



Control Number: 50231



Item Number: 1

Addendum StartPage: 0

**50231**

**PUBLIC UTILITY COMMISSION OF TEXAS  
APPLICATION FOR SALE, TRANSFER,  
OR MERGER OF A RETAIL PUBLIC UTILITY**

Pursuant to Chapter 13.251 of the Texas Water Code

**SALE OF A PORTION OF:  
KEMPNER WSC (WATER CCN #10456)  
TO:  
CITY OF COPPERAS COVE (WATER CCN #10449)  
FOR THE:  
Gateway Addition, Phase Two  
Lot 1, Block 1**

*Prepared for:*  
**City of Copperas Cove  
914 South Main St., Suite D  
Copperas Cove, Texas 76522**

**November 2019**



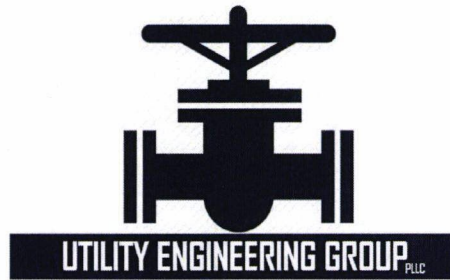
*Prepared by:*  
**UTILITY ENGINEERING GROUP, PLLC**

Texas Registered Engineering Firm: 18712



191 N. Union Ave. New Braunfels, TX 78130  
PH: (830) 214-0521

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PUBLIC UTILITY COMMISSION  
FILING CLERK



November 11, 2019

Filing Clerk  
**Public Utility Commission of Texas**  
1701 N. Congress Avenue  
Austin, TX 78711-3326

**RE: Application for the Sale, Transfer, or Merger of a Retail Public Utility  
(Kempner WSC – CCN No. 10456 to City of Copperas Cove - CCN No. 10449)  
For the Gateway Addition, Phase Two, Lot 1, Block 1**

Dear Filing Clerk:

The attached application represents the sale of portions of Kempner Water Supply Corporation's Water Certificate of Convenience and Necessity (CCN) No. 10456 to the City of Copperas Cove, Water CCN No. 10449. Attached are the required one, un-bound original, and six copies of the application; each including a CD containing the required digital mapping data.

If you have any questions or comments, please do not hesitate to contact me.

Sincerely,

David Kneuper, P.E.  
Utility Engineering Group, PLLC  
Project Manager – Partner  
Office: (830) 214-0521  
davidk@uegpros.com

cc: Ryan Haverlah– City of Copperas Cove  
Robert Lewis – City of Copperas Cove  
Delores Coberley – Kempner Water Supply Corporation



# 

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

### Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
  - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
  - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
  - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
  - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (**NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.**)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
  - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
  - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***
- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
 

**HEARING ON THE MERITS:** An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).
- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.
- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

#### FAQ:

##### Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

##### Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

#### Terms

**Transferor:** Seller

**Transferee:** Purchaser

**CCN:** Certificate of Convenience and Necessity

**STM:** Sale, Transfer, or Merger

**IOU:** Investor Owned Utility

## Application Summary

**Transferor:** Kempner Water Supply Corporation

*(selling entity)*

**CCN No.s:** 10456

☒ Sale      ☐ Transfer      ☐ Merger      ☐ Consolidation      ☐ Lease/Rental

**Transferee:** City of Copperas Cove

*(acquiring entity)*

**CCN No.s:** 10449

☐ Water      ☐ Sewer      ☐ All CCN      ☒ Portion CCN      ☐ Facilities transfer

**County(ies):** Coryell County

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### Please mark the items included in this filing

<input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1	(See Attachment 'A')
<input checked="" type="checkbox"/> Tariff including Rate Schedule	Part B: Question 4	(See Attachment 'K')
<input type="checkbox"/> List of Customer Deposits	Part B: Question 5	
<input type="checkbox"/> Partnership Agreement	Part C: Question 7	
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7	
<input type="checkbox"/> Certificate of Account Status	Part C: Question 7	
<input checked="" type="checkbox"/> Financial Audit	Part C: Question 10	(See Attachment 'J')
<input type="checkbox"/> Application Attachment A & B	Part C: Question 10	
<input type="checkbox"/> Disclosure of Affiliated Interests	Part C: Question 10	
<input checked="" type="checkbox"/> Capital Improvement Plan	Part C: Question 10	(See Attachment 'I')
<input type="checkbox"/> List of Assets to be Transferred	Part D: 11.B	
<input type="checkbox"/> Developer Contribution Contracts or Agreements	Part D: 11.D	
<input type="checkbox"/> Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)	
<input checked="" type="checkbox"/> TCEQ Compliance Correspondence	Part F: Question 22	
<input type="checkbox"/> TCEQ Engineering Approvals	Part F: Question 24	(See Attachment 'F')
<input type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part F: Question 26	
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part G: Question 29	(See Attachment 'B')
<input checked="" type="checkbox"/> General Location (small scale) Map	Part G: Question 29	(See Attachment 'C')
<input checked="" type="checkbox"/> Digital Mapping Data	Part G: Question 29	(See Attachment 'L')
<input checked="" type="checkbox"/> Signed & Notarized Oath	Page 13-14	

## Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

This transaction is required in order to purchase a portion of Kempner WSC's water CCN area that is currently located within the City Limits of the City of Copperas Cove. This transaction will give the City the ability to provide water service to the area. See Attachment 'A' for the Purchase Request Letter for this area. No Kempner WSC facilities are proposed be transferred.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

- ☐ Obtaining a NEW CCN for Purchaser  
☐ Transfer all CCN into Purchaser's CCN (Merger)  
☒ Transfer Portion of CCN into Purchaser's CCN  
☐ Transfer all CCN to Purchaser and retain Seller CCN  
☐ Uncertificated area added to Purchaser's CCN

For **Transferor** (Seller) CCN:

- ☐ Cancellation of Seller's CCN  
☒ Transfer of a Portion of Seller's CCN to Purchaser  
☐ Only Transfer of Facilities, No CCN or Customers  
☐ Only Transfer of Customers, No CCN or Facilities  
☒ Only Transfer CCN Area, No Customers or Facilities

## Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Kempner Water Supply Corporation

(individual, corporation, or other legal entity)

☐ Individual ☐ Corporation ☒ WSC ☐ Other: \_\_\_\_\_

- B. Mailing Address: 11986 East Highway 190, Kempner, Texas 76539

Phone: (512) 932-3701

Email: N/A

- C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Delores Coberley

Title: General Manager

Mailing Address: 11986 East Highway 190, Kempner, Texas 76539

Phone: (512) 932-3701

Email: delores@kempnerwsc.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

- A. Effective date for most recent rates: \_\_\_\_\_

- B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No

☐ Yes

Application or Docket Number: \_\_\_\_\_

**If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.**



5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☒ There are no customers that will be transferred

☐ # of customers without deposits held by the transferor \_\_\_\_\_

☐ # of customers with deposits held by the transferor\* \_\_\_\_\_

\*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

### Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: City of Copperas Cove

(individual, corporation, or other legal entity)

☐ Individual ☐ Corporation ☐ WSC ☒ Other: Municipally-owned utility

B. Mailing Address: 914 South Main Street, Suite D, Copperas Cove, Texas 76522

Phone: (254) 547-4221

Email: N/A

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Ryan Haverlah

Title: City Manager

Address: 914 South Main Street, Suite D, Copperas Cove, Texas 76522

Phone: (254) 547-4221

Email: rhaverlah@copperascovetx.gov

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☐ Yes ☒ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☐ Yes ☒ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☐ Corporation

Charter number (as recorded with the Texas Secretary of State): \_\_\_\_\_

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]

Charter number (as recorded with the Texas Secretary of State): \_\_\_\_\_

☐ Articles of Incorporation and By-Laws established (*attach*)

☒ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

- ☐ County
- ☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- ☐ Other (please explain): \_\_\_\_\_

**8.** If the transferee operates under any d/b/a, provide the name below:

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

**9.** If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Ryan Haverlah

Position: City Manager

Ownership % (if applicable): 0.00%

Address: 914 South Main Street, Suite D, Copperas Cove, Texas 76522

Phone: (254) 547-4221

Email: rhaverlah@copperascovetx.gov

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

Position: \_\_\_\_\_

Ownership % (if applicable): 0.00%

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

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

Email: \_\_\_\_\_

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

Position: \_\_\_\_\_

Ownership % (if applicable): 0.00%

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

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

Email: \_\_\_\_\_

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

Position: \_\_\_\_\_

Ownership % (if applicable): 0.00%

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

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

Email: \_\_\_\_\_

**10. Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

**Historical Financial Information** may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

**See URL included in Attachment 'J'**



**Projected Financial Information may be shown by providing any of the following:**

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

**Part D: Proposed Transaction Details**

11. A. Proposed Purchase Price: \$ 810.00 per acre

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☐ Yes ☐ N/A

Total Original Cost of Plant in Service: \$ \_\_\_\_\_

Accumulated Depreciation: \$ \_\_\_\_\_

Net Book Value: \$ \_\_\_\_\_

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☐ No ☐ Yes

Total Customer CIAC: \$ \_\_\_\_\_

Accumulated Amortization: \$ \_\_\_\_\_

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☐ No ☐ Yes

Total developer CIAC: \$ \_\_\_\_\_

Accumulated Amortization: \$ \_\_\_\_\_

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

**B.** If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

N/A

**13.** Provide any other information concerning the nature of the transaction you believe should be given consideration:

The City of Copperas Cove (Transferee) purchases water from Bell County Water Control & Improvement District No. 1. No change in the City's quality of water service is anticipated due to this transaction.

**14.** Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	\$ _____	(See Attachment 'I')
Accumulated Depreciation of Plant:	\$ _____	
Cash:	\$ _____	
Notes Payable:	\$ _____	
Mortgage Payable:	\$ _____	
(Proposed) Acquisition Adjustment*:	\$ _____	
*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)		
Other (NARUC account name & No.):	_____	
Other (NARUC account name & No.):	_____	

**15. A.** Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

N/A - No existing Kempner WSC customers are located within the transfer area.

**B.** If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

N/A

**Part E: CCN Obtain or Amend Criteria Considerations**

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

This water CCN transaction will give the City of Copperas Cove the ability to provide water service to the identified water CCN transfer area. No change in the City's quality of water service is anticipated due to this transaction.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

The City of Copperas Cove water system is rated as a Superior Public Water System and has operated as one for numerous years. The system currently provides retail water service to a population of 33,919.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☒ No ☐ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

No environmental impacts are anticipated by this transaction. With the area being located in the City of Copperas Cove City Limits, the City's Zoning and Code of Ordinances will govern development.

20. How will the proposed transaction serve the public interest?

This water CCN transaction will give the City of Copperas Cove the ability to provide water service to the identified transfer area, meeting TCEQ requirements, as well as City-required fire flow.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

Kempner WSC - 10456, Topsey WSC - 10454, Saratoga Underground Water Conservation District, Middle Trinity Groundwater Conservation District, Coryell County, Lampasas County, Brazos River Authority (District No. 1685000), and the Lower Colorado River Authority (District No. 5460000).

**Part F: TCEQ Public Water System or Sewer (Wastewater) Information**

Complete Part F for **EACH** Public Water or Sewer system to be transferred subject to approval of the transaction.  
Attach a separate sheet with this information if you need more space for additional systems being transferred.

**22. A. For Public Water System (PWS):**TCEQ PWS Identification Number: 0500001 (7 digit ID)Name of PWS: City of Copperas CoveDate of last TCEQ compliance inspection: July 13, 2017 (attach TCEQ letter)Subdivisions served: Numerous, provides retail water service to a population of 33,919**B. For Sewer service:**TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: \_\_\_\_\_

Name of Permittee: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

Date of application to transfer permit submitted to TCEQ: \_\_\_\_\_**23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:**

Water				Sewer	
	Non-metered		2"		Residential
	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			0	Total Sewer Connections:	

**24. A. Are any improvements required to meet TCEQ or Commission standards?**☒ No ☐ Yes**B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):**

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
N/A		

**C. Is there a moratorium on new connections?**☒ No ☐ Yes:**25. Does the system being transferred operate within the corporate boundaries of a municipality?**☐ No ☒ Yes: The City of Copperas Cove (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: 33,919 population Sewer: \_\_\_\_\_14,460 connections

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

☐ No ☐ Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: N/A - No facilities are being transferred with this transaction

Water: City of Copperas Cove purchases water from Bell County WCID No. 1

Sewer: \_\_\_\_\_

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

☐ No ☒ Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:	16,000,000.00	100.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

☐ No ☐ Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☐ No ☒ Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer
See Attachment "H"			

### Part G: Mapping & Affidavits

**ALL applications require mapping information to be filed in conjunction with the STM application.**

***Read question 29 A and B to determine what information is required for your application.***

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
  - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
  - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

- iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.

- 2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
  - i. The map must be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made or natural landmarks must be labeled and marked on the map as well.
  - ii. If the application requests an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
  - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
  - iv. The outer boundary of the requested area should not be covered by any labels, roads, city limits or extraterritorial jurisdiction (ETJ) boundaries.
- B. For applications that are requesting to include area not currently within a CCN, or for applications that require a CCN amendment (any change in a CCN boundary), such as the transfer of only a portion of a certificated service area, provide the following mapping information with each of the seven (7) copies of the application:
  - 1. A general location (small scale) map identifying the requested area with enough detail to locate the requested area in reference to the nearest county boundary, city, or town. Please refer to the mapping guidance in part A 1 (above).
  - 2. A detailed (large scale) map identifying the requested area with enough detail to accurately locate the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, or railroads. Please refer to the mapping guidance in part A 2 (above).
  - 3. One of the following identifying the requested area:
    - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part A 2 (above);
    - ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part A 2 (above); or
    - iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
      - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
      - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
      - c. The digital mapping data shall be filed on a data disk (CD or USB drive), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

## Part H: Notice Information

The following information will be used to generate the proposed notice for the application.

**DO NOT provide notice** of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 3.80

Number of customer connections in the requested area: 0

Affected subdivision : Gateway Addition, Phase 2, Lot 1, Block 1

The closest city or town: City of Copperas Cove

Approximate mileage to closest city or town center: 2

Direction to closest city or town: Northeast

The requested area is generally bounded on the North by: Cline Dr.

on the East by: Katelyn Cir.

on the South by: HWY 190

on the West by: W. HWY 190

31. A copy of the proposed map will be available at: City of Copperas Cove City Manager's Office (914 S. Main St., Ste. D, Copperas Cove, TX 76522)

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

- ☒ All of the customers will be charged the same rates they were charged before the transaction.
- ☐ All of the customers will be charged different rates than they were charged before the transaction.
- ☐ higher monthly bill    ☐ lower monthly bill
- ☐ Some customers will be charged different rates than they were charged before  
(i.e. inside city limit customers)
- ☐ higher monthly bill    ☐ lower monthly bill



**Oath for Transferor (Transferring Entity)**

STATE OF Texas

COUNTY OF Lampasas

I, Delores Coberley being duly sworn, file this application for sale,  
transfer,

merger, consolidation, acquisition, lease, or  
rental, as

**General Manager**

(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

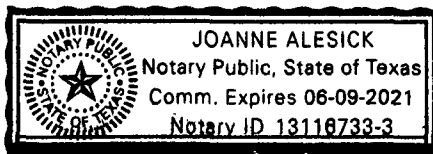
I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Texas Water Code § 13.301(j) and copies of any outstanding enforcement Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Texas Water Code § 13.301(k).

*Delores Coberley*  
**AFFIANT**  
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

**SUBSCRIBED AND SWORN BEFORE ME**, a Notary Public in and for the State of Texas  
this day the 30 of October, 2019

SEAL



*Joanne Alesick*  
**NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS**  
JoAnne Alesick  
**PRINT OR TYPE NAME OF NOTARY**

My commission expires: June 9, 2021

*Gateway Phase # 2*

## Oath for Transferee (Acquiring Entity)

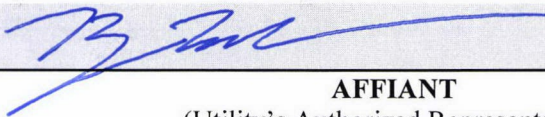
STATE OF Texas

COUNTY OF Coryell

I, Ryan Haverlah being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as City Manager  
(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.



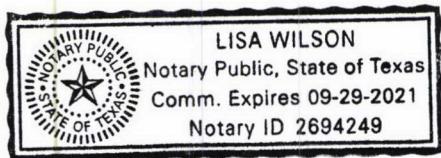
**AFFIANT**  
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

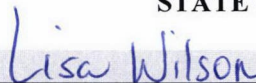
**SUBSCRIBED AND SWORN BEFORE ME**, a Notary Public in and for the State of Texas

this day the 13<sup>th</sup> of September, 20 19

SEAL



**NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS**



**PRINT OR TYPE NAME OF NOTARY**

My commission expires:

9-29-21

## Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)

*(Audited financial statements may be substituted for this schedule – see Item 17 of the instructions)*

<b>HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)</b>	<b>CURRENT(A) ( - - )</b>	<b>A-1 YEAR ( - - )</b>	<b>A-2 YEAR ( - - )</b>	<b>A-3 YEAR ( - - )</b>	<b>A-4 YEAR ( - - )</b>	<b>A-5 YEAR ( - - )</b>
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Other						
<b>A. Total Current Assets</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>B. Total Fixed Assets</b>						
<b>C. TOTAL Assets (A + B)</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>						
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>E. Total Long Term Liabilities</b>						
<b>F. TOTAL LIABILITIES (D + E)</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>G. TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>						
<b>WORKING CAPITAL (A – D)</b>						
<b>CURRENT RATIO (A / D)</b>						
<b>DEBT TO EQUITY RATIO (E / G)</b>						

**DO NOT INCLUDE ATTACHMENTS A OR B IN FILED APPLICATION IF LEFT BLANK**

HISTORICAL NET INCOME INFORMATION						
(ENTER DATE OF YEAR END )	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc)						
<b>Gross Income</b>						
<b>EXPENSES</b>						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
<b>NET INCOME</b>						

See Attachment 1

<b>HISTORICAL EXPENSE INFORMATION (ENTER DATE OF YEAR END )</b>	<b>CURRENT(A) ( - - )</b>	<b>A-1 YEAR ( - - )</b>	<b>A-2 YEAR ( - - )</b>	<b>A-3 YEAR ( - - )</b>	<b>A-4 YEAR ( - - )</b>	<b>A-5 YEAR ( - - )</b>
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits–Office/Management						
Office (services, rentals, supplies, electricity)						
Contract Labor						
Transportation						
Insurance						
Telephone						
Utilities						
Property Taxes						
Professional Services/Fees (recurring)						
Regulatory- other						
Other (describe)						
Interest						
Other						
<b>Total General Admin. Expenses (G&amp;A)</b>						
<b>% Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONS &amp; MAINTENANCE EXPENSES</b>						
Salaries & Benefits (Employee, Management)						
Materials & Supplies						
Utilities Expense-office						
Contract Labor						
Transportation Expense						
Depreciation Expense						
Other(describe)						
<b>Total Operational Expenses (O&amp;M)</b>						
<b>Total Expense (Total G&amp;A + O&amp;M)</b>						
<b>Historical % Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Depreciation Schedule (attach)						
Other assumptions/information (List all)						

## Appendix B: Projected Information

<b>HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)</b>	<b>CURRENT(A) ( - - )</b>	<b>A-1 YEAR ( - - )</b>	<b>A-2 YEAR ( - - )</b>	<b>A-3 YEAR ( - - )</b>	<b>A-4 YEAR ( - - )</b>	<b>A-5 YEAR ( - - )</b>
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
<b>A. Total Current Assets</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>B. Total Fixed Assets</b>						
<b>C. TOTAL Assets (A + B)</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>						
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>E. Total Long Term Liabilities</b>						
<b>F. TOTAL LIABILITIES (D + E)</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>G. TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>						
<b>WORKING CAPITAL (A - D)</b>						
<b>CURRENT RATIO (A / D)</b>						
<b>DEBT TO EQUITY RATIO (F / G)</b>						

PROJECTED NET INCOME INFORMATION						
(ENTER DATE OF YEAR END )	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc)						
<b>Gross Income</b>						
<b>EXPENSES</b>						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
<b>NET INCOME</b>						

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office						
Computer						
Auto						
Insurance						
Telephone						
Utilities						
Depreciation						
Property Taxes						
Professional Fees						
Interest						
Other						
<b>Total</b>						
<b>% Increase Per projected Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto						
Utilities						
Depreciation						
Repair & Maintenance						
Supplies						
Interest						
Other						
<b>Total</b>						



<b>PROJECTED SOURCES AND USES OF CASH STATEMENTS</b>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income						
Depreciation (If funded by revenues of system)						
Loan Proceeds						
Other						
<b>Total Sources</b>						
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
<b>Total Uses</b>						
<b>NET CASH FLOW</b>						
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt Service (CADS)						
A: Net Income (Loss)						
B: Depreciation, or Reserve Interest						
<b>C: Total CADS (A + B = C)</b>						
<b>D: DEBT SERVICE (DS)</b>						
Principle Plus Interest						
<b>E: DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by DS (E = C / D)						

See Attachment 1

## **City of Copperas Cove**

Gateway Addition, Phase Two  
Lot 1, Block 1  
Application for Sale, Transfer, or Merger of a Public Utility

### **Attachments**

Attachment 'A' – City of Copperas Cove – Kempner WSC Transfer Area Purchase Request

Attachment 'B' – Detailed (Large Scale) Map

Attachment 'C' – General Location (Small Scale) Map

Attachment 'D' – List of Affected Customers

Attachment 'E' – City of Copperas Cove Adopted Fee Schedule  
(Effective April 2, 2019)

Attachment 'F' – Latest TCEQ Inspection Report

Attachment 'G' – Affected Existing Connections

Attachment 'H' – City of Copperas Cove Current Water Operator Info

Attachment 'I' – City of Copperas Cove Fiscal Year 2019-2020 Proposed Budget & Plan of  
Municipal Services  
<http://www.copperascovetx.gov/files/budget/budgets/19-20.pdf>

Attachment 'J' – City of Copperas Cove Comprehensive Annual Financial Report for Year  
Ended September 30, 2018  
[http://www.copperascovetx.gov/files/finance/reports/cafr/2018\\_CAFR.pdf](http://www.copperascovetx.gov/files/finance/reports/cafr/2018_CAFR.pdf)

Attachment 'K' – Kempner Water Supply Corporation Tariff – January 2019

Attachment 'L' – Digital Data

Attachment 'A'  
City of Copperas Cove – Kempner WSC  
Purchase Request



"The City Built for Family Living"

91 7199 9991 7039 1651 8118

September 11, 2019

Ms. Delores Coberley  
General Manager  
Kempner Water Supply Corporation  
11986 E. Hwy. 190  
Kempner, Texas 76539

**Re: Water Certificate of Convenience and Necessity  
Purchase Request and Agreement  
Gateway Addition, Phase Two**

Dear Ms. Coberley:

Based on the previous action taken by the Kempner Water Supply Corporation (WSC) Board on February 27, 2019 as well as by the City of Copperas Cove City Council on March 16, 2019, I submit the following purchase request proposal for the City of Copperas Cove to purchase the water Certificate of Convenience and Necessity (CCN) for +/- 3.799 acres currently held by KWSC and being out of the Lot 1, Gateway Addition, Phase 2 Subdivision located at 1165 W. Business 190 in Copperas Cove. An exhibit showing the proposed acreage is attached to this purchase request.

As previously discussed, the City of Copperas Cove agrees to compensate KWSC in the amount of \$810.00 per acre as compensation for the purchase and transfer of the referenced water CCN area, in the total amount of \$3,077.19. This amount shall consist of \$657.23 to be paid by the City and \$2,419.96 to be paid by the developer. In addition, the City would handle the costs associated with the Public Utility Commission of Texas filing and processing of the Sales, Transfer and Merger (STM) application to formally transfer and revise the City's and KWSC's respective CCN boundaries. By acknowledging below, as authorized and on behalf of KWSC, you affirm that KWSC agrees to the sale and transfer of the referenced water CCN area to the City of Copperas Cove for the compensation listed in this purchase request proposal. In addition, you also acknowledge and affirm that KWSC agrees that should the transfer fail to occur or be approved by the Public Utility Commission of Texas for any reason, all payments made to KWSC will be refunded, within thirty (30) days of City's notification of such occurrence, to the City and developer based on actual payments received from each party.

Sincerely,

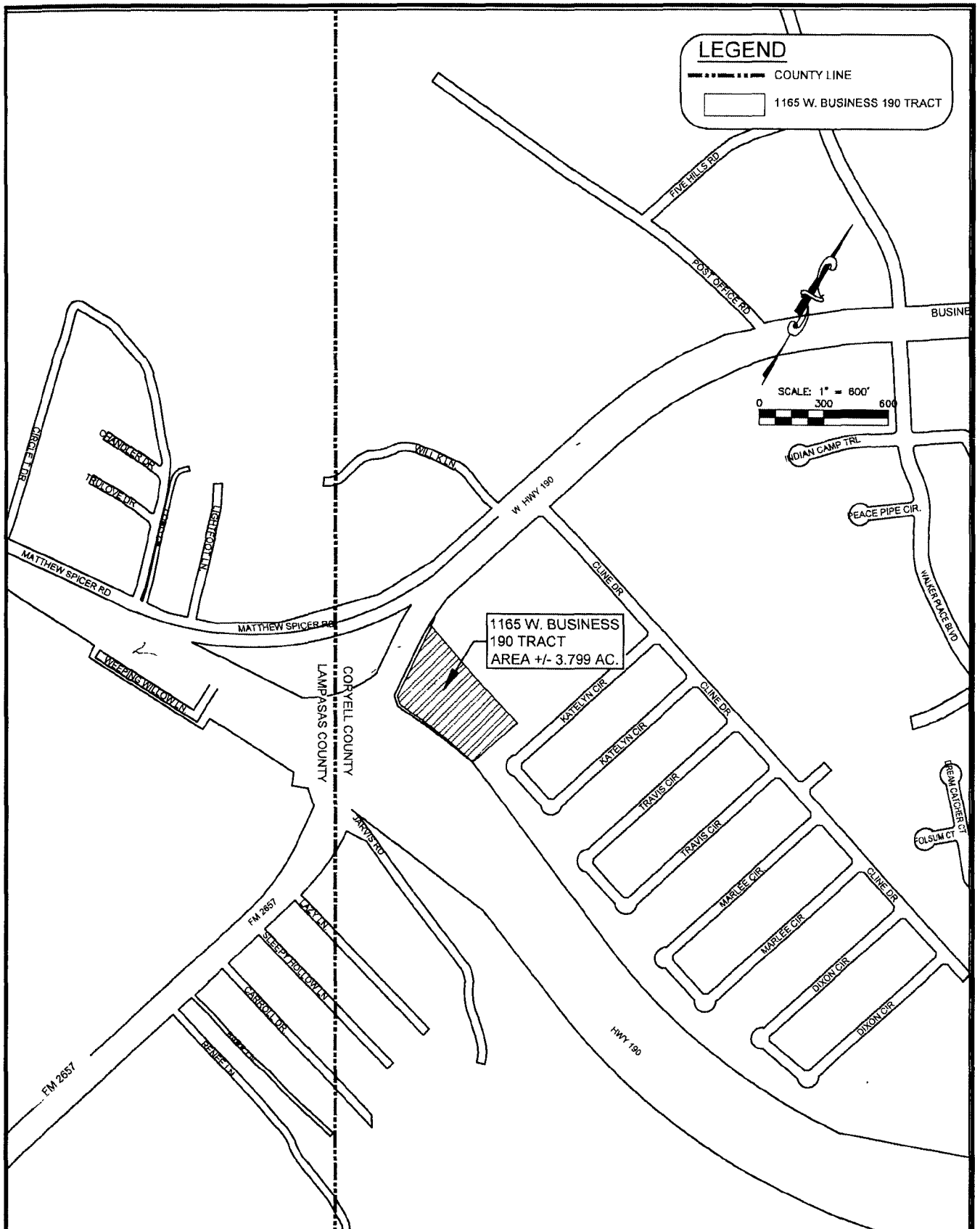
Ryan Haverlah  
City Manager – City of Copperas Cove

Kempner Water Supply Corporation  
11986 E. HWY 190  
Kempner, Texas 76539

By: Delores Coberley  
Delores Coberley – General Manager

Attest

By: JM Clintock  
KWSC Board Secretary



P:\projects\5018 City of Copperas Cove\07 - 1165 W Business 190\CD\AS\shd\0203 FM 2637 Aug Sep 11 2019 - 10 44am



**UTILITY  
ENGINEERING  
GROUP PLLC**

256 Cortal Ave NEW BRAUNFELS, TEXAS 78130 PH: (830) 214-0521  
Texas Engineering Firm F-18712

SCALE: 1" = 600  
DATE: 11 September, 2019  
PROJECT NO: 5019-07  
DESIGNED BY: PD  
DRAWN BY: PD  
CHECKED BY: DK

CITY OF COPPERAS COVE  
GENERAL LOCATION (SMALL SCALE) MAP

LOT 1 GATEWAY ADDITION, PHASE TWO  
OVERALL EXHIBIT

SHEET 1 OF 1

**KEMPNER WATER SUPPLY**

11986 E. Hwy 190 • P. O. Box 103

Kempner, Texas 76539

254-547-9430 or 512-932-3701

**CASH  
RECEIPT**Received From City of Coppell, Texas Date 10-28-19 #12918

Address

Catering Hill, TX Dollars \$ 2415.96For Two thousand four hundred and fifteen and 96/100

## ACCOUNT

## HOW PAID

AMT OF ACCOUNT		CASH	
AMT PAID		CHECK	<u>2415.96</u>
BALANCE DUE		MONEY ORDER <input type="checkbox"/>	
		CREDIT CARD <input type="checkbox"/>	

By S. J. J. J.**KEMPNER WATER SUPPLY**

11986 E. Hwy 190 • P. O. Box 103

Kempner, Texas 76539

254-547-9430 or 512-932-3701

**CASH  
RECEIPT**Received From City of Coppell, Texas Date 10-28-19 #12917

Address

City of Coppell, Texas Dollars \$ 657.48For Six hundred and fifty seven and 48/100

## ACCOUNT

## HOW PAID

AMT OF ACCOUNT		CASH	
AMT PAID		CHECK	<u>657.48</u>
BALANCE DUE		MONEY ORDER <input type="checkbox"/>	
		CREDIT CARD <input type="checkbox"/>	

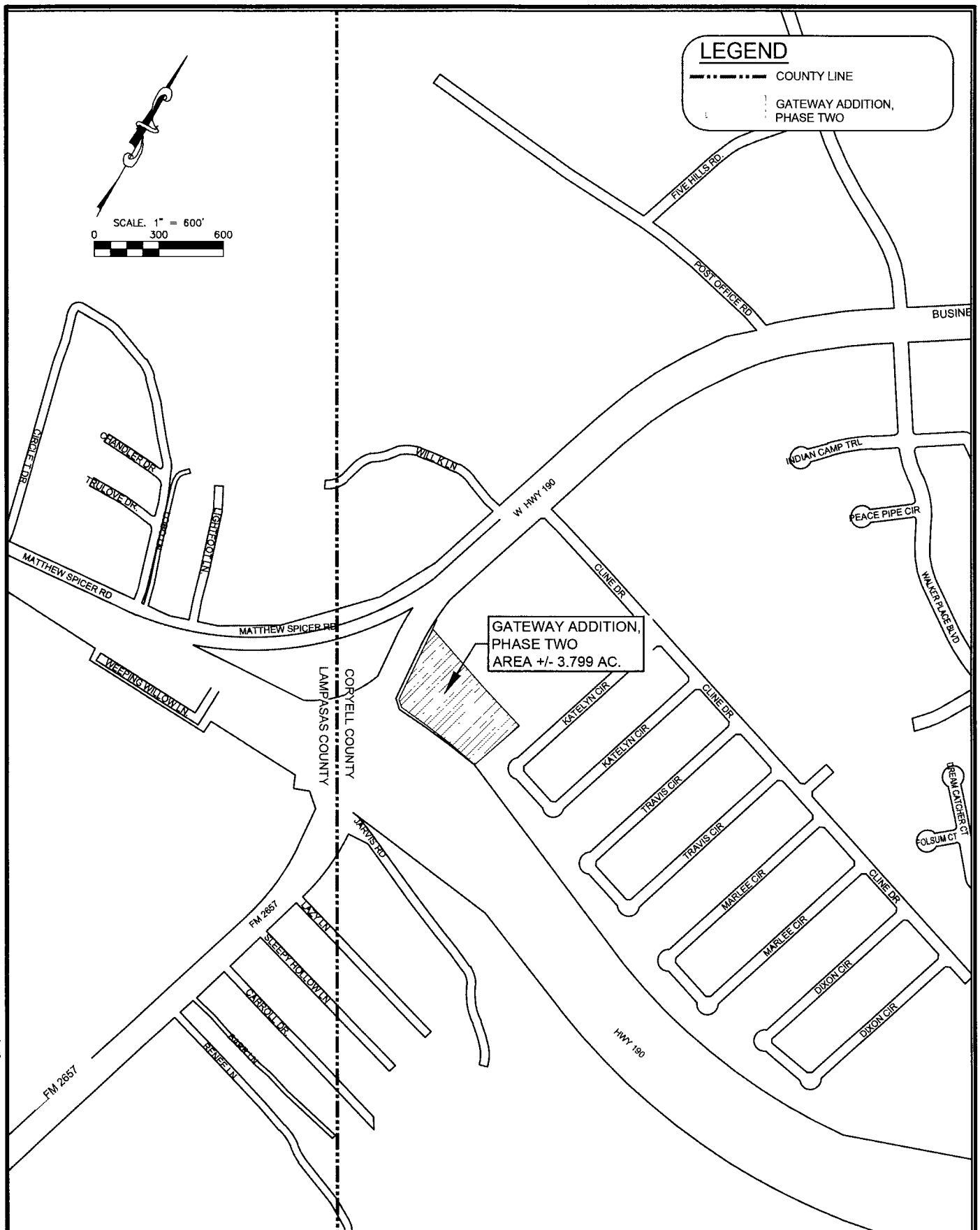
By S. J. J. J.



Attachment 'B'  
Detailed (Large Scale) Map



Attachment 'C'  
General Location (Small Scale) Map



**UTILITY  
ENGINEERING  
GROUP PLLC**

256 Corral Ave NEW BRAUNFELS, TEXAS 78130 PH (830) 214-0521  
Texas Engineering Firm F-18712

SCALE: 1" = 600  
DATE 12 September, 2019  
PROJECT NO 5019-07  
DESIGNED BY PD  
DRAWN BY PD  
CHECKED BY DK

CITY OF COPPERAS COVE  
GENERAL LOCATION (SMALL SCALE) MAP

GATEWAY ADDITION, PHASE TWO  
OVERALL EXHIBIT

SHEET 1 OF 1

Attachment 'D'  
List of Affected Customers

**City of Copperas Cove  
Application for Sale, Transfer, or Merger of a Retail Public Utility**

**Gateway Addition, Phase Two  
Lot 1, Block 1**

**List of Affected Customers**

**Note:**

There are no affected Kempner WSC customers located within the proposed transfer area.

Attachment 'E'  
City of Copperas Cove Adopted Fee Schedule  
(Effective April 2, 2019)



**CITY OF COPPERAS COVE  
FEE SCHEDULE AMENDMENT  
EFFECTIVE APRIL 2, 2019**

**Ordinance 2019-14**

**UTILITIES**

Service Run for Multiple Trips to Residence/Location	\$25.00
Reread Meter Service Run	\$10.00
Transfer Fee	\$25.00
Late Charge	\$25.00
Pulled Meter/Plugged Meter	\$75.00
Meter Accuracy Check	\$25.00
Fire Hydrant Meter Deposit	\$1,800.00
Fire Hydrant Meter Monthly Rental Charge	\$50.00
Unauthorized Service	\$100.00

*When meter is turned on or off by anyone other than water department personnel.*

Utilities ACH Payments/Automatic Draft from Checking/Savings	FREE
Credit Card Processing Fees	2.8%
Riser Deposit	\$50.00
Connect Fee	\$20.00
Reconnect Fee	\$30.00
Disconnect Fee	\$6.00
After Hours Service Run	\$50.00
Meter Box Reset Fee	\$150.00
New 3/4" Water Tap ** into city water main (incl. srv. conn.)	\$930.00
Water Tap 1" and larger into city water main (incl. srv. conn.)	3/4" tap fee + add'l time and materials
New 3/4" Water Tap srv. Connection for an existing water service	\$450.00
New Water Tap 1" and larger srv. Connection for an existing water service.	3/4" tap fee + add'l time and materials

Meter Set for 3" or Larger Meter: Meters exceeding 3" in size will be installed by the developer. The meter will be housed in a vault with a by-pass. The builder will be responsible for ordering and purchasing the installation of the meter. The City will approve the type and model of the meter to be installed. The developer installing the meter does not alleviate the developer from complying with other sections of the fee schedule such as a water tap fee, street cut or other necessary steps and or fees to make the install.

**The following cash deposits shall be required for each meter prior to having water services started:**

**Water customers deposits:**

3/4" meter	\$50.00
1" meter	\$92.00
1-1/2" meter	\$133.00
2" meter	\$528.00
3" or larger meter	\$750.00

**Sewer customers deposits:**

Residential	\$50.00
Multi-family	\$291.00
Commercial	\$51.00
Hotel/motel	\$184.00
Government	\$280.00
Industrial	\$394.00

Automatic Blanket Deposit	\$100.00
Non-Automatic Blanket Deposit	\$100.00

**Minimum fees for the meter size (monthly):**

3/4" meter	\$12.00
1" meter	\$16.91
1-1/2" meter	\$25.09
2" meter	\$37.09
3" meter	\$98.18
4" meter	\$153.81
6" meter	\$260.72
Contractor	\$12.00
Bulk	\$12.00

**Rate per 1,000 Gallons of Water:**

Residential	\$4.75
Sprinkler	\$4.75
Commercial	\$5.82
Bulk Water	\$8.52
Contractor	\$7.10

**Minimum Fees for the meter size (outside city limits):**

*Non-residential water services requires contract with Approval by Governing Body.*

3/4" meter	\$17.45
1" meter	\$24.00
1-1/2" meter	\$37.09
2" meter	\$54.54

**CITY OF COPPERAS COVE  
FEE SCHEDULE AMENDMENT  
EFFECTIVE APRIL 2, 2019**

**Ordinance 2019-14**

3" meter	\$130.90
4" meter	\$218.17
6" meter	\$381.80

**Rate per 1,000 Gallons of Water (outside city limits):**

*Non-residential water services requires contract with Approval by Governing Body.*

Residential	\$6.17
Sprinkler	\$6.14
Commercial	\$7.24
Bulk Water	\$9.94
Contractor	\$8.52

**Drainage (residential):**

Residential Single Family	\$6.00
Master Meter multi-family (bill to owner/property mgr.) - minimum ***	\$6.00
Individual Meter Duplex (per unit) ***	\$3.60
Individual Metered 3-4 unit (per unit) ***	\$3.60
5 or more units (Individual Metered) - minimum ***	\$6.00

\*\*\*For the exact amount please refer to the City Ordinance - Article I, Sec. 11-5 & 11-6. City uses a formula to assess the charge.

**Drainage (non-residential) - minimum \*\*\***

	\$6.00
***For the exact amount please refer to the City Ordinance - Article I, Sec. 11-5 & 11-6. City uses a formula to assess the charge.	\$17 86/acre

**Sewer**

Sewer minimum rate (all customers)	\$12 00
Rate per 1,000 Gallons of Water (all customers)	\$6 00
(Residential customers only: Winter average - 8,000 gallon floor)	
Sewer Connect Fee*	\$80.00
6" Sewer Tap **	\$800.00
Sewer Tap larger than 6"	6" tap fee + additional time and materials

\* Fee charged in those instances where tap exists or is being installed by an external party.

\*\* In those instances where a street cut is required and being done by an external party, a street cut fee will be assessed in addition to the tap fees.

**Wastewater**

Capacity Reservation:

3/4" meter	\$500.00
1" meter	\$750 00
2" meter	\$2,500.00
3"-4" meter	\$7,000.00
6" meter	\$15,000.00
8" meter	\$25,000.00

**SOLID WASTE**

Solid Waste Deposit (residential)	\$40 00
Solid Waste Deposit (commercial)	\$65.00

**Residential Monthly Rates:**

Garbage Collection:	
- Single-family residence	\$18.00
- Multi-family residence based on the number of units with one water meter	\$18.00/unit
- Multi-family residence on separate water meters	\$18.00
- Additional container	\$18.00
Bulky items/White goods at the curb pick up (3 cubic yards)	No Charge
Bulky items/White goods in excess of 3 cubic yards - per cubic yard	\$7.00
Construction debris at the curb (minimum fee for service includes one cubic yard)	\$7.00
Construction debris at the curb (per cubic yard in excess of minimum)	\$7.00
Missed service fee	\$10.00
Non payment container confiscation	\$25.00
Service fee to replace lost, stolen, or damaged container	\$25.00
Service fee to find lost container	\$25.00
Fee for overloaded container	\$4.50
Automated container reload for excess garbage	\$4.50
Brush in excess of 8 cubic yards (5'x4'x11') - per cubic yard	\$6.00
Solid waste non-compliance fees:	
- Removal of container from curb by city employees	\$10.00
- Mixed brush/recycling/bulk fee	\$10.00
- Recycling contamination fee	\$18 00

Attachment 'F'  
Latest TCEQ Inspection Report

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

August 23, 2017

**CERTIFIED MAIL #7016 3560 0000 0381 6392**  
**RETURN RECEIPT REQUESTED**

The Honorable Frank Seffrood  
City of Copperas Cove  
PO Box 1449  
Copperas Cove, TX 76522-5449

Re: Notice of Violation for the Comprehensive Compliance Investigation at:  
City of Copperas Cove Public Water Supply, Coryell County, Texas  
Regulated Entity No.: 101385409, TCEQ ID No.: 0500001

Dear Mayor Seffrood:

On July 13, 2017, Rebecca Simanek of the Texas Commission on Environmental Quality (TCEQ) Waco Regional Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for a public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, some concerns were noted which were alleged noncompliances that have been resolved as Areas of Concern based on subsequent corrective action. In addition, a certain alleged violation was identified for which compliance documentation was required. Based on the information you have provided, the TCEQ has adequate documentation to resolve the alleged violations. Therefore, no further action is required. At this time, your public water supply continues to merit recognition as a "Superior" system.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Waco Regional Office at (254) 751-0335 or the Central Office Publications Ordering Team at (512) 239-0028.

Mayor Seffrood  
Page 2  
August 23, 2017

The TCEQ appreciates your assistance in this matter. If you or members of your staff have any questions, please feel free to contact Ms. Rebecca Simanek in the Waco Regional Office at (254) 751-0335.

Sincerely,

A handwritten signature in black ink, appearing to read 'RM', with a stylized flourish at the end.

Richard Monreal  
Water Section Manager  
Waco Regional Office

RM/RS/gb

Enclosure: Summary of Investigation Findings

## Summary of Investigation Findings

CITY OF COPPERAS COVE WATER SYSTEM

Investigation #

1424578  
Investigation Date: 07/13/2017

, CORYELL COUNTY,

Additional ID(s): 0500001

### ALLEGED VIOLATION(S) NOTED AND RESOLVED ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 650878

30 TAC Chapter 290.110(c)(5)(C)

#### Alleged Violation:

Investigation: 1424578

Comment Date: 08/09/2017

Failure to monitor total chlorine, monochloramine, and free ammonia upstream and downstream of chlorine injection points at least weekly.

Public water systems that inject chlorine at any location to form chloramines or to convert from chloramines to free chlorine must monitor to ensure that chemical addition is effective and the proper chlorine to ammonia (as nitrogen) ratio is achieved. Samples must be collected and analyzed weekly and whenever the chemical dosage is changed.

(i) Sampling must be performed upstream of the chlorine or ammonia chemical injection point, whichever is furthest upstream.

(ii) Sampling must be performed downstream of all the chlorine and ammonia chemical injection points.

(iii) The residual of the chemical injected upstream must be determined to properly dose the downstream chemical where sample taps are present or required under §290.42(e)(7)(C) (ii) of this title (relating to Water Treatment).

(iv) The total chlorine, ammonia (as nitrogen), and monochloramine residuals must all be monitored if the treatment occurs before the entry point.

(v) The ammonia (as nitrogen) and monochloramine residuals must all be monitored if the treatment occurs in the distribution system. The monitoring must occur at the same time as a compliance sampling required under paragraph (4)(E) of this subsection.

During the July 13, 2017, compliance inspection, it was noted that the City of Copperas Cove was not monitoring total chlorine, monochloramine, and free ammonia both upstream and downstream of the injection points at least weekly or whenever the chemical dosage was changed.

**Resolution:** On August 15, 2017, Mr. Daniel Hawbecker submitted operating records for part of July and August showing that total chlorine, monochloramine, and free ammonia were now being monitored both upstream and downstream of the injection points at least weekly.

### AREA OF CONCERN

Track No: 650873

30 TAC Chapter 290.42(e)(4)(C)

#### Alleged Violation:

Investigation: 1424578

Comment Date: 08/09/2017

Failure to screen the vents on chlorine enclosures.

Adequate ventilation, which includes both high level and floor level screened vents, shall be provided for all enclosures in which gas chlorine is being stored or fed. Enclosures containing more than one operating 150-pound cylinder of chlorine shall also provide forced air ventilation which includes: screened and louvered floor level and high level vents; a fan which

is located at and draws air in through the top vent and discharges to the outside atmosphere through the floor level vent; and a fan switch located outside the enclosure. Alternately, systems may install negative pressure ventilation as long as the facilities also have gas containment and treatment as prescribed by the current International Fire Code (IFC).

During the July 13, 2017, compliance inspection, it was noted that the vents on the chlorine enclosures at the following pump stations were not properly screened: Joint Pump Station, Turkey Run, Mountain Top North, Taylor Mountain, 7-Mile, Hughes Mountain, Eastside, and Rattlesnake Mountain.

**Resolution:** On July 26 and 28, 2017, Mr. Daniel Hawbecker submitted photographs showing that the vents on the chlorine enclosures at the following sites were now properly screened: Joint Pump Station, Turkey Run, Mountain Top North, Taylor Mountain, 7-Mile, Hughes Mountain, Eastside, and Rattlesnake Mountain.

---

Track No: 650874

30 TAC Chapter 290.43(c)(3)

**Alleged Violation:**

Investigation: 1424578

Comment Date: 08/09/2017

Failure to provide an overflow cover that fits tightly with no gap over 1/16 inch.

Overflows shall be designed in strict accordance with current AWWA standards. If the overflow terminates at any point other than the ground level, it shall be located near enough and at a position accessible from a ladder or the balcony for inspection purposes. The overflow(s) shall be sized to handle the maximum possible fill rate without exceeding the capacity of the overflow(s). The discharge opening of the overflow(s) shall be above the surface of the ground and shall not be subject to submergence. The discharge opening shall be covered with a gravity-hinged and weighted cover, an elastomeric duckbill valve, or other approved device to prevent the entrance of insects and other nuisances. When the tank is not overflowing, the cover shall close automatically and fit tightly with no gap over 1/16 inch.

During the July 13, 2017, compliance inspection, it was noted that the overflow cover on the Mountain Top North elevated storage tank did not fit tightly and had a gap over 1/16 inch.

**Resolution:** On July 26, 2017, Mr. Daniel Hawbecker submitted photographs showing that the overflow had been modified to fit tightly and no longer had a gap over 1/16 inch.

---

Track No: 650875

30 TAC Chapter 290.46(w)

**Alleged Violation:**

Investigation: 1424578

Comment Date: 08/09/2017

Failure to maintain internal procedures to notify the executive director in case of an event that may negatively impact the production or delivery of safe drinking water.

All systems shall maintain internal procedures to notify the executive director by a toll-free reporting phone number immediately of the following events, if the event may negatively impact the production or delivery of safe and adequate drinking water:

- (1) an unusual or unexplained unauthorized entry at property of the public water system;
- (2) an act of terrorism against the public water system;
- (3) an unauthorized attempt to probe for or gain access to proprietary information that supports the key activities of the public water system;
- (4) a theft of property that supports the key activities of the public water system; or
- (5) a natural disaster, accident, or act that results in damage to the public water system.

During the July 13, 2017, compliance inspection, it was noted that the City of Copperas Cove did not have internal procedures to notify the executive director in case of an event that may negatively impact the production or delivery of safe drinking water.

**Resolution:** On July 14, 2017, Mr. Daniel Hawbecker submitted photographs showing that internal procedures to notify the executive director in case of an event that may negatively

impact the production or delivery of safe drinking water had been incorporated into the water system's operations and maintenance manual.

## ADDITIONAL ISSUES

### Description

Item 5

### Additional Comments

At the time of the inspection, the City of Copperas Cove customer service agreement did not meet the requirements of §290.46(i) with regards to lead levels (allowable lead levels in pipes and pipe fittings were reduced from 8.0% to 0.25%). Please update the customer service agreement.



Attachment 'G'  
Affected Existing Connections

**City of Copperas Cove  
Application for Sale, Transfer, or Merger of a Retail Public Utility**

**Gateway Addition, Phase Two  
Lot 1, Block 1**

**Affected Existing Connections**

**Note:**

There are no existing Kempner WSC services located within the proposed transfer area.

Attachment 'H'  
City of Copperas Cove  
Current Water Operator Info

**City of Copperas Cove - Operator Information**  
**Water Distribution**

<b>Name</b>	<b>Title</b>	<b>Class</b>	<b>License #</b>	<b>Expiration Date</b>
Corey O Chambers	Water Distribution Superintendent	C-Water Distribution	WD0011463	11/13/2019
Corey O Chambers	Water Distribution Superintendent	BPAT License	BP0019237	8/7/2022
Keith Fields	Installation/Repair Supervisor	C-Water Distribution	WD0012043	7/17/2020
Jeffery Leonard	SCADA Tech	C-Water Distribution	WD0011466	7/11/2022
Paul Reynolds	SCADA Tech	C-Water Distribution	WD0013905	4/13/2020
Stephen Schamberger	SCADA Tech	C-Water Distribution	WD0015463	7/18/2022
Mike Untied	Operator II	C-Water Distribution	WD0014873	1/17/2022
Mike Untied	Operator II	BPAT License	BP0019240	7/8/2022
Kellogg McMichael	SCADA Tech	N/A	N/A	N/A
Greg Burran	Operator I	D-Water Operator	WO0044750	8/30/2022
Stephon Collins	Operator I	N/A	N/A	N/A
Josh Klenclo	Operator I	N/A	N/A	N/A
Tyler Combs	Operator I	N/A	N/A	N/A

Attachment 'I'

City of Copperas Cove Fiscal Year 2019-2020  
Proposed Budget & Plan of Municipal Services

<http://www.copperascovetx.gov/files/budget/budgets/19-20.pdf>

Attachment 'J'

City of Copperas Cove Comprehensive Annual Financial  
Report for Year Ended September 30, 2018

[http://www.copperascovetx.gov/files/finance/reports/cafr/2018\\_CAFR.pdf](http://www.copperascovetx.gov/files/finance/reports/cafr/2018_CAFR.pdf)

Attachment 'K'  
Kempner Water Supply Corporation Tariff  
January 2019



KEMPNER WATER SUPPLY CORP.  
PO Box 103.  
KEMPNER, TEXAS 76539  
PHONE: 512-932-3701 / 254-547-9430  
FAX: 512 - 932-2546



# Tariff of the Kempner Water Supply Corporation

## Updated January 2019

Kempner Water Supply Corporation  
PO Box 103  
Kempner, TX 76539  
Telephone: (512) 932-3701  
[www.kempnerwsc.com](http://www.kempnerwsc.com)



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## **SECTION A. RESOLUTIONS**

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

1. This Tariff of the Kempner Water Supply Corporation, serving in list or name Lampasas, Coryell, Bell, and Burnet counties consisting of Sections A. through K. and forms inclusive, is adopted and enacted as the current regulations and policies effective as of March 21, 2018.
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 in compliance in Open Meeting in compliance with the Open Meeting Act, Chapter 551 of the Texas Government Code.

PASSED and APPROVED this 21<sup>st</sup> day of March 2019.

---

George Gondorchin  
President, Kempner Water Supply Corporation

SEAL

ATTEST:

---

George McClintock  
Secretary, Kempner Water Supply Corporation

## SECTION B. STATEMENTS

1. **Organization** - The Kempner 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 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 and service in the Corporation are 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 give 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 in the Corporation's office.
5. **Fire Protection Responsibility** - The Corporation does not provide, nor imply that fire protection is available throughout the distribution system, except where expressly required by municipal ordinance or agreed to by the Corporation. 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 limit of liability of the Corporation is the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability.
7. **Information Disclosure** - The records of the Corporation shall be kept in the Corporation office in Kempner, 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 general manager or authorized staff member. If not resolved to the satisfaction of the aggrieved party then,
  - B. By presenting a letter request to meet with the Board of Directors stating the individual's grievance/concern and the desired result.
  - C. The general manager will schedule a meeting with the Member/customer relations committee.
  - D. The Member/customer relations committee will make a recommendation to the Board.
  - E. The Board of Directors shall respond to the complaint by communicating the Board's decision in writing.
10. **Office Hours** – The Corporation will be open Monday thru Friday from 8:00 am to 4:00 pm.
11. **Customer Service Inspections** - The Corporation requires that a customer service inspection certification be completed prior to providing continuous water service to new construction and for all new members as part of the activation of the standard and some non-standard service. Customer service inspections are also required for 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.)
12. **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 Public Utility Commission, Chapter 24, 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 Public Utility Commission.

**NOTE:** The Corporation should check with the Master Metered Account Customer:

1. See if they have registered with the PUC, (Texas Water Code Chapter 13 Subchapter M.)
  2. See that they do not charge their tenants more than the total amount of charges billed. If the aggregate bill is greater than the Corporation's charge, the Master Metered Account Customer is considered by the PUC to be a separate Public Water System and will be required to comply with all PUC regulations.
  3. Protect the System's CCN. Should the Master Metered Account Customer continue to violate these or other State regulations, the Corporation will need to request a Cease and Desist Order from the PUC. (Texas Water Code Section 13.252 and 16 TAC Section 24.118)
13. **Voluntary Contributions Policy** - The Corporation's Board has approved and set up guidelines for accepting voluntary contributions on behalf of emergency service providers in our service area. The policy adopted sets up the guidelines for collection, accounting, and distribution of funds to the respective local emergency service response entities. (Texas Water Code Sections 13.143 & Section 67.017)
14. **Prohibition Against Resell of Water** - The meter connection is for the sole use of the Member/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 is prohibited.

## **SECTION C.** **DEFINITIONS**

**Corporation** – The Kempner Water Supply Corporation (KWSC).

**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 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 Corporation. (Section 22.001(1), Texas Business Organizations Code)

**Bulk Water** – Water intended for potable uses which is transported by tank trucks.

**Bylaws** – The rules pertaining to the governing of the 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 Kempner Water Supply Corporation to provide water utility service within a defined territory. Corporation has been issued Certificate Number 10456. Territory defined in the CCN shall be the Certificated Service Area. (See Tariff Section D. Certificated Service Area Map)

**Co-Applicant** – Person, partnership, cooperative Corporation, Corporation, agency, public or private organization of any type as designated on the proof of ownership and applying for joint services with the Corporation. Co-applicant is not required to sign application but has been designated by Applicant to maintain, transfer or cancel membership and assumes the same responsibility of the Applicant.

**Designee** – Person partnership, cooperative Corporation, corporation, agency, public or private organization of any type designated by the applicant to maintain active account records. Designee does not have the authority to transfer or cancel the membership.

**Developer** – Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who subdivides land or requests two (2) or more water 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 and or sewer pipelines and necessary facilities which allows access to property for future operation, maintenance,

facility replacement, facility upgrades, and/or installation of additional pipelines. 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. The easement will be filed in the real property records of the appropriate county or counties. In the event of a land locked property, the utility easement has to extend to the property sold so line can go past property to new meter service.

**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 referred to as Capital Improvement Fee and Impact Fee

**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 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.

**Hydrants** – Fire hydrants will only be placed on 6” or larger mains. Hydrants and flush valves are used for flushing and quality control of the system.

**Illegal Connection** – Any connection to the Corporation’s facilities or member/customer facilities without prior consent of the Corporation.

**Indication of Interest Fee** – A fee paid by a potential Member of the Corporation for the purpose of determining the feasibility of a construction and /or expansion project. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. This also applies to Applicants applying for, or receiving, Temporary Service. (Tariff Section E. 10 b., and Sample Application Packet - USDA RUS-TX Bulletin 1780-9 (Rev. 01/09))

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

**Member** – Any person, partnership, cooperative Corporation, Corporation, agency, or public or private organization who holds a membership in the Corporation and who is a record owner of the property served, that has qualified for service and been certified as a member in accordance with the Corporation’s Tariff. (Texas Water Code Section 13.002(11), Texas Water Code Section 67.016(d))

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

**Membership Fee** – A fee qualified as such under the terms of the Tariff and the Bylaws of the Corporation assigned to the real estate designated to receive service. The membership fee shall be



refundable upon termination of service and surrendering the Membership.

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

**Proof of Ownership** – For the purpose of this Tariff, Applicants for service and membership shall provide proof of ownership of the real estate to be served by deed of trust, warranty deed, or other recorded documentation. (Texas Water Code Section 67.016(d))

**Rural Utilities Service (RUS)** – An agency of the United States Department of Agriculture Rural Development Mission Area that provides loan and grant funds for development of rural water and sewer systems.

**Renter** – A consumer who rents or leases property from a Member or who may otherwise be termed a tenant.

**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.

**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.

**Service Availability Charge** – The monthly charge assessed each Member/Customer for the opportunity of receiving service. The Service Availability Charge is a fixed rate based upon the meter, service size, or equivalent dwelling unit(s).

**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 Trip Fee** – A fee charged for any trip to a member/customer's meter for the purposes relating to the locking/unlocking of meters or at customer's request, during working hours. A service trip fee will also be assessed to any metered bulk customer.

**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" or 3/4" X 3/4" water meter.

**Subdivide** – To divide the surface area of land into lots or tracts. Note: County will not approve subdivision with 10 acres or more. Developer has to submit plats less than 10 acres to the county.

**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 2 or more lots or tracts and every lot has to have its own meter. (Local Government Code Section 232.021(13) Definitions)

**Tariff** – The operating policies, service rules, service extension policy, service rates, water use restriction policies, sample application packet, and miscellaneous transaction forms adopted by the Board of Directors. A copy of this Board approved Tariff is on file at the Corporation office and as required by law at the State office of the PUC.

**Texas Commission on Environmental Quality (TCEQ)** – State regulatory agency having jurisdiction over drinking water, water supply and water quality issues non-profit water and sewer service Corporations.

**Texas Water Development Board (TWDB)** – Is a state agency charged with statewide water planning and administration of low-cost financial programs for the planning, design and construction of water distribution systems.

**Transferee** – An Applicant receiving a Corporation Membership by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity.

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

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

**United States Department of Agriculture (USDA)** - Through its Rural Development mission area, USDA provides financial resources and support for rural communities, residents and businesses.

**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 (CCN)**

To Provide Water Service Under Texas Water Code and  
Public Utility Commission Substantive Rules

**Certificate No. 10456**

**I. Certificate Holder:**

Name: Kempner Water Supply Corporation

Address: 11986 East Hwy 190  
PO Box 103  
Kempner, Texas 76539

**II. General Description and Location of Service Area:**

The service area includes portions of Lampasas, Bell, Burnet and Coryell Counties.

**III. Certificate Maps:**

The certificate holder is authorized to provide water service in the area identified on the Commission's official service area map, maintained in the offices of the Public Utility Commission, Austin, Texas with all attendant privileges and obligations.



**SECTION E.**  
**SERVICE RULES AND REGULATIONS**

1. **Service Entitlement** - The Applicant(s) shall be considered qualified and entitled to water utility service when proper application has been made, terms and conditions of Service and Membership have been met and continue to be met, and all fees have been paid as prescribed. (16 TAC 24.85(a))
  - A. A single meter connection is for the sole use of the Member/customer and is to provide service to one unity or business; additionally units may require an engineering study and must be authorized by KWSC
  - B. If a Member/owner of an undivided tract of land conveys a portion of said tract which contains the meter, the installed meter becomes real property and will only service the tract of land. The remaining tract(s) will not be serviced and the Member prior to transfer of title must obtain an engineering study and comply with the rules and regulations stated in this Tariff.
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 tap located on that designated real estate unless otherwise approved by the board.
  - A. **Standard Service** - is defined as service on a specific property designated to receive service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" size water meter services set on existing pipelines.
  - B. **Non-Standard Service** - is defined as any service request which requires a larger meter service, service to a Master Metered Account or an addition to the supply, storage and/or distribution 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.

A Right-of-Way Easement Form or another 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.

  - A. 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)).
  - B. On the request by the property owner or owner's authorized agent, the Corporation shall install individual meters owned by the Corporation in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction begins after January 1, 2003, unless the Corporation determines that installation of individual meters

is not feasible. If the Corporation determines that installation of meters is not feasible, the property owner or manager shall install a plumbing system that is compatible with the installation of submeters or individual meters. The Corporation shall be entitled to the payment of costs, including the costs of individual meter installations, as provided in Section G. The cost of individual meter installation shall be prepaid by the property owner as well as the cost of any additional facilities or supply occasioned by the total water service demand represented by full occupancy of the property, as determined under applicable provisions of Section F. It shall be the responsibility of the property owner to obtain the memberships required for each individual meter.

- C. Notice of application approval and costs of service determined by the Corporation shall be presented to the Applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the Applicant must re-apply for service. (16TAC 24.81(a)(1))
  - D. 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.
4. **Line Extension Reimbursement** – An approved Applicant may have to pay on a prorated basis a line reimbursement fee to the Corporation for the purpose of reimbursing a member or other party that made the capital outlay to extend service to that area.
5. **Ownership of equipment** - All water meters and equipment providing water service to the point of customer connection; water meter or service tap, is the property of the Corporation upon installation, and shall be maintained by the water system only.
6. **Activation of Standard Service**
- A. **New Tap** – The Corporation shall charge a non-refundable service installation fee as required under Section G of this Tariff. The service installation fee shall be quoted in writing to the Applicant. Any debt owed to the Corporation and all fees shall be paid or a deferred payment contract signed in advance of installation. (16 TAC 24.86 (a)(1)(A))
  - B. **Re-Service** – On property where service previously existed, the Corporation shall charge the Membership Fee (where the Membership Fee has been liquidated or refunded), reconnection costs, any debt owed to the Corporation if the applicant is the person that previously incurred those charges as appropriate and other applicable costs necessary to restore service.
  - C. **Performance of Work** – All tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative after all application requirements have been met. The tap for a standard service request shall be completed within five (5) working days whenever practicable, but not later than 10 working days. This time may be extended for installation of equipment for Non-Standard Service Request. (See Section F)
  - D. **Inspection of Customer Service Facilities** – The property of the Applicant/Member shall be inspected to insure compliance with state required Minimum Acceptable Operating Practices for Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. The customer must, at his or her expense, properly install, inspect, test, maintain and provide all required documentation of any approved backflow prevention

device required by the Corporation. (30 TAC 290.46(j); Section I Service Application and Agreement)

**7. Activation of Non-Standard Service** - Activation of Non-Standard Service shall be conducted as prescribed by terms of Section F of this Tariff.

**8. Changes in Service Classification** - If at any time the Corporation determines that the customer service needs changed from those originally applied for to a different service classification and the Corporation determines that additional or different facilities are necessary to provide adequate service, the Corporation shall require the Applicant/Member to re-apply for service under the terms and conditions of this Tariff. Applicant/Members failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this Tariff.

**9. Membership.**

A. **Eligibility** – Eligibility for Membership shall not guarantee service to the Applicant or Transferee; however, qualification for service is a prerequisite to Membership eligibility for new Applicants or continued Membership for Transferees.

B. **Membership** - Upon qualification for service, qualification for Membership, payment of the required fees, and any debt owed to the Corporation, the Corporation shall certify the Applicant as a Member. The Membership shall entitle the Member to one (1) connection to the Corporation's water utility service and one (1) share of Corporation Stock. The Membership entitles the Member to one (1) vote in the election of directors and in such other matters requiring the approval of the Corporation's Members at any Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. Ownership of more than one (1) Membership shall not authorize the Member to cast more than one (1) vote at any annual or special meeting. Each Membership and Stock thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. (Texas Water Code Section 67.016)

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, 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.
- 3) Qualifications for service upon transfer of Membership 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 10<sup>th</sup> 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. (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 the Corporation, provided proper notice has been given. 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.
- 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. **Re-assignment of Canceled Membership**
  - 1) The Corporation, upon cancellation of Membership under the provisions of this Tariff, may re-assign the canceled Membership to a person or entity that has legal title to the real estate from which the canceled membership arose and for which water service is requested (Texas Water Code Section 67.016). Membership will not be re-assigned unless the person or entity that has legal title to the real estate has complied with the Corporation's current rates, charges, and conditions of service, including current membership fee, set forth in the Tariff and service application package.
  - 2) The Corporation shall reassign a canceled Membership to a person or entity that acquires the real estate from which the Membership arose through judicial or nonjudicial foreclosure. The Corporation will require proof of ownership resulting from the foreclosure and compliance with the Corporation's current rates, charges, and conditions of service, including current membership fee, set forth in the Tariff and service application package. In the event of foreclosure by a mortgage institution, the Corporation may allow a property management company to acquire the Membership if the management company provides written documentation



showing that the management company is legally responsible for the management of the property and it is not feasible for the mortgage institution to be the Member.

- H. **Mortgaging of Memberships** – Nothing herein shall preclude a Member from mortgaging his/her Membership. However, notification to the holder of any security interest (mortgagee/lien-holder) of account status of Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage Agreement. Prior to the cancellation of any Membership the Corporation will notify the holder of any security interest in the Membership. The holder of the security interest also must hold a security interest in the real property at which water service is provided under the Membership. The Corporation may transfer the Membership to the holder of such security interest in lieu of cancellation, provided the holder of the security interest pays in full all delinquent and unpaid obligations and provided further that the holder of the security interest has secured title to the real property from which the Membership arose. The Corporation may withhold cancellation of a Membership pending the resolution of any foreclosure proceedings or similar legal proceedings by the holder of the security interest.
- I. **Cancellation and Re-Assignment of Membership as a Result of Bankruptcy Proceedings** – Upon notice of the filing of a petition in bankruptcy, the Corporation may require the posting of a deposit or other form of security, acceptable to the Corporation, as a condition for continuing utility service. Unless special circumstances require otherwise, the amount of security shall equal the amount of charges for the month of greatest use during the preceding 12 months. The Corporation shall not require the payment of any security prior to the expiration of 20 days following the date on which the petition is filed. Failure to provide this security by the date specified by the Corporation may result in termination of service with a copy of the notice to the bankruptcy Trustee.
- J. **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.

**10. Owners and Renters.** Any Member having complied with the requirements of this Tariff, renting or leasing property designated to receive service according to the terms of this Tariff to other parties, is responsible for all charges due the Corporation. The membership for rental or leased properties shall be in the name of the owner of the property as required by this Tariff. The Corporation may bill the renter or lessee for utility service (at Member Request) as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The owner shall be required to sign an Alternate Billing Agreement if the owner requests that the tenant be billed for utility service. 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.

- 11. Denial of Service** - The Corporation may deny service for any of the following reasons:
- A. Failure of the Applicant or Transferee to complete all application requirements, including granting an easement, completing all forms, and paying all required fees and charges.
  - B. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the Corporation.

- C. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Members/Users of the Corporation upon connection.
  - D. Failure of Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property, for which service has been requested;
  - E. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the Corporation's Tariff on file with the state regulatory agency governing the service applied for by the Applicant.
  - F. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which the tap has been requested.
  - G. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.
  - H. Failure of the Applicant or Transferee to pay any previous outstanding delinquent account(s) in full. Accounts that are delinquent from the same account location, or other service location(s) within the system where the applicant or transferee received service.
- 12. Applicant's or Transferee's Recourse** - In the event the Corporation refuses to serve an Applicant under the provisions of these rules, the Corporation must notify the Applicant, in writing, on the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the Corporation.
- 13. Insufficient Grounds for Refusal of Service.** The following shall not constitute sufficient cause for the refusal of service to an Applicant:
- A. Delinquency in payment for service by a previous member or occupant of the premises to be served;
  - B. Failure to pay a bill to correct previous 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.
- 14. Deferred Payment Agreement** - The Corporation may offer a deferred payment plan to a Member or rental tenant who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the Corporation, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement. Failure to make required and timely payments as provided in any deferred payment agreement will void that agreement and service will be discontinued. Non-payment of any amount under an additional deferred payment agreement will cause service to be disconnected immediately, and service will not be restored until the account is paid in full and all other charges resulting from the disconnection of service are fully paid. In the event, the requestor is a tenant of rental property the Corporation shall notify the owner/member of the deferred payment agreement.
- 15. Charge Distribution and Payment Application**
- A. **The Base Rate** -- The monthly charge for metered water service, which may or may not include allowable Water Usage Charge, is based on demand by meter size. Each charge is assessed based on the number of 3/4" meters (as per American Water Works Association)

maximum continuous flow specifications equivalent to the size indicated and is used as a base multiplier for the Service Availability Charge and allowable Water Usage Charge. Rates and equivalents are as follows:

METER	3/4" MONTHLY SIZE	METER EQUIVALENTS RATE
3/4"	1.0	\$67.50
1"	2.5	\$168.75
1 1/2"	5.0	\$337.50
2"	8.0	\$540.00

Larger meters based on meter equivalents.

- B. Charges shall be prorated for meter installations and service termination's falling during the billing period. Billings for this amount shall be mailed on or about the last 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.
- C. **Gallage Charge** - shall be billed at the rate specified in Section G and billing shall be calculated in one hundred (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.
- D. **Posting of Payments** – All payments shall be posted against previous balances and late fees prior to posting against current billings.
- E. **Forms of Payment** - The Corporation will accept the following forms of payment: cash, personal check, cashier's check, money order, automatic debit on customer's bank account, or draft on bank and online payments. The Corporation will not accept two-party checks, pay checks, or any other instrument of payment that is not made out to the Corporation.

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

- A. The Corporation shall mail all bills on or about the last 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. Final notices are mailed out the next working day after the 15<sup>th</sup> and include an additional late payment charge. Final bills are due by the 25<sup>th</sup> to avoid service disconnection and additional disconnect and reconnect fees.
- B. The board of directors or general manager may elect to not charge a late fee or disconnect fee in accordance with this Tariff during or after the occurrence of a natural disaster or other incident that impacts the property of members or interrupts the management and operation of the system.
- C. Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15-day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings. (Texas Utilities Code Sections 182.001 - 182.005) If this request originates from a tenant at a rental property the owner / member will be notified in writing of any extension request.
- D. All insufficient fund checks, accounts closed or money orders that have had a "stop payment

order” issued for payment of a water bill will be deemed delinquent as if no payment was received and the meter is subject to disconnection with notice on the regular disconnection day.

**17. Rules for Disconnection of Service** - The following describe 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 outlined in this Section.

- 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. 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 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, or failure to comply with the terms of a deferred payment agreement;
  - 3) Violation of the Corporation’s rules about the use of service in a manner which interferes with the service of others or the operation of non-standard equipment if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation;
  - 4) Failure of the Member to comply with the terms of the Corporation’s Service Agreement, Tariff (including, where appropriate, Section H), Bylaws, or Special Contract provided that the Corporation has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification.
  - 5) Failure to provide access or to hinder access to the meter under the terms of this Tariff or to property at which water service is received when there is a reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify. Any condition 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) Cancellation of membership by Member on an account that the Member holds for water service to the Member’s renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement. (Note: The cancellation of membership must be in writing and signed by the Member. CORPORATION ASSUMES NO LIABILITY TO RENTER/LESSEE; MEMBER IS SOLELY RESPONSIBLE FOR COMPLIANCE WITH, AND LIABILITY UNDER ANY FEDERAL, STATE OR LOCAL LAW CREATING OR PROTECTING RIGHTS OF RENTERS/LESSEES.)
  - 9) Failure to pay charges arising from service trip fee as defined in Section G.
  - 10) 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/Customer 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 customer/member's service disconnected in accordance with the disconnection with notice provisions in the Section. Service will remain disconnected until payment is received or an acceptable payment plan is approved.

- 1) Failure to disconnect or secure additional service tap(s) for an RV or other service connection 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 potentially hazardous condition. If the Corporation conducts a customer service inspection (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 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.
- 5) Payment with insufficient funds check within two (2) days before lock day will be locked without notice.

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

- 1) Failure of the Member to pay for merchandise or charges for non-utility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of non-utility service as a condition of service;
- 2) Failure of the Member to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
- 3) Failure of the Member to pay charges arising from an 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 of this Tariff.
  - 6) Failure of the Member to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Corporation is unable to read the meter due to circumstances beyond its control.
  - D. **Disconnection on Holidays and Weekends** – Unless a dangerous condition exists or the Member requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the Corporation are not available to the public for the purpose of making collections and reconnecting service.
  - E. **Disconnection Due to Utility Abandonment** – The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the PUC.
  - F. **Disconnection for Ill Customers** – The Corporation may not discontinue service to a delinquent residential Member or tenant, under an alternative billing agreement, permanently residing in an individually metered dwelling unit. The member or tenant must establish that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. To avoid disconnection under these circumstances, the Member or tenant must provide a written statement from a physician to the Corporation before the stated date of disconnection. Service may be disconnected if the next month's bill and the past due bill are not paid by the due date of the next month's bill unless the Member or tenant enters into a Deferred Payment Plan. The Corporation shall provide notice to an owner of rental property in the event a tenant requests service not be discontinued due to illness as per this subsection.
  - G. **Disconnection of Master-Metered Accounts** – When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the following shall apply:
    - 1) The Corporation shall send a notice to the Member as required. This notice shall also inform the Member that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.
    - 2) At least five (5) days after providing notice to the Member and at least five (5) days prior to disconnection, the Corporation shall post at notices, stating "Termination Notice" in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.
    - 3) The tenants may pay the Corporation for any delinquent bill in behalf of the owner to avert disconnection or to reconnect service to the complex.
18. **Billing Cycle Changes** - The Corporation reserves the right to change its billing cycles if the workload requires such practice. After a billing period has been changed, the billings shall be sent on the new change date unless otherwise determined by the Corporation.
19. **Back-Billing** - The Corporation may back-bill a Member for up to four (4) years (48 months) for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a Member's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service.
20. **Disputed Bills** - In the event of a dispute between the Member and the Corporation regarding any

bill, the Corporation shall make and conduct an investigation as required by the particular case and report the results in writing thereof to the Member. All disputes under this Subsection must be submitted to the Corporation, in writing, prior to the due date posted on said bill.

- 21. Inoperative Meters** - Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless bypassed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed six (6) months. The charge will be based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

**22. Bill Adjustment**

- A. Due to Meter Error - The Corporation shall test any Member's meter upon written request of the Member. In the event the meter tests within the accuracy standards of The American Water Works Association, a test fee as prescribed in Section G of this Tariff shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Member shall complete a Meter Test Request Form prior to the test.
- B. Due to Estimated Billing - If the Corporation has estimated usage because the Corporation is unable to access the meter due to circumstances beyond the Corporation's control, such as a natural disaster; or because access is hindered or denied by a Member, the Corporation shall adjust the bill once access has been regained and actual usage is determined.

**23. Meter Tampering and Damage to Property**

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:

- removing a locking or shut-off device used by the Corporation to discontinue service,
- physically disorienting the meter tap,
- attaching objects to the meter tap to divert service or to by-pass,
- inserting objects into the meter tap,
- other electrical and mechanical means of tampering with, by-passing, or diverting service,
- connection or reconnection of service without Corporation authorization,
- connection into the service line of adjacent customers of the Corporation

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.

- A. If the Corporation determines that Tampering has occurred, the Corporation shall disconnect service without notice 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.
- B. 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.

- C. In addition to actual damages charged under subsection (B), the Corporation may assess a penalty against the offending party. The penalty shall not exceed six (6) times the Base Rate.

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

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

- A. The relocation is limited to the existing property designated to receive service
- B. Service capacity is available at proposed location;
- C. A current easement for the proposed location has been granted to the Corporation; and
- D. The Member pays the actual cost of relocation plus administrative fees.

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

- A. No more than one (1) residential, commercial, or industrial service connection is allowed per meter. The Corporation may consider allowing an apartment building or mobile home park to apply as a “Master Metered Account” and have a single meter. 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.
- 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. 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.

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

**27. Member's Responsibility**

- A. The Member shall provide access to the meter 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. A condition that may hinder access include, but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals.
- B. The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
  - 1) All water connections shall be designed to ensure against on-site sewage contamination, back-flow or siphonage into the Corporation's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC 290.46, Texas Health & Safety Code Chapter 366)
  - 2) The use of pipe and pipe fittings that contain more than 0.25% lead or solder and flux that contain more than 0.2% 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.
  - 3) All sewer and potable water service pipeline installations must be a minimum of nine feet apart and meet all applicable plumbing standards for crossings, etc.
  - 4) Requirements for Traps:
    - (a) Discharges requiring a trap include but are not limited to:
      - (i) grease or waste containing grease in amounts that will impede or stop the flow in the public sewers;
      - (ii) oil, flammable wastes;
      - (iii) sand, and other harmful ingredients.
    - (b) Any person responsible for discharges requiring a trap shall, at his own expense, and as required by the approving authority:
      - (i) Provide equipment and facilities of a type and capacity approved by the approving authority;
      - (ii) locate the trap in a manner that provides ready and easy accessibility for cleaning and inspection; and
      - (iii) maintain the trap in effective operating condition.
  - (c) Approving Authority Review and Approval (By the Board of Directors or Agency):

- (i) If pretreatment or control is required, the approving authority shall review and approve design and installation of equipment and processes.
- (ii) The design and installation of equipment and processes must conform to all applicable statutes, codes, ordinances and other laws.
- (iii) Any person responsible for discharges requiring pretreatment, flow equalizing or other facilities shall provide and maintain the facilities in effective operating condition at his own expense.

Service shall be discontinued without further notice when installations of new facilities or repair of existing facilities are found to be in violation of this regulation until such time as the violation is corrected.

- C. A Member owning more than one (1) Membership shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable as per Service Application and Agreement executed by the Member.
- D. The Corporation's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter. Any registering water usage, water leaks or damages incurred on the member/customer side of meter shall be the member/customers responsibility.
- 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 curb stops or other similar valve for such purposes is prohibited. Any damage to the Corporation 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. If the water pressure at your property is 80 pounds per square inch (psi) or greater, a pressure reducing valve (PRV) will help decrease the water pressure. Property owners and/or customers are responsible for installing and maintaining their own individual PRV devices whenever the static water pressure exceeds 80 psi. PRV's will not increase water pressure to a property; however, they do serve as a critical component to decrease water pressure to your level of preference. Most plumbing professionals recommend a PRV setting between 35 and 60 psi. High Water Pressure Can Damage Plumbing. Sustained pressure that exceeds 80 psi can damage on-site plumbing systems and may affect your water fixtures. PRVs should be installed on the customer's side of the water meter and are usually located near the water heater, water softener or on the inlet water line between your home and the water meter. If your home water system does not have a PRV, you can purchase them from a licensed plumber, who can install the PRV. If a PRV already exists, it may just need an adjustment to decrease the pressure on the property. KWSC recommends that you consult a licensed plumber for adjustments and service to your PRV. *Texas Building Code # 604.8 Water Pressure-Reducing Valve or Regulator: Where water pressure within a building exceeds 80 psi (552 kPa) static, an approved water pressure-reducing valve conforming to ASSE 1003 or CSA B356 with strainer shall be installed to reduce the pressure in the building water distribution piping to not greater than 80 psi (552 kPa) static.*
- G. The member is required to notify the system 48 hours prior to digging or excavation activities along or near water lines and appurtenances.
- H. All line extensions or new lines, whether by customer request for service, developer request for service or by the Corporation shall be a minimum of 4" in diameter unless waived by the Corporation. The costs for the installation of the pipe shall be borne entirely by the party requesting service from the line extension unless waived by the Corporation.

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

**PART I. General Requirements**

**This section details the requirements for all types of non-standard service requests.**

- 1. Purpose** - It is the purpose of this Section to define the process by which the specific terms and conditions of 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 a Non-Standard Service on behalf of such owner, or that it otherwise has authority to request a Non-Standard Service for the real property.

- 2. Application of Rules** - This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required for a single tract of property. Examples of non-standard services for a single tract of land can include, but are not limited to, road bores, extensions to the distribution system, service lines exceeding 3/4" diameter and service lines exceeding 50 feet. Nonresidential 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 nonstandard. This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation or their designee shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.

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

- 3. Nonstandard 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. 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 requested service area. The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for

single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.

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

- C. A Non-Standard Service Investigation Fee shall be paid to the Corporation in accordance with the requirements of Section G of this Tariff for purposes of paying initial administrative, legal, and engineering fees. The Corporation shall refund any balance that remains after it has completed its service investigation and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all expenses incurred by the Corporation, the Applicant shall pay to the Corporation upon the Corporation's request all additional expenses that have been or will be incurred by the Corporation and Corporation shall have no obligation to complete processing of the Application until all remaining expenses have been paid.
  - D. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property located, in whole or in part, outside the area described in the Corporation's Certificate of Convenience and Necessity, service may be extended provided that:
    - 1. The service location is not in an area receiving similar services from another retail Corporation;
    - 2. The service location is not within another retail Corporation's Certificate of Convenience and Necessity; and
    - 3. The Corporation's Certificate of Convenience and Necessity shall be amended to include the entirety of Applicant's property for which service is requested. The applicant shall pay all costs incurred by the 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 the Corporation's Certificate of Convenience and Necessity, the 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 the Corporation in securing the amendment).
4. **Design** - The Corporation shall approve the design requirements of the Applicant's required facilities prior to initiation of a Non-Standard Service Contract in accordance with the following schedule:
- A. The Corporation's engineer shall design, or review and approve plans for, all on-site and off-site service facilities for the Applicant's requested service within the Corporation's specifications, incorporating any applicable municipal or other governmental codes and specifications.
  - B. The engineer's fees shall be paid out of the Non-Standard Service Investigation Fee, under Tariff Section F 3c.
  - 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 services as platted and/or requested in the plans or plat submitted an application for service. The Corporation reserves the right to upgrade the design of service facilities to meet future demands provided, however, that the Corporation shall pay the expense of such upgrading in excess of that which is reasonably allocable to the level and manner of service requested by the Applicant.
  - E. The Corporation's engineer will determine the fire flow design for any non-standard service request, including new subdivisions, based on density, type of structure, and other factors.

5. **Nonstandard 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. The 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. The terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Equity Buy-In Fees.
  - E. The terms by which the Corporation shall administer the Applicant's project with respect to:
  - F. Design of the Applicant's service facilities;
  - G. Securing and qualifying bids;
  - H. Execution of the Service Contract;
  - I. Selection of a qualified bidder for construction;
  - J. Dispensing advanced funds for construction of facilities required for the Applicant's service;
  - K. Inspecting construction of facilities; and
  - L. Testing facilities and closing the project.
  - M. The terms by which the Applicant shall indemnify the Corporation from all third-party claims or lawsuits in connection with the project.
  - N. The 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.
  - O. The terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.
6. **Construction of Facilities by Applicant Prior to Execution of Service Contract** – The Corporation and the Applicant must execute a Non-Standard Service Contract prior to the purchase of supplies and materials or initiation of construction of facilities by the Applicant. In the event that the Applicant commences construction of any such facilities prior to execution of a Contract with the Corporation, then the Corporation may refuse to provide service to the Applicant or, in a subdivision, to any person purchasing a lot or home from the Applicant. Alternatively, the Corporation may require full costs of replacing/repairing any facilities constructed without the prior execution of a contract from any person buying a lot or a home from the Applicant. At a minimum, the Corporation will require that all facilities be uncovered by the Applicant for inspection by the Corporation, require that any facilities not approved by the Corporation be replaced, and take any other lawful action determined appropriate by the Board of Directors of the Corporation.
7. **Dedication of Water System Extension to Corporation**
- 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 Corporation. The Facilities shall thereafter be owned and maintained by Corporation subject to the warranties required of the Applicant under Subsection (b). Any connection of individual customers to the Facilities shall be made by the Corporation.

- B. Upon transfer of ownership of the Facilities, Applicant shall warrant materials and performance of the Facilities constructed by Applicant for 12 months following the date of the transfer.

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

If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Applicant shall secure easements or else title to facility sites on 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

- A. All additional costs associated with facilities that must be installed in public rights-of-way on behalf of the Applicant, due to the inability of the Applicant to secure private right-of-way easements, such as including road bores and TxDOT approvals shall be paid by the Applicant. Alternatively, the Applicant shall pay all costs, including legal and other professional fees and the condemnation award in the event Corporation secures such private easements or facility sites through eminent domain proceedings.
- B. The Corporation shall require an exclusive dedicated right-of-way easement on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to the property required for other on-site and off-site facilities.
- C. Easements and facility sites shall be prepared for the construction of the Corporation's pipelines and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.

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

- A. The Applicant shall sign the Service Contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
- B. The Contractor shall provide an adequate bid bond under terms acceptable to the Corporation
- 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.

**10. Insurance, Performance and Payment Bonds**

- A. The Contractor shall provide adequate certificates of insurance to include workman's compensation coverage as required by the Corporation.
- B. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation.

- C. 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).

**11. Prepayment 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. The applicant shall provide the Corporation with details concerning access to the property during evaluation of the application.
  - C. The 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.

The Applicant must provide the following in addition to all other information otherwise required by this Section:

- A. Map and legal description of the area to be served using map criteria in 16 TAC 24.105(a)(2)(A-G).
  - 1) Time frame for:
  - 2) Initiation of service
- A. Service to each additional or projected phase following the initial service
- B. Detailed description of the nature and scope of the project/development for initial needs.
- C. 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
- D. Flow and pressure for anticipated level of fire protection requested, including line size and capacity
- E. Specific infrastructure needs for anticipated level of fire protection requested, including line size and capacity
- F. Any additional information requested by the Corporation necessary to determine the capacity and the costs for providing the requested service.
- G. Copies of all required approvals, reports and studies done by or for the Applicant to support the viability of the proposed development.

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

- A. the proposed improvements to be constructed by the Applicant;
- B. a map or plat signed and sealed by a licensed surveyor or registered professional engineer;
- C. the intended land use of the development, including detailed information concerning the types of land uses proposed;
- D. the projected water 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 PUC.

Upon payment of the required fees, the Corporation shall review Applicant's service request. If no additional information is required from Applicant, the Corporation will prepare a written report on



Applicant's service request, subject to any final approval by the Corporation's governing body (if applicable) which must be completed within the 90 days from the date of application and payment of the required fees. The Corporation's written report will state whether the requested service will be provided, whether the requested service can be provided within the time frame specified by the Applicant, and the costs for which the Applicant will be responsible (including capital improvements, easements or land acquisition costs, and professional fees).

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

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

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

## **SECTION G.**

### **RATES AND SERVICE FEES**

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

1. **Service Investigation Fee** - The Corporation shall conduct a service investigation for each service application submitted at the Corporation office. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted, and the results reported under the following terms:
  - A. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.
  - B. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant to;
    - 1) provide cost estimates of the project,
    - 2) to present detailed plans and specifications as per final plat,
    - 3) to advertise and accept bids for the project,
    - 4) to present a Non-Standard Service Contract to the Applicant, and
    - 5) to provide other services as required by the Corporation for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.)
2. **Membership Fee** - At the time the application for service is approved, a refundable Membership Fee must be paid for each service requested before service shall be provided or reserved for the Applicant by the Corporation. The membership fee cannot be more than 12 times the minimum monthly base rate.
  - A. The Membership Fee for water service is \$200.00 for each service unit.
  - B. Membership fee for oversized or Master Metered Accounts shall be based on multiples of meter size equivalence.
3. **Easement Fee** - When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites in behalf of the Applicant. (See Section E 3., Section F 8. b.)
4. **Installation Fee** - The Corporation shall charge an installation fee for service as follows:
  - A. **Standard Service** shall include all current labor, materials, engineering, legal, customer service inspection, and administrative costs necessary to provide individual metered water or wastewater service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.
  - B. **Non-Standard Service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.
  - C. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E 3e of this Tariff.

5. **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 service 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

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

Single Dwelling or Single Non-Residential Business Connection

Impact					
Size	Meter Tap Fee	Fee	Membership Fee	Engineering Fee	Total
3/4"	\$650.00	\$1,000.00	\$200.00	\$25.00	\$1,875.00
1"	\$900.00	\$1,667.00	\$200.00	\$25.00	\$2,792.00
1 1/2"	\$1,725.00	\$3,333.00	\$200.00	\$25.00	\$5,283.00
2"	\$3,800.00	\$4,200.00	\$200.00	\$25.00	\$8,225.00

Larger than 2" meters will be handled on a case by case basis

Developers have the following options for establishing new service.

Pay ½ of the total fee and pay remaining ½ of total fee when buyer obtains membership. Pay ½ of the total fee and customer obtaining membership pay remaining ½ of total fee. Developer pay full total fee for new service.

Customers obtaining membership can choose to finance all but the membership fee for 1 year at 5% interest.

1. **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
2. **Monthly Charges**
  - A. **Base Rate**
    - 1) Water Service - The monthly charge for standard metered water service is for a 3/4" meter. The 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	3/4" MONTHLY SIZE	MONTHLY RATE
3/4"	1.0	\$67.50
1"	2.5	\$168.75
1 1/2"	5.0	\$337.50
2"	8.0	\$540.00

#### B. Gallonage

- 1) billing period. \$ 3.15 per 1,000 gallons
    - 1) Bulk Water Rate \$3.60 per 1000 gallons
  - 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. (16 TAC 291.76(d))
  - 3) The Corporation, as a part of its billing process, collects voluntary contributions on behalf of the Bell, Lampasas, Coryell and Burnet County Voluntary Fire Departments.
8. **Assessment** – 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 \$20.00 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.
10. **Returned Check Fee** – In the event a check, draft, or any other similar instrument is given by a person, firm, Corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$30.00.
11. **Reconnect Fee** - The Corporation shall charge a fee of \$100.00 during service hours and \$150.00 after service hours 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 6.b. Re-Service.
12. **Service Trip Fee** - The Corporation shall charge a trip fee of \$50.00 if collected at the door on lock day or if have to go to address at customer request for leak 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.
13. **Pressure Reducing Valves (PRV)** - Service Trip Fees are also charged for the instillation or repair of Pressure Reducing Valves (PRV) at customers request along with the cost of the PRV. KWSC only charges the cost of the PRV. The current cost is \$65.00 or \$35.00 for repair kit.
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. **Transfer Fee** - An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of \$15.00.
17. **Information Copy Fee** - A fee for the copying of any public information will be charged to the person requesting that information in compliance with the cost rules of the Texas Government Code Section 552.261 et. seq.
18. **Customer Service Inspection Fee** - A fee of \$ 25.00 will be assessed each Applicant before permanent continuous service is provided to new construction. Note: this charge is included in tap fee.
19. **Backflow Testing** – The Backflow and Cross-Connection Control program is one of the steps mandated by the Texas Commission on Environmental Quality. Backflow install \$150.00, backflow test \$75.00 and backflow repair \$75.00/hour plus parts.
20. **Cross Connection Control:** All customer/members that have active or inactive wells on their property will now be required to have "Air Gaps" or RPZ back flow and back pressure preventer installed at their meter location.

All KWSC meters supplying water to RV parks will be required to have an "Air Gap" or an RPZ back flow and back pressure preventer installed at their meter location.

All KWSC meters supplying water for lawn irrigation systems will be required to have a Double Check Valve that can be tested upon installation.

All KWSC meters that supply convenience stores with carbonated water machines, sell Gas or Diesel will be required to have an "Air Gap" or an RPZ back flow and back pressure preventer installed at their meter location.
21. **Temporary Service for Inspections Fee** – The Corporation will charge a trip fee in the amount of \$50.00 to provide temporary service for inspection purposes only. The request must be made 24 hours prior to the inspection and a representative is required to be present at the time the service is provided.
22. **Master Metered Accounts** – An account metered for one-member owner/customer, one-member Corporation or business to service residential multi-unit apartments, residential structures, or mobile home parks. When authorized by the Corporation, a ¾" master metered account will be billed at 2 times the monthly rate. This is in addition to the water usage charge. Master metered accounts with meters larger than ¾" will be billed by their equivalent in size to the standard ¾" meters. The member owner must execute with Corporation a Master Meter Service Agreement, which is set by the Bylaws and Tariff of the Corporation.
23. **Customer Notice Provisions** - The Corporation shall give 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 contract person designated to address inquiries about the rate change.

24. **Franchise Fee Assessment** - A fee of 10 % of the amount billed for water service will be assessed each customer whose meter is located inside the corporate limits of the City of Kempner, Texas, as required by the City's ordinance requiring a franchise fee.
25. **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.
26. **Additional Assessment** - 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 charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.
27. **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.

**27. Bulk Water Sales**

The sale of bulk water to contractors, private or public entities or for Agriculture use throughout the system.

- The length of time of this type application will be determined by the General Manager, on a case by case basis.
- The location in which the bulk water meter will be set will be determined by the CORPORATION Operations Manager.
- All bulk water meters provided must be no greater than 4". A current certificate of calibration will also be provided to Corporation before meter is accepted for use.
- Applications where a RPZ is required, a copy of the test results must be within a 12 month period and also provided to Corporation before any RPZ is accepted for use.
- Installation of said meters and RPZ will be supervised by Corporation staff to ensure that the proper location and installation is established.
- Any tampering, misuse, water sales, water theft, or illegal connection to take water without the intent to purchase will fully result in permanent disconnection and prosecuted (Refer to section E.20).
- SERVICE TRIP FEE (Section G #13) a service trip fee will be assessed for each service trip to water meter location, as a result of a request by the customer other than the response to damage of the Corporation's or another member's property.
- OTHER FEES (Section G #23) All services outside the normal scope of utility operations, which the Corporation may be compelled to provide at the request of a customer or member shall be charged to the recipient based on the cost of such service.

Bulk water sold to customers that cannot provide a meter, will be purchased at the Corporation office.

- Corporation staff will assist with the metering and supervise the filling of all tanks at this location.
- Water will be purchased on each load bases.

**28. Lots Not Being Connected to Corporation's Water**

The Corporation acknowledges that not all lots in the Applicant's subdivision will be connecting to the Corporation's water supply. When Applicant submits its plans, lots not being connected will be clearly marked and they will not be used in any calculations for payment of Membership Fee. All water well lots will be inspected for cross connection Customer Service Inspection (CSI)

## **SECTION H.**

### **DROUGHT CONTINGENCY AND EMERGENCY WATER DEMAND MANAGEMENT PLAN**

#### **1. Introduction**

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

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

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

#### **2. Public Involvement**

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

#### **3. Coordination with Regional Water Planning Group**

Kempner Water Supply Corporation works within the Brazos G water planning group and is part of the regional water plan.

<http://brazosgwater.org/Updated-2016-Plan-8-25-2016/Volume-I/5-21-Lampasas.pdf>

#### **4. Trigger Conditions**

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

- A. **Stage I - Mild Condition:** Stage I Voluntary Water Restriction allocation measures may be implemented when one or more of the following conditions exist:
- 1) Water consumption has reached 70 percent of daily maximum supply for three (3) consecutive days.
  - 2) There is an extended period (at least eight (8) weeks) of low rainfall and daily use has risen 20 percent above the use for the same period during the previous year.
- B. **Stage II - Moderate Conditions:** Stage II Mandatory Water Restriction measures may be implemented when one of the following conditions exist:
- 1) Water consumption has reached 80 percent of the amount available for three consecutive days.
  - 2) The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days. The lowest recorded tank levels are below 8 feet for 3 consecutive days.
- C. **Stage III – Moderate to Severe Conditions:** Stage III Mandatory Water Restriction measures may be implemented when one of the following three conditions exist:
- 1) Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of 24 hours or longer.
  - 2) Water consumption by 90 percent or more of the maximum available for three (3) consecutive days.
  - 3) Water consumption of 100 percent of the maximum available and the water storage levels in the system drop for one 24-hour period.
- D. **Stage IV – Severe Conditions:** Stage IV Mandatory Water Restriction may be implemented when one of the following three conditions exist:
- 1) Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of 24 hours or longer.
  - 2) Water consumption by 100 percent or more of the maximum available for three (3) consecutive days.
  - 3) Water consumption of 100 percent of the maximum available and the water storage levels in the system drop for one 24-hour period.
- E. **Stage V – Emergency Conditions:** Stage V Mandatory Water Restriction may be implemented when one of the following five conditions exist:
- 1) Major water production or distribution limitations.
  - 2) Natural or man-made contamination of the water supply source(s).
  - 3) The declaration of a state of disaster due to drought conditions in a county or counties served by the Corporation.
  - 4) Reduction of wholesale water supply due to drought conditions.
  - 5) Other unforeseen events which could cause imminent health or safety risks to the public.

## ***5. Stage Levels of Water Allocations***

The stage levels of water allocations are to be placed in effect by the trigger in Paragraph 4. The System shall institute monitoring and enforce penalties for violations of the Drought Plan for each of



the Stages listed below. The water allocation measures are summarized below.

**A. Stage I - Mild Conditions**

- 1) Customers are requested to voluntarily restrict water usage.
- 2) Voluntary watering days: Odd Address Tuesday and Friday, Even Address Monday and Thursday
- 3) Increase leak detection and repair efforts

**B. Stage II - Moderate Conditions**

- 1) Mandatory water restrictions two days a week, only
- 2) Mandatory watering days: Odd Addresses Tuesday and Friday, Even Addresses Monday and Thursday
- 3) Water main flushing only as needed
- 4) Increase utility oversight of watering schedule and water waste
- 5) Parks, institutional and commercial landscapes limited to drip and handheld hose
- 6) Make public service announcements as conditions change
- 7) Notify TCEQ

**C. Stage III – Moderate to Severe Conditions**

- 1) Mandatory water restrictions one day a week, only
- 2) Mandatory watering days: Odd Addresses Tuesday, Even Addresses Thursday
- 3) Water use will be restricted to a percentage of each member's prior month usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
- 4) Implementation of water usage surcharge(s) for excessive use.
- 5) The corporation shall continue enforcement and educational efforts.
- 6) Make public service announcements as conditions change
- 7) Notify TCEQ

**D. Stage IV – Moderate to Severe Conditions**

- 1) All outside watering with can or bucket only and only in the AM hours.
- 2) Water main flushing only as needed
- 3) Pro rata allocation to wholesale customers per TWC 11.039
- 4) The corporation shall continue enforcement and educational efforts.
- 5) Formal public notification by Corporation officials of Stage 4 Drought conditions
- 6) Notify TCEQ

**E. Stage V – Moderate to Severe Conditions**

- 1) All outdoor and non-essential uses of water strictly prohibited.
- 2) Discontinue water main flushing
- 3) Pro rata allocation to wholesale customers per TWC 11.039
- 4) Formal public notification by Corporations officials of Emergency Condition
- 5) Notify TCEQ and appropriate Emergency contacts.

**NOTE:**

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

the benefit of all the customers.

- Starting at Stage 3 through stage 5 an additional charge per thousand gallons will be added to each bill: 0 – 7,000 = \$3.15 per 1000 gallons used, 7,001 – 10,000 = \$5.60 per 1000 gallons used, >10,000 = \$7.00 gallons used

## **6. Initiation and Termination Procedures**

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

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

- A. The date water restriction shall begin,
- B. The expected duration,
- C. The stage (level) of water allocations to be employed,
- D. Penalty for violations of the water allocation program, and
- E. Affected area or areas.

A sample Customer Notice of Water Restrictions and Conditions is included in Miscellaneous Transaction Forms of this Tariff.

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

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

## **7. Penalties for Violations**

- First Violation** – The customer will be notified by written notice of their specific violation. The Customer will be notified in writing of their specific violation.
- Second Violation** – After written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility will charge the customer for the actual cost of installing and removing the flow restricting device.
- Subsequent Violations** - The Corporation will assess an additional penalty \* of \$150.00 for violations continuing after the Second Violation. The notice of subsequent violation will show

the amount of the penalty to be assessed and will inform the violator that failure to pay the penalty will result in termination of service to be restored only upon payment of penalty and service call to restore service. The notice will also inform the customer that the Corporation may also install a flow restricting device in the customer's meter service to limit the amount of water that will pass through the meter in a 24-hour period. The costs of this procedure will be for the actual work and equipment and shall be paid by the customer. Removal of this device will be considered Meter Tampering and will result in disconnection of service without further notice. The notice of subsequent violation will also inform the customer that additional penalties will be assessed for additional violations; and in addition to penalties, that water service will be terminated for a period of three (3) days regardless of whether the customer pays the penalties for the additional violations.

- D. **Termination** – For each continuing violation, the Corporation will assess an additional penalty of \$300.00 plus disconnect and reconnect fees. Service will also be terminated for a period of three (3) days. The notice of termination will show the date on which water service will be terminated and the date on which service will be restored, unless the customer has failed to pay delinquent penalties, assessments or charges. Service will remain off until any delinquent penalty or other assessment is fully paid including a charge for the service call to restore service

## 8. Exemptions or Waivers

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

- A. Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.

Alternative methods can be implemented which will achieve the same level of reduction in water use.

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

- Name and address of the petitioner(s).
- Purpose of water use.
- Specific provision(s) of the Plan from which the petitioner is requesting relief.
- A detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan.
- Description of the relief requested.
- Period of time for which the variance is sought.
- Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- Other pertinent information, as requested by the Committee.

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

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

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

Attachment 'L'  
Digital Data