run from Aqua's existing General Purpose Transmission Facilities to the Developer's subdivision; (2) all easements within the subdivision necessary for water line construction within the subdivision; (3) all additional easements necessary where a deviation from dedicated utility easements is deemed necessary by Aqua; and (4) all public utility easements, if an applicable County Commissioner's Court or municipal governing body has approved specific utility location assignments within the public utility easement.

- C. The Developer shall pay all costs of obtaining right-of-way easements necessary to connect the Developer Project to Aqua's General Purpose Transmission Facilities, whether or not the easements are in the Subdivision. These costs shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager.

- D. All Subdivisions shall meet the conditions of all local, state, and federal agencies having regulatory authority over lot sizes, sewage control, drainage, and right-of-way. When possible, meters should not be placed in locations where they may be subjected to vehicular traffic, such as a meter placed under a driveway providing access to a dwelling. If a Developer desires that one or more meters be placed in a location where, in the opinion of Aqua, the meter(s) may reasonably be subjected to vehicular traffic of any sort, then the report produced by Aqua's Engineer will also include an estimate of the cost to Developer of providing one or more meter boxes designed and constructed to minimize the likelihood of damage to the meter resulting from said vehicular traffic.
- E. The Developer shall provide accurate on-the-ground markings of all Developer Projects in conformance to Aqua's requirements.
- F. The Developer shall provide sufficient notification to Aqua to allow Aqua to observe critical elements of construction. These include, but are not limited to:
1. Water line and facility installation;
 2. Connections to existing mains;
 3. Pressure testing procedures; and
 4. The testing of all water facilities.

If Developer fails to comply with the above, Aqua may require Developer to have the constructed facilities uncovered and exposed for Aqua's inspection. In any event, the integrity of the facilities is the responsibility of Developer.

- G. Aqua may, if necessary, acquire any essential land or easements by eminent domain in order to provide service to a subdivision. The Developer shall pay all expenses associated with such condemnation proceedings, including legal, engineering, the award of the Commissioners or the Court, and the like. These costs shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager.
- H. Oversizing
1. Oversizing by Aqua. It may be necessary from time to time for Aqua to oversize improvements which are contemplated by the Developer, or Developers, to either its Production and Storage Facilities, its General Purpose Transmission Facilities, or the Developer Project. The decision on whether to oversize such facilities shall lie exclusively with Aqua. Aqua shall bear the cost of all oversizing requested by Aqua. Should Aqua, in Aqua's sole discretion, determine that: (1) Aqua does not have funds available for such oversizing at the time a request for service is received so that the Developer would, in the Developer's opinion, be delayed from proceeding with its Subdivision, or (2) Aqua's available funds should not be

used for oversizing on Developer Project at the time a request for service is received, Aqua will agree to enter into a contract where all such oversizing is paid by the Developer and Aqua will reimburse the Developer out of future capacity reservation fees. Aqua will agree to, on an annual basis, make an accounting of the capacity reservation fees that have been received for the preceding year which utilized capacity in the System which was oversized at the expense of the Developer and pay the Developer an amount equal to 60% of such fees until Developer is fully compensated for the cost of funding Aqua's oversizing. Provided, however, Aqua shall not pay interest on the funds which the Developer has expended for such oversizing. Additionally, the term of such contract shall not exceed ten years. At the expiration of the term of the contract, Aqua shall have no further obligation to reimburse the Developer for funds expended in such oversizing.

2. Oversizing by Developer. If Aqua's Board of Directors has determined that Aqua should construct an improvement to Aqua's General Purpose Transmission Facilities to serve the needs of existing members and such facilities may reasonably be oversized to provide capacity for a Developer Project, the Developer will be allowed to enter a contract with Aqua to have the facilities oversized to provide capacity for Developer Project provided that Developer pays the incremental cost to oversize the facilities beyond the capacity that Aqua would have constructed.

VII. Acceptance

- A. Aqua shall approve all facilities constructed in its Service Area. The cost for these services shall be borne by the Developer under this policy.
- B. Aqua will accept the dedicated facilities only if the facilities are constructed in strict conformance with the previously approved construction plans and specifications. .
- C. Aqua will, at the expense of the Developer, inspect and test the facilities to ensure that Aqua's standards are met.
- D. After receipt of as-built drawings, letters of acceptance and final Developer Project approval from Aqua, Aqua shall accept the Developer Project, provided the Developer has complied with other applicable portions of these rules and regulations including but not limited to Section VI. F. above.
- E. Aqua shall not provide service to a Subdivision until (1) the Developer has paid all amounts owed to Aqua under these rules and regulations, (2) the facilities have achieved compliance with applicable hydraulic standards, (3) the Developer has submitted documentation of a satisfactory bacteriological test for the facilities, and (4) Developer has presented Aqua a certificate applicable to the Subdivision issued pursuant Section 212.0115 of the Texas Local Government Code if the subdivision is within the jurisdiction of a municipality under Section 212.0115(a) of the Texas Local Government Code. Until the requirements of this subsection are

satisfied Aqua will not provide water to the Subdivision for any purpose other than testing or flushing.

- F. Upon acceptance of Developer's Project, Aqua will sign the plat or release the Restrictive Covenants.

VIII. USDA – Rural Development

The Developer recognizes that Aqua must comply with USDA – Rural Development rules and regulations as promulgated from time to time as those rules and regulations apply to the service, rates, and capacity addition of Aqua.

IX. Obtaining Water Service for Subdivided Tracts of Land Not in Compliance with Rules and Regulations and Tariff

This Section applies to an application for setting a meter and providing water service to a lot or parcel of land where the lot or parcel results from subdividing a tract of land into 5 (five) or more lots or parcels, and where the Developer has not complied with the requirements of these Rules and Regulations Concerning Aqua's Service to Subdivisions.

Applications submitted to AWSC under this section must meet the following conditions:

1. The tract that is the subject of the application is located:
 - a. in a subdivision of tracts that is exempt from a county's platting requirements;
 - b. in a county that does not indicate whether or not water services is available on a subdivision plat; or
 - c. in a county that indicates with a notation or statement that Aqua WSC is the water provider, but the Developer has not complied with Aqua's Rules and Regulations and Tariff.
2. The Applicant pays the required feasibility study fee.

Subject to availability of water supply capacity in Aqua's System, an applicant, other than the Developer, may obtain service to a single lawfully platted lot or a single lawfully subdivided parcel by payment of the membership fee, the applicable meter installation and System Development Fees, and the capacity reservation fee required by Section IV. A of these Rules and Regulations. Additionally, if an extension of Aqua's water supply lines is necessary to provide water service to the lot or parcel, the applicant must pay all costs which the Developer would have been required to pay to receive service, including but without limitation, those costs to extend Aqua's 'General Purpose Transmission Facilities and the cost of materials and installation of an adequately sized water line to deliver water to the lot or parcel, which in no case shall be smaller than a six (6) inch line.

EXHIBIT A TO APPENDIX B

RESTRICTIVE COVENANT

THE STATE OF TEXAS

§

§

COUNTY OF _____

§

WHEREAS, _____,
a _____ (the "Owner"), whose address is _____, is
the owner of the following real property in _____ County, Texas:

_____, a subdivision
in _____ County, Texas, according to the plat recorded in Book ____,
Pages ____ - ____, Plat Records of _____ County, Texas (the "Property");
and

WHEREAS, Aqua Water Supply Corporation ("Aqua") and the Owner have agreed that the Property should be impressed with certain covenants and restrictions running with the land and desire to set forth their agreement in writing;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner hereby agrees as follows with respect to the Property, which agreement will constitute a covenant running with the Property and will be binding on the Owner, its successors and assigns:

1. No portion of the Property may be sold transferred or conveyed prior to the final acceptance of the water utility improvements for the Property by Aqua and Aqua has filed notice of such acceptance in the real property records of the county; however, utility easements required to serve the Property may be dedicated to the public and/or the applicable utility provider.

2. If all of the water utility improvements required by Aqua for the Property, as more fully described in the Agreement to Construct an Approach Main Extension and to Reserve Water Supply Capacity between the Owner Aqua dated _____, 20__, are not complete and accepted by Aqua by _____, 20__, then this covenant and agreement will constitute an application to Aqua for the vacation of the reservation of water for the Property.

3. If any person or entity violates or attempts to violate this agreement and covenant, Aqua, or its successors and assigns, may prosecute proceedings at law or in equity against the person or entity violating or attempting to violate this agreement and covenant and may prevent said person or entity from violating or attempting to violate this agreement or covenant.

4. If any part or provision of this agreement and covenant is declared invalid, by judgment or court order, that invalidity will not affect any of the other provisions of this agreement, and the remaining portions of this agreement will remain in full force and effect.

5. Any failure of Aqua, its successors and assigns, to enforce this agreement and covenant, whether the violations are known or not, will not constitute a waiver or estoppel of Aqua's right to do so.

6. This agreement may be modified, amended or terminated only by joint action of both (a) the General Manager of Aqua or another duly authorized representative of the Aqua, and (b) the owners of the Property at the time of the modification, amendment or termination.

EXECUTED this ____ day of _____, 20__.

By: _____
Printed Name: _____
Title: _____

THE STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____,
20__, by _____, _____ of _____, a Texas
_____, _____ of _____.

Notary Public in and for the State of Texas

Fayette

Water Supply Corporation (FWSC)

Tariff

Revised January 2015

Fayette WSC
200 Bordovsky Rd, P.O. Box 724
La Grange TX, 78945

Telephone: 979-968-6475
Fax: 979-968-8239
Email: fayettewsc@yahoo.com

Certificate of Convenience and Necessity (CCN) #10726

Public Water Supply Identification Numbers
Fayette WSC – West #0750022
Fayette WSC – East #0750034

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SECTION A. RESOLUTIONS

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

1. This Tariff of the Fayette Water Supply Corporation, serving in Fayette and Gonzales County consisting of Sections A. through K. and forms inclusive, is adopted and enacted as the current regulations and policies effective as of _____, 20__.
2. Only those preexisting written contracts or agreements executed by the present or previous Board of Directors shall remain in effect, unless the contract or agreement requires compliance with changes of the tariff from time to time.
3. The adoption (or revisions) of this tariff does not prohibit or limit the Corporation from enforcing previous penalties or assessments from before the current effective date.
4. An official copy of this and all policies or records shall be available during regular office hours of the Corporation. The Secretary of the Corporation shall maintain the original copy as approved and all previous copies for exhibit.
5. Rules and regulations of state or federal agencies having jurisdiction shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, word, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected.
6. This tariff has been adopted (revised) in compliance in Open Meeting in compliance with the Open Meeting Act, Chapter 551 of the Texas Government Code.

PASSED and APPROVED this _____ day of _____, 20__.

President, Fayette Water Supply Corporation

SEAL

ATTEST:

Secretary, Fayette Water Supply Corporation

Approved _____

SECTION B. STATEMENTS

1. **Organization.** The Fayette 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 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. 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 are the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability.
7. **Information Disclosure.** The records of the Corporation shall be kept in the Corporation office in La Grange, 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 (CSI).** 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. **Sub-metering Responsibility.** Sub-metering and Non-Sub-metering by Master Metered Accounts may be allowed in the Corporation's water distribution system provided the Master Metered Account customer complies with the Texas Commission on Environmental Quality Chapter 291, Subchapter H rules pertaining to Sub-metering. 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 sub-metering should be directed to the Texas Commission on Environmental Quality.

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

1. See if they have registered with the TCEQ, (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 TCEQ to be a separate Public Water System and will be required to comply with all TCEQ regulations.

3. Protect the System's CCN. Should the Master Metered Account Customer continue to violate these or other State regulations, the Corporation will need to request a Cease and Desist Order from the TCEQ. (Texas Water Code Section 13.252 and 30 TAC Section 291.118)
12. ***Prohibition against Resell of Water.*** The meter 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 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 Fayette 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 Fayette Water Supply Corporation that is vested with the management of the affairs of the Corporation. (Section 22.001(1), Texas Business Organizations Code)

Bulk Water – The sale of water for a short time period, in which a large volume amount is obtained through a designated valve by the Corporation. (See Tariff Section E)

Bylaws – The rules pertaining to the governing of the Fayette 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 Fayette Water Supply Corporation to provide water service within a defined territory. Fayette Water Supply Corporation has been issued Certificate Number 10726. Territory defined in the CCN shall be the Certificated Service Area. (See Tariff Section D. Certificated Service Area Map)

Corporation – The Fayette 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 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 service by the Corporation to a Member/Customer.

Easement – A private perpetual dedicated right-of-way for the installation of water pipelines and necessary facilities which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable) 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 easements, and location(s) of lakes, streams, or rivers through the property. The Fayette 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 is non-refundable upon termination of service. The membership fee cannot be more than 12 times the minimum monthly base rate. (30 TAC Section 291.3(25) Definitions, Texas Water Code Section 13.043(g))

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))

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

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 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)

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. (See Tariff Section G. 7. a., Section K Miscellaneous)

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))

Sub-divider – 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 TCEQ.

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

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)

Transferee – An Applicant receiving a Fayette 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)

Usage – Amount billed or to be collected based on the meter reading taken on a monthly basis.

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

CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide Water Service under Texas Water Code,
Texas Commission on Environmental Quality and Public Utility Commission of Texas
Substantive Rules

Certificate No. 10726

I. Certificate Holder:

Name: Fayette Water Supply Corporation

Address: 200 Bordovsky Rd
P.O. Box 724
La Grange, Texas 78945

II. General Description and Location of Service Area:

See Attached

III. Certificate Maps:

The certificate holder is authorized to provide water service in the area identified on the Commission's official service area map, WRS-255, maintained in the offices of the Texas Commission on Environmental Quality, 12011 Park 35 Circle, Austin, Texas and Public Utility Commission of Texas, 1701 North Congress Avenue, 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. (30 TAC 291.85(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 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" sized water meter services set on existing pipelines or 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 sub-meters 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. (30 TAC 291.81(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. **Extension Policy.** The Fayette Water Supply Corp. (FWSC) is approving an extension policy to help with the customers extending FWSC lines. The extension policy will cause the customer, who connects to the existing line, to pay his share of the cost. This policy in turn will reimburse the customer a percentage of the initial cost.

The extension policy will be as follows:

If a customer connects to an extended line within one (1) year, the new customer will be required to pay 50% of the extension cost. The payment of 50% will be reimbursed to the customer extending the line;

If a customer connects to an extended line within two (2) years, the new customer will be required to pay 33% of the extension cost. The payment of 33% will be reimbursed to the customer extending the line;

If a customer connects to an extended line within three (3) years, the new customer will be required to pay 25% of the extension cost. The payment of 25% will be reimbursed to the customer extending the line; and,

After three (3) years, no reimbursement will be made to the original customer.

The period of time will start when the meter is energized; this time is regardless of usage.

An example of the extension policy would be as follows:

John Doe pays FWSC to extend their lines about 1,000 feet for a cost of \$2,000. The meter is set on July 1, 1997. Mr. Doe does not use any water till Feb. 1, 1998. Mrs. Frank Woe wants to get on the new extension. She pays for her new meter on August 15, 1998. The new meter is installed on Sept. 1, 1998. Mr. Roger Boe also pays for a new connection on June 15, 1999. The new meter is installed on July 5, 1999.

The reimbursement would be as follows:

Mr. John Doe would get \$660 from Mrs. Woe, and

Mr. John Doe would get \$500 from Mr. Boe.

No money would be reimbursed to Mr. Doe after July 1, 2000.

This policy adopted on September 15, 1997 and becomes effective immediately.

5. **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.)
6. **Ownership of equipment.** All water meters and equipment and materials required to provide water service to the point of customer connection; a water meter or service tap, is the property of the Corporation upon installation, and shall be maintained by the water system only.
7. **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. (30 TAC 291.86 (a)(1)(A))
 - b. **Re-Service** – On property where service previously existed, the Corporation shall charge the Membership Fee (where the Membership Fee has been liquidated or forfeited), reconnection costs, any debt owed to the Corporation if the applicant is the person that previously incurred those charges, 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 Digtest line locates, when applicable allowing 2-3 weeks to obtain county or state permits or 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)
8. **Activation of Non-Standard Service.** Activation of Non-Standard Service shall be conducted as prescribed by terms of Section F of this Tariff.
9. **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.
10. **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 and one (1) share of Corporation Stock. The Membership

entitles the Member to one (1) vote in the election of directors and in such other matters requiring the approval of the Corporation's Members at any Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. Ownership of more than one (1) Membership shall not authorize the Member to cast more than one (1) vote at any annual or special meeting. Each Membership and Stock thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. (Texas Water Code 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. **Transfers of Membership.** – (Texas Water Code Section 67.016)
- 1) A Member is entitled to transfer Membership in the Corporation only under the following circumstances:
 - (a) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
 - (b) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
 - (c) The Membership is transferred without compensation or by sale to the Corporation; or
 - (d) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.
 - 2) In the event that Membership is transferred pursuant to the provisions of Subsection 9 c. (1) of this Section, such transfer shall not be completed or recorded on the books and records of the Corporation until such time as the transferor has provided satisfactory evidence to the Corporation of such transfer. A transfer of Membership shall be considered a new application for service and is not binding on the Corporation until such transfer has been approved as provided by Subsection 10 c. 3 of this Section.
 - 3) Qualifications for service upon transfer of Membership set forth in Subsection 10 c. (1) of this and 10 c. (2) of this Section shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon the following terms and conditions:
 - (a) The Transferee has completed the required Application Packet including granting the Corporation with a private utility easement on the form provided by the Corporation;
 - (b) The membership has not been fully or partially liquidated ; and
 - (c) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
 - 4). If the application packet and other information is not completed on the day transfer of membership is requested the corporation will give the transferee written notice of 10

additional days to produce completed documentation to the corporation office. Service will be disconnected on the day following the 10th day according to disconnection with notice requirements. Additional time may be allowed at the directions of the manager or board.

- d. **Cancellation of Membership** – To keep a Membership in good standing, a 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)
- e. **Liquidation Due To Delinquency** – When the amount of the delinquent charges owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated and the Membership canceled and transferred back to the Corporation. In the event the Member leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership, the Corporation may liquidate as many of the Member Guarantor's Membership Fees as necessary to satisfy the balance due to 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.
- f. **Cancellation Due To Policy Non-Compliance** – The Corporation may cancel a Membership anytime a Member fails to comply with policies of the Corporation, including but not limited to Member's failure to provide proof of ownership of the property from which the Membership arose. (Texas Water Code Section 67.016)
- g. **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.
- h. **Cancellation and Re-Assignment of Membership as a Result of Divorce (or Dissolution of Joint Tenancy)** – The Corporation shall transfer the membership to a spouse (or joint tenant) who has been awarded the property designated to receive service. The Corporation must be provided adequate documentation of the ownership rights of the spouse (or joint tenant) requesting transfer, such as final divorce decree, temporary court order, or agreement.

In no event shall any membership(s) be transferred if the transferee does not otherwise meet the qualifications for membership and for service.

11. 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 to 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 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.

12. Renter's Policy. - Rental accounts will remain in the property owner's name. The first bill will be mailed to the tenant/renter. The second notice, if needed, will be mailed to the tenant/renter and property owner. When the rental property is vacant, the bill will be mailed to the property owner. The owner is ultimately responsible for any unpaid charges left by their tenant/renter. (See Texas Water Code Section 67.016(d))

13. 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.)

14. 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.

- 15. *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 under billing 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.
- 16. *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.
- 17. *Charge Distribution and Payment Application.***
 - a. **The Base Rate** is for the billing period from the previous meter reading date to the current meter reading date. Billings for this amount shall be mailed on or about the 1st business day 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. **Gallon 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, automatic debit on customer's bank account, or draft on bank. 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 of \$2.95 associated with Credit Card payments to those customers which make payment by credit card in accordance with consumer laws.

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

- a. The Corporation shall mail all bills on or about the 1st business day 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. 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. 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.

19. 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 nonstandard 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 reapply 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 Fayette Water Supply Corporation pursuant to the Corporation's Agreement with the [Name of Utility]. (See Miscellaneous Transaction Forms for sewer utility service agreement: 30 TAC 291.88(e), 291.87(g); Texas Water Code 13.147, 13.250(b) (2)); solid waste: 30 TAC 291.88(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 service to the Member's renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement. (Note: The cancellation of membership must be in writing and signed by the Member. CORPORATION ASSUMES NO LIABILITY TO RENTER/LESSEE; MEMBER IS SOLELY RESPONSIBLE FOR COMPLIANCE WITH, AND LIABILITY UNDER ANY FEDERAL, STATE OR LOCAL LAW CREATING OR PROTECTING RIGHTS OF RENTERS/LEESSEES.) (See attached Texas Water Code Section. 67.016 (d))
- 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 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 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 tap or equipment, by-passing the meter or equipment, or other diversion of water service.

NOTE: Where reasonable, given the nature of the reason for disconnection, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.

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

- 1) Failure of the Member to pay for merchandise or charges for nonutility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of nonutility 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 under billing 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 under billing due to any faulty metering, unless the meter has been tampered with or unless such under billing 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 Texas Commission on Environmental Quality.
- f. **Disconnection for Ill Customers** – The Corporation may not discontinue service to a delinquent residential Member or renter/leasee permanently residing in an individually metered dwelling unit when that Member or renter/leasee 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 renter/leasee 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 renter/leasee enters into a Deferred Payment Agreement (see Miscellaneous Transaction Forms). The Corporation shall provide notice to the owner of the rental property in the event the renter/leasee requests service not be discontinued due to illness as per this subsection.
- g. **Disconnection of Master-Metered Accounts and Non-Standard Sewer Services** – 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.

20. 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.

21. **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.
22. **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.
23. **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.
24. **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.
25. **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,
 3. Attaching objects to the meter to divert service or to by-pass,
 4. Inserting objects into the meter,
 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 from being correctly registered by a metering device 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.

26. *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.

27. *Prohibition of Multiple Connections to a Single Tap.*

a. No more than one (1) residential, commercial, or industrial service connection is allowed per meter. The Corporation may consider allowing an apartment building or mobile home/RV park to apply as a "Master Metered Account" and have a single meter (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) or See attached PUC Utili-Facts)

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 system that is connected to a primary delivery point already servicing one residence, one commercial or industrial facility of a water line serving another residence or commercial or industrial facility. Water 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 tap that is installed in accordance with this Tariff and applicable law and which provides water 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 three months. 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.

28. 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 TCEQ rules, this Tariff and applicable law. The Corporation may allow master metering and/or non-standard sewer service to these facilities at an Applicant's request.

29. Member's Responsibility.

- a. The Member shall provide access to the meter or sewer tap 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 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any

residential or non-residential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant. (30 TAC 290.46)

- 3) 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. 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 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

30. Bulk Water Accounts. - Bulk water accounts are considered wholesale customers and are not members of the corporation. They are a temporary service connection and are subject to separate fees from standard service accounts.

- a. **Activation of Bulk Water Service** shall be conducted as prescribed by terms of Bulk Water Rates and Procedure of this Tariff. (See 27.a)
- b. **Re-Service** - The same terms and fees which apply under the Activation of Bulk Water Service shall be applied to Re-Service requests.
- c. **Performance of Work** -- All taps 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 bulk water service request shall be completed within five (5) working days whenever practicable, but not later than ten (10) working days.
- d. **Inspection of Bulk Water Service Connection** -- The property of the corporation 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 backflow prevention device required by the Corporation. (30 TAC 290.46(j); Service Agreement Form)

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. ***Corporation's Limitations.*** All Applicants shall recognize that the Corporation must comply with local, state, and federal rules and regulations as promulgated from time to time, and with covenants of current indebtedness. The Corporation is not required to extend retail utility service to an Applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this policy. 13.2502 of the Texas Water Code requires that notice be given herein or by publication (See Miscellaneous Transaction Forms) or by alternative means to the Developers/Applicants. (Also see Section F. 11.)
2. ***Purpose.*** It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions and other kinds of Non-Standard Service are determined, including the Non-Standard Service Applicant's and the Corporation's respective costs.

For purposes of the Section, the term "Applicant" shall refer to the individual or entity that desires to secure Non-Standard Service from the Corporation. The Applicant must be the same person or entity that is authorized to enter into a contract with the Corporation setting 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.

3. ***Application of Rules.*** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required for a single tract of property. Examples of non-standard services for a single tract of land can include, but are not limited to, road bores, extensions to the distribution system, service lines exceeding 3/4" diameter and service lines exceeding (15) 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.

4. ***Non-Standard Service Application.*** The Applicant shall meet the following requirements prior to the initiation of a Non-Standard Service Contract by the Corporation:

- (a) The Applicant shall provide the Corporation a completed 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:
 - (i) The service location is not in an area receiving similar service from another retail Corporation;
 - (ii) The service location is not within another retail Corporation's Certificate of Convenience and Necessity; and
 - (iii) The Corporation's Certificate of Convenience and Necessity shall be amended to include the entirety of Applicant's property for which service is requested. Applicant shall pay all costs incurred by Corporation in amending its CCN, including but not limited to engineering and professional fees. If the service location is contiguous to or within one-fourth (1/4) mile of Corporation's Certificate of Convenience and Necessity, Corporation may extend service prior to completing the amendment to its CCN, but will do so only upon Applicant's legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including legal, surveying and engineering fees incurred by Corporation in securing the amendment).

5. **Design.** The Corporation shall 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.

6. ***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 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:
 - (a) Design of the Applicant's service facilities;
 - (b) Securing and qualifying bids;
 - (c) Execution of the Service Contract;
 - (d) Selection of a qualified bidder for construction;
 - (e) Dispensing advanced funds for construction of facilities required for the Applicant's service;
 - (f) Inspecting construction of facilities; and 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.

7. 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.

8. 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 WSC. The Facilities 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 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 (6) months following the date of the transfer.

9. 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:

- a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Applicant shall secure easements or 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))
- b. 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.
- c. 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.
- d. 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

10. 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
- c. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation
- d. The Contractor shall supply favorable references acceptable to the Corporation
- e. The Contractor shall qualify with the Corporation as competent to complete the work (including but not limited to current water license, OSHA competent person training, and other licenses / certificates as required to complete the project); and
- f. The Contractor shall provide adequate certificates of insurance as required by the Corporation

11. *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.

12. *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 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 30 TAC 291.105(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 30 TAC Section 291.105(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 demand of the development when fully built out and occupied, the anticipated water 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 TCEQ.

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 TCEQ.

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 non-refundable Membership Fee must be paid for each service requested before service shall be provided 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 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. **Equity Buy-In Fee.** In addition to the Membership Fee, each Applicant for new service that requires a new service tap shall be required to achieve parity with the contributions to the construction of the Corporation's facilities capacity that have been made previously by existing Members. This fee shall be assessed immediately prior to providing service on a per unit basis for each service requested and shall be assigned and restricted to that property for which the service was originally requested. This fee shall be set aside for future capacity improvements such as line upgrades, new tanks, treatment, or production. The formula applied to such fee calculated annually after receipt of the system audit is as follows:

Sample Calculation:

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

a. Water Fee is \$2400.00

6. **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

7. **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" by 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" by 3/4"	1.0	\$26.00
1"	2.5	\$65.00
1 1/2"	5.0	\$130.00
2"	8.0	\$208.00

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

- (1) Water per thousand gallons –

1 - 10,000	\$4.00
10,001 to 20,000	\$5.00
20,001 to 40,000	\$6.00
40,001 to 60,000	\$7.00
60,001 to 80,000	\$8.00
80,001 to 100,000	\$9.00
100,001 and over	\$10.00

- (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 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. (30 TAC 291.76(d))
8. **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 of indebtedness for the year's operations. (See Article XVIII of USDA Model Bylaws, Section 1)
9. **Late Payment Fee.** Once per billing period, a penalty of \$15.00 shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period.
NOTE: The Corporation cannot charge political subdivisions and state agencies the late payment fee. (Texas Government Code Chapter 2251.021 and Sec. E.16)
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 \$25.00. (See Miscellaneous Transaction Forms)
11. **Administrative Fee.** All accounts not paid in full by 5:00 PM the day before the cut-off date will be charged a \$50.00 fee.
12. **Reconnect Fee.** The Corporation shall charge a fee of \$50.00 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.
13. **Service Trip Fee.** The Corporation shall charge a trip fee of \$20.00 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 \$50.00 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 penalty may only be assessed against the person who committed the Tampering. An owner cannot be assessed for the Tampering committed by their tenant. 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 \$50.00 shall be imposed on the affected account.
18. ***Transfer Fee.*** An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of \$5.00.
19. ***Non-Disclosure Fee.*** A fee of \$5.00 shall be assessed any customer requesting in writing that personal information under the terms of this tariff not be disclosed to the public.
20. ***Record 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.
21. ***Customer Service Inspection Fee.*** No fee will be assessed for each Standard Service Applicant before permanent continuous service is provided to new construction.
22. ***Regulatory Assessment.*** A fee of 0.5% of the amount billed for water service will be assessed each customer; this assessment is required under Texas law and TCEQ regulations. **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))
23. ***Additional Assessments.*** In the event any federal, state or local government imposes on the Corporation a "per meter" fee or an assessment based on a percent of water/sewer charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.
24. ***Groundwater District Production Fee.*** No fee at this time per thousand gallons of water used by each customer; this fee is collected to pay a portion of the annual fee charged the Corporation by Fayette County Groundwater Conservation District based on the amount of water pumped from the Corporation's wells located within the boundaries of the District.
25. ***Other Fees.*** All services outside the normal scope of utility operations that the Corporation may be compelled to provide at the request of a customer or Member shall be charged to the recipient based on the cost of providing such service.

26. ***Cut or Damaged Lock Fee.*** It is illegal to remove or cut a lock that has been placed on a meter for non-payment. Theft of service charges may be filed against the offender by the Corporation and a fee of \$100.00 may be assessed to any account that removes a lock.
27. ***Bulk Water Fee.*** Service and tap fee \$150.00 (nonrefundable). Rental Deposit \$100.00 (refundable). \$10.00 per thousand gallons.