



Filing Receipt

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Control Number - 53075

ItemNumber - 570

HUDSON WATER SUPPLY
3032 TED TROUT DRIVE
LUFKIN, TEXAS 75904
PH# (936) 875-2146
FAX (936) 875-2274

2013 NOV 13 AM 10 48
RECEIVED
TCEQ
WATER SUPPLY DIV.
CO# 10358

October 31, 2013
Re: Tarriff Revision

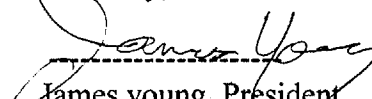
To Whom It May Concern:

Enclosed with this letter are the new water rates (effective January 1, 2014) along with our current rates for HUDSON WATER SUPPLY and the minutes where the rates were passed by the Board of Directors of Hudson Water Supply. Due to the rising cost of electricity and fuel, Hudson Water Supply Was Forced to increase the amount on water rates.

Also enclosed is a copy of the current rates for Hudson Water Supply Corporation.

If any further information is needed, please call us at the Number above.

Sincerely,


James young, President
Hudson Water Supply

WATER RATES (EFFECTIVE JANUARY 01/14)

RECEIVED
TCES
WATER SUPPLY DIV.

2013 MAY 13 PM 4 56

A minimum monthly charge of \$16.00 will be charged for the first 2,000 gallons of Water whether or not service is used. In addition to the minimum monthly charge, a gallonage charge will be added at the following rate:

\$ 5.07 PER 1,000 FROM 2,001 UP TO 10,000
\$ 6.77 PER 1,000 FROM 10,001 UP TO 20,000
\$ 7.89 PER 1,000 FROM 20,001 UP TO 30,000
\$ 9.01 PER 1,000 FROM 30,001 UP TO 40,000
\$ 11.26 PER 1,000 ALL USAGE OVER 40,001

Continuation of Cancelled Service

\$ 150.00*

*(Seller must Cancel Service/Membership and pay any balances due otherwise New Service Fee applies for Buyer. Buyer must come in within 7 days from date of closing to apply for service and pay any fees due, otherwise New Service Fee applies.

New Service

\$ 500.00**

**New Service Fee also applies for temporary meters set by homebuilders/realtors.

Drop/In

\$ 650.00

U-Branch

\$ 750.00

Short-Side Tap

\$ 850.00

Road Bore

\$ 850.00+

+Plus Cost of Road Bore

RENTAL PROPERTY

- ❖ NO DEPOSIT REQUIRED
- ❖ PROPERTY OWNER HAS TO AUTHORIZE NAME TRANSFER ON ACCOUNT, ACCOUNT MUST BE CURRENT, INCLUDING ANY FINAL BILLS BEFORE TRANSFER CAN BE COMPLETED
- ❖ PLEASE NOTIFY OFFICE 3 DAYS IN ADVANCE ON ANY FINAL READINGS
- ❖ NO EXTENSIONS ON RENTAL PROPERTY WITHOUT PROPERTY OWNER APPROVAL

NOTE: OUR BILLING CYCLE RUNS A MONTH BEHIND. METERS ARE READ ON THE 8TH OF EVERY MONTH FOR PREVIOUS MONTH USAGE AND BILLED AT THE END OF SAME MONTH, DUE BY THE 10TH OF THE NEXT MONTH. IF YOU DO NOT RECEIVE A BILL BY THE END OF THE MONTH PLEASE CALL OUR OFFICE SO WE CAN REBILL YOU. AFTER THE 10TH THERE WILL BE A \$10.00 LATE CHARGE ADDED TO THE BALANCE ON YOUR BILL.

RECEIVED
TOSC
WATER SUPPLY DIV.

2013 NOV 13^{anna} PM 4 57

WATER RATES (Effective 01/13)

A minimum monthly charge of \$16.00 will be charged for the first 2,000 gallons of water whether or not service is used. In addition to the minimum monthly charge, a gallonage charge will be added at the following rate:

\$4.92 per 1,000 from 2,001 up to 10,000
\$6.57 per 1,000 from 10,001 up to 20,000
\$7.66 per 1,000 from 20,001 up to 30,000
\$8.75 per 1,000 from 30,001 up to 40,000
\$10.93 per 1,000 from 40,001 up to 50,000

Continuation of Cancelled Service **\$ 150.00***

*(Seller must Cancel Service/Membership and pay any balances due otherwise New Service Fee applies for Buyer. Buyer must come in within 7 days from date of closing to apply for service and pay any fees due, otherwise New Service Fee applies.

New Service **\$ 500.00****

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Drop/In **\$ 650.00**

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Short-Side Tap **\$ 850.00**

Road Bore **\$ 850.00+**

+Plus Cost of Road Bore

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- ❖ PROPERTY OWNER HAS TO AUTHORIZE NAME TRANSFER ON ACCOUNT, ACCOUNT MUST BE CURRENT, INCLUDING ANY FINAL BILLS BEFORE TRANSFER CAN BE COMPLETED
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(409) 875-2146

T-308-0
#10358

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WATER TARIFF RULES AND REGULATIONS

FOR

HUDSON WATER SUPPLY CORPORATION

RR. 5 BOX 750

LUFKIN, TX. 75901

(409) 875-2146

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Introduction

A Tariff is a compilation of the Corporation's rates, charges, and service rules. The Tariff is not a compilation of office procedures, By-Laws, or construction standards. The Tariff defines the business relationship between the Corporation and it's Members. The Tariff should describe all rates and charges, the manner in which service is extended and provided, rules for termination of service, and other policies relating to the Corporation's business practices. Procedures in conducting such business should be included only when such procedures define the terms of the policy.

The Tariff must be approved by the Board of Directors as a statement of policy. When applicable, a Tariff submitted to any regulatory authority becomes readily available to the regulator. The Tariff can then be used to resolve complaints and arguments on rates, charges, and service. When constructing the Tariff, have the words reflect your policies and methods in a consistent and fair manner. The Tariff is protection for the Consumer and the Corporation. It maintains consistency as Boards and managers change. In a dispute or argument the TARIFF IS THE FINAL WORD.

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SECTION A: RESOLUTION OF ADOPTION AND REVISION

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

I. THE TARIFF, CONSISTING OF SECTIONS A THROUGH H INCLUSIVE, IS HEREBY ADOPTED AND ENACTED AS THE CURRENT REGULATIONS WHICH SHALL SUPERSEDE ALL POLICIED PASSED BY THE BOARD OF DIRECTORS BEFORE MARCH 17, 1988, TO THE EXTENT PROVIDED IN PARAGRAPH 2 HEREOF.

II. NO PRIOR AGREEMENT EXECUTED BY THE BOARD OF DIRECTORS IS REPEALED BY ANY PROVISION CONTAINED HEREIN, SAVE AND EXCEPT AS PROVIDED IN THE TERMS OF THAT AGREEMENT.

III. THE ADOPTION OF THE PREVISIONS OF THIS TARIFF SHALL NOT AFFECT ANY OFFENSE OR ACT COMMITTED OR DONE, OR ANY PENALTY OF FORFEITURE INCURRED, OR ANY CONTRACT OR VESTED RIGHT ESTABLISHED OR ACCURING BEFORE THE EFFECTIVE DATE OF THIS TARIFF.

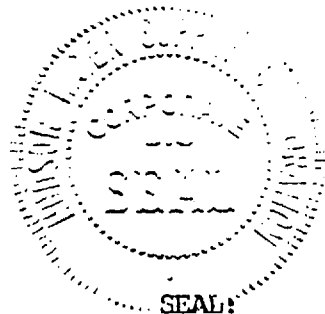
IV. AN OFFICIAL COPY OF THIS POLICY SHALL BE AVAILABLE TO THE MEMBERSHIP OF THIS CORPORATION DURING REGULAR OFFICE HOURS OF THE CORPORATION. REQUESTS FOR COPIES OF THIS TARIFF SHALL BE SUBJECT TO REPRODUCTION CHARGES. THE SECRETARY OF THE CORPORATION SHALL MAINTAIN THE ORIGINAL COPY AS APPROVED, AND CLEARLY EXHIBIT ALL ADDITIONS, DELETIONS, AND AMENDMENTS SEPARATELY.

V. THIS TARIFF SHALL TAKE EFFECT IMMEDIATELY UPON ITS APPROVAL AS PROVIDED BY LAW, AND ACCORDING TO ITS TERMS. RULES AND REGULATIONS OF STATE AND FEDERAL AGENCIES HAVING APPLICABLE JURISDICTION, PROMULGATED UNDER ANY APPLICABLE STATE OR FEDERAL LAW SHALL SUPERSEDE ALL TERMS OF THIS POLICY. IF ANY SECTION, PARAGRAPH, SENTENCE CLAUSE, PHRASE, WORD OR WORDS OF THIS POLICY ARE DECLARED UNCONSTITUTIONAL OR INVAILD FOR ANY PURPOSE, THE REMAINDER OF THIS POLICY SHALL NOT BE AFFECTED THEREBY.

PASSED AND APPROVED THIS 17 DAY OF MARCH, 1988.

PRESIDENT, HUDSON WATER SUPPLY CORPORATION

SECRETARY, HUDSON WATER SUPPLY CORPORATION



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SECTION B: STATEMENTS

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I. STATEMENT OF ORGANIZATION.

THE HUDSON WATER SUPPLY CORPORATION IS A MEMBER OWNED NON-PROFIT CORPORATION INCORPORATED PURSUANT TO THE PROVISIONS OF TEXAS REV. CIV. STAT. ANN. ART. 1434 a AS SUPPLEMENTED BY THE TEXAS NON-PROFIT CORPORATION ACT, TEXAS REV. CIV. STAT. ANN. ART. 1396, FOR THE PURPOSE OF FURNISHING A POTABLE WATER UTILITY SERVICE. CORPORATION OPERATING POLICIES, RATES, TARIFFS AND REGULATIONS ARE FORMULATED AND EFFECTED BY A BOARD OF DIRECTORS ELECTED BY THE MEMBERS OF THE CORPORATION, UNDER THE GUIDELINES OF FARMERS HOME ADMINISTRATION.

II. STATEMENT OF NON-DISCRIMINATION POLICY.

MEMBERSHIP IN THE CORPORATION AND SERVICE OF WATER IS PROVIDED TO ALL APPLICANTS WHO COMPLY WITH THE PROVISIONS OF THIS TARIFF REGARDLESS OF RACE, CREED, COLOR, NATIONAL ORIGIN, SEX, OR MARITAL STATUS.

III. STATEMENTS OF RULES APPLICATION.

THE RULES AND REGULATIONS SPECIFIED HEREIN APPLY TO THE WATER SERVICES FURNISHED BY HUDSON WATER SUPPLY CORPORATION, ALSO REFERRED TO AS CORPORATION OR HWSC. FAILURE ON THE PART OF THE MEMBER TO OBSERVE THESE RULES AND REGULATIONS OF THE CORPORATION, AFTER DUE NOTICE OF SUCH FAILURE, AUTOMATICALLY GIVES THE CORPORATION THE AUTHORITY TO DISCONTINUR THE FURNISHING OF SERVICE AS PROVIDED HEREIN.

IV. CORPORATION BY-LAWS.

THE CORPORATION HAS ADOPTED BY-LAWS WHICH ESTABLISHES THE MAKE-UP OF THE BOARD OF DIRECTORS, ESTABLISHES THE MEMBERSHIP VOTING RIGHTS, PROVIDES THE ANNUAL AND REGULAR MEETINGS, PROVIDES FOR RESERVE ACCOUNTS, AND ESTABLISHES THE RIGHTS OF THE MEMBERS AND OTHER IMPORTANT REGULATIONS OF THE WATER SYSTEM, THESE BY-LAWS ARE INCLUDED BY REFERENCE HEREIN, AS AMENDED FROM TIME TO TIME, AND ARE ON FILE FOR INSPECTION IN THE CORPORATION'S OFFICE.

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V. STATEMENT OF FIRE PROTECTION RESPONSIBILITY.

FIRE HYDRANTS PAID FOR BY INDIVIDUALS OR GROUPS OF INDIVIDUALS AND DONATED TO THE CORPORATION FOR COUNTY VOLUNTEER FIRE DEPARTMENT USE, SHALL REMAIN IN PLACE FOR SUCH USE AS "REFILL ONLY" OF FIRE TRUCKS. THE CORPORATION RESERVES THE RIGHT TO REMOVE ANY FIRE HYDRANT, DUE TO IMPROPER USE OF DETRIMENT TO THE SYSTEM AS DETERMINED BY THE CORPORATION, AT ANY TIME WITHOUT NOTICE, REFUND, OR COMPENSATION TO THE CONTRIBUTORS.

PRESIDENT, HUDSON WATER SUPPLY CORPORATION

SECRETARY, HUDSON WATER SUPPLY CORPORATION

SEAL:

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STATEMENT ON LIABILITY

HUDSON WATER SUPPLY CORPORATION, DOES NOT ACCEPT LIABILITY FOR DAMAGES CAUSED BY SERVICE INTERRUPTIONS FOR EVENTS BEYOND ITS CONTROL AND FOR NORMAL FAILURES OF THE SYSTEM. THE LIMIT OF THE LIABILITY OF HUDSON WATER SUPPLY CORPORATION IS THE EXTENT OF THE COST FOR THE SERVICE PROVIDED.

PRESIDENT, HUDSON WATER SUPPLY CORPORATION

SECRETARY, HUDSON WATER SUPPLY CORPORATION

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SECTION C: DEFINITIONS

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APPLICANT

PERSON, PARTNERSHIP, COOPERATIVE, CORPORATION, AGENCY, PUBLIC OR PRIVATE ORGANIZATION OF ANY CHARACTER APPLYING FOR SERVICE WITH THE HUDSON WATER SUPPLY CORPORATION.

BOARD OF DIRECTORS

THE BOARD OF DIRECTORS ELECTED BY THE MEMBERS OF THE CORPORATION.

BY-LAWS

THE RULES PERTAINING TO THE GOVERNING OF THE HUDSON WATER SUPPLY CORPORATION ADOPTED BY THE CORPORATION MEMBERS.

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

THE AUTHORIZATION GRANTED UNDER CHAPTER 13 OF THE TEXAS WATER CODE FOR HUDSON WATER SUPPLY CORPORATION TO PROVIDE WATER UTILITY SERVICE WITHIN A DEFINED TERRITORY. HUDSON WATER SUPPLY CORPORATION HAS CERTIFICATE NUMBER 10358. TERRITORY DEFINED IN THE CCN SHALL BE THE CERTIFIED SERVICE AREA.

CORPORATION

THE HUDSON WATER SUPPLY CORPORATION

DISCONNECTION OF SERVICE

THE LOCKING OR REMOVAL OF A WATER METER TO PREVENT THE USE OF WATER BY A MEMBER/USER.

EASEMENT

A PRIVATE PERPETUAL DEDICATED RIGHT-OF-WAY FOR THE INSTALLATION OF WATER PIPELINES AND NECESSARY FACILITIES WHICH ALLOWS ACCESS TO PROPERTY FOR FUTURE MAINTENANCE, FACILITY REPLACEMENT, AND/OR INSTALLATION OF ADDITIONAL PIPELINES. (IF APPLICABLE)

FINAL PLAT

A COMPLETE AND EXACT PLAN FOR THE SUB-DIVISION OF A TRACT OF LAND INTO

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LOTS FOR MARKETING WHICH HAS BEEN APPROVED BY ALL REGULATORY AGENCIES HAVING JURISDICTION OVER APPROVAL OF THE DESIGN, PLANNING, AND SPECIFICATIONS OF THE FACILITIES OF SUCH SUB-DIVISION. THE HWSC SHALL DETERMINE IF A PLAT SUBMITTED FOR THE PURPOSE OF THIS TARIFF SHALL QUALIFY AS A FINAL PLAT.

LIQUIDATED MEMBERSHIP

A MEMBERSHIP IN WHICH THE MEMBERSHIP FEE IS NOT COMPLETE BECAUSE DELINQUENT CHARGES HAVE BEEN APPLIED AGAINST THE MEMBERSHIP FEE. SERVICE SHALL NOT BE PROVIDED TO A LIQUIDATED MEMBER UNTIL THE MEMBERSHIP FEE IS CURRENT AND PAID IN FULL.

MEMBER

AN APPLICANT WHO HAS RECEIVED A MEMBERSHIP CERTIFICATE AND WHO IS RECEIVING WATER UTILITY SERVICE FROM HWSC BY THE PAYMENT OF THE MONTHLY SERVICE AVAILABILITY CHARGE.

MEMBERSHIP CERTIFICATE

A STOCK CERTIFICATE PURCHASED FROM THE CORPORATION EVIDENCING A MEMBER'S INTEREST IN THE CORPORATION.

RENTER

A PERSON WHO RENTS PROPERTY FROM A MEMBER AND MAY OTHERWISE BE TERMED A LESSEE.

SERVICE APPLICATION AND AGREEMENT

A WRITTEN AGREEMENT BETWEEN THE MEMBER AND THE CORPORATION OUTLINING THE RESPONSIBILITIES OF EACH PARTY REGARDING THE SERVICE OF WATER.

SURRENDERED MEMBER

A MEMBERSHIP IN WHICH SERVICE HAS BEEN DISCONTINUED UPON REQUEST OF THE MEMBER AND ALL INDEBTNESS DUE THE CORPORATION HAS BEEN PAID IN FULL.

TRANSFeree

AN APPLICANT RECEIVING A HWSC MEMBERSHIP CERTIFICATE AND THE RIGHT TO

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WATER UTILITY SERVICE AT THE LOCATION PREVIOUSLY HELD BY ANOTHER MEMBER.
TRANSFEEE SHALL QUALIFY UNDER THE TERMS OF THIS TARIFF BEFORE THE CORPORATION
SHALL QUALIFY THE TRANSFEEE AS A MEMBER.

TRANSFEROR

A MEMBER WHO TRANSFERS CORPORATION STOCK AND RIGHTS TO WATER SERVICE
BACK TO HWSC TO BE ULTIMATELY RECEIVED BY A TRANSFEEE.

PRESIDENT, HUDSON WATER SUPPLY CORPORATION

SECRETARY, HUDSON WATER SUPPLY CORPORATION

SEAL:

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SECTION D: GEOGRAPHIC AREA SERVED

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SECTION E: SERVICE RULES AND REGULATIONS

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SUB-SECTION I.

APPLICATION PROCEDURES AND REQUIREMENTS

FOR THE PURPOSE OF THIS TARIFF, SERVICE REQUESTED BY AN APPLICANT AND PROVIDED BY THE CORPORATION SHALL BE DIVIDED INTO THE FOLLOWING TWO

(2) CLASSES WITH REQUIREMENTS FOR APPLICATION AS LISTED:

A. STANDARD SERVICE IS DEFINED AS SINGLE RESIDENTIAL TAP ON AN EXISTING PIPELINE WHERE PIPELINE OR SERVICE FACILITY EXTENSIONS ARE NOT REQUIRED. STANDARD SERVICE MAY ALSO BE DEFINED AS A TAP WHERE A PIPELINE EXTENSION OR ROAD BORE IS REQUIRED, BUT THE CORPORATION DETERMINES THAT THE EXTENSION DOES NOT WARRANT FULL OR PARTIAL COMPLIANCE WITH THE SERVICE EXTENSION SECTION OF THIS TARIFF, REQUIREMENTS FOR STANDARD SERVICE SHALL BE AS FOLLOWS:

(1). THE CORPORATION'S STANDARD SERVICE APPLICATION AND AGREEMENT FORM SHALL BE COMPLETED IN FULL AND SIGNED BY THE APPLICANT.

(2). A RIGHT-OF-WAY EASEMENT FORM, APPROVED BY THE CORPORATION, MUST BE COMPLETED BY THE APPLICANT FOR THE PURPOSE OF ALLOWING FUTURE EXTENSIONS OR FACILITY ADDITIONS TO IMPROVE OR PROVIDE SERVICE TO FUTURE APPLICANTS.

(3) . THE APPLICANT SHALL PROVIDE PROOF OF OWNERSHIP OR TITLE TO PROPERTY FOR WHICH SERVICE HAS BEEN REQUESTED IN A MANNER ACCEPTABLE TO THE CORPORATION.

B. NON-STANDARD SERVICE IS DEFINED AS ANY SERVICE APPLIED FOR OR PROVIDED WHICH IS NOT STANDARD SERVICE. SERVICE REQUIREMENTS AS PRESCRIBED BY SECTION F OF THIS TARIFF SHALL BE MET BY THE APPLICANT PRIOR TO EXTENSION OF SUCH PIPELINES AND/OR SERVICE FACILITIES.

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C. REQUIREMENTS OF STANDARD AND NON-STANDARD SERVICE

- (1) ALL SERVICE APPLICATIONS APPROVED AND COST OF SERVICE FEES QUOTED BY THE CORPORATION SHALL STAND APPROVED AT QUOTED COSTS FOR A PERIOD NOT TO EXCEED THIRTY (30) DAYS. AFTER (30) THIRTY DAYS, EACH APPLICANT SHALL RE-APPLY FOR SERVICE UNDER THE TERMS OF THIS TARIFF.
- (2) IF THE WATER MAIN HAS BEEN LOCATED IN THE PUBLIC RIGHT-OF-WAY AND IS ADJACENT TO APPLICANT'S PROPERTY DUE TO THE APPLICANT'S PREVIOUS REFUSAL TO GRANT EASEMENT TO THE CORPORATION FOR THE PURPOSE OF INSTALLING THE WATER MAIN AND APPENTENANCES, THE APPLICANT, PRIOR TO RECEIVING THE REQUESTED SERVICE, SHALL GRANT EASEMENT TO THE CORPORATION. IN ADDITION TO NORMAL REQUIRED FEES TO SERVICE, THE APPLICANT SHALL PAY SUCH SUMS AS ARE NECESSARY FOR THE REMOVAL OF THE WATER MAIN FROM THE PUBLIC RIGHT-OF-WAY AND FOR RE-INSTALLATION ONTO THE APPLICANT'S PROPERTY. THE CORPORATION SHALL RETAIN THE RIGHT TO DELAY RE-LOCATION OF EXISTING FACILITIES ONTO PRIVATE EASEMENT.

SUB-SECTION 2.

ACTIVATION OF STANDARD SERVICE

A. NEW TAP

THE CORPORATION SHALL CHARGE A NON-REFUNDABLE INSTALLATION FEE AS STATED IN SECTION G OF THIS TARIFF. THE INSTALLATION FEE SHALL BE QUOTED TO THE APPLICANT AFTER A SERVICE INVESTIGATION HAS BEEN CONDUCTED BY THE CORPORATION. THE METER INSTALLATION FEE SHALL BE PAID IN ADVANCE OF INSTALLATION.

B. RE-SERVICE TO NEW APPLICANT

AN APPLICATION FOR SERVICE FOR WHICH A TAP ALREADY EXISTS, BUT FOR WHICH THE METER HAS BEEN REMOVED FOR ANY REASON, MAY BE APPROVED

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BY THE CORPORATION PROVIDED THAT THE APPLICANT PAYS THE MEMBERSHIP FEE, METER LEASE, INSTALLATION, FUTURE CONSTRUCTION, AND ANY REPAIR CHARGES TO EXISTING TAPS.

C. PERFORMANCE OF WORK

ALL TAP AND EQUIPMENT INSTALLATIONS SHALL BE SPECIFIED BY THE CORPORATION AND SHALL BE COMPLETED BY THE CORPORATION STAFF OR THE CORPORATION'S DESIGNATED REPRESENTATIVE. THE TAP SHALL BE COMPLETED WITH-IN FOURTEEN (14) WORKING DAYS AFTER RECEIPT OF PAYMENT OF QUOTED INSTALLATION FEES.

SUB-SECTION 3.

ACTIVATION OF NON-STANDARD SERVICE

ACTIVATION OF NON-STANDARD SERVICE SHALL BE CONDUCTED AS PRESCRIBED BY TERMS OF SECTION F OF THIS TARIFF.

SUB-SECTION 4.

MEMBERSHIP

A. ELIGIBILITY

THE CORPORATION SHALL GRANT MEMBERSHIP ONLY TO OWNERS OF REAL PROPERTY ON WHICH THE REQUESTED STANDARD OR NON-STANDARD SERVICE IS TO BE PROVIDED. ELIGIBILITY FOR MEMBERSHIP SHALL NOT GUARANTEE SERVICE TO THE APPLICANT.

B. MEMBERSHIP CERTIFICATE

UPON QUALIFICATION FOR MEMBERSHIP AND ACCEPTANCE OF THE MEMBERSHIP FEE, THE CORPORATION SHALL ISSUE A MEMBERSHIP CERTIFICATE TO THE APPLICANT. THE MEMBERSHIP CERTIFICATE PROVIDES PROOF OF MEMBERSHIP IN THE CORPORATION AND SHALL ENTITLE THE APPLICANT TO ONE CONNECTION TO THE CORPORATION'S WATER MAIN AND ONE (1) SHARE OF CORPORATION STOCK. THE MEMBERSHIP CERTIFICATE ALSO

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ENTITLES THE MEMBER TO ONE (1) VOTE IN THE CONDUCTING OF THE AFFAIRS OF ANY ANNUAL OR SPECIAL MEMBERSHIP MEETING OF THE CORPORATION AS PRESCRIBED BY THE CORPORATION BY-LAWS. ORIGINAL MEMBERSHIP CERTIFICATES SHALL BE HELD ON FILE AT THE CORPORATION OFFICE.

C. TRANSFERS

(1) A MEMBER IS ENTITLED TO TRANSFER MEMBERSHIP IN THE CORPORATION WITHOUT THE PRIOR APPROVAL OF 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 OF CONSANGUINITY; or

C. THE MEMBERSHIP IS TRANSFERRED WITHOUT COMPENSATION OR BY SALE TO THE CORPORATION; or

D. THE MEMBERSHIP IS TRANSFERRED AS A PART OF THE CONVEYANCE OF REAL ESTATE FROM WHICH THE MEMBERSHIP AROSE.

(2) IN THE EVENT THAT MEMBERSHIP IS TRANSFERRED PURSUANT TO THE PROVISIONS OF SUB-SECTION 4 C. (1), SUCH TRANSFER SHALL NOT BE COMPLETED OR RECORDED ON THE BOOKS AND RECORDS OF THE CORPORATION UNTIL SUCH TIME AS THE TRANSFEROR HAS PROVIDED SATISFACTORY EVIDENCE TO THE CORPORATION OR SUCH TRANSFER.

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(3) ANY TRANSFER OF MEMBERSHIP SET FORTH IN SUB-SECTION 4 C. (1) AND 4 C. (2) SHALL BE SUBJECT TO APPROVAL OF THE CORPORATION AND SHALL BE RECORDED ON THE BOOKS AND RECORDS OF THE CORPORATION ONLY UPON THE FOLLOWING TERMS AND CONDITIONS;

A. A TRANSFER AUTHORIZATION FORM HAS BEEN COMPLETED BY THE TRANSFEROR AND TRANSFEREE.

B. THE TRANSFEREE HAS COMPLETED THE REQUIRED APPLICATION PACKET,

C. ALL INDEBTNESS DUE THE CORPORATION HAS BEEN PAID,

D. THE MEMBERSHIP CERTIFICATE HAS BEEN SURRENDERED, PROPERLY ENDORSED, BY THE TRANSFEROR.

D. CANCELLATION OF MEMBERSHIP

TO KEEP A MEMBERSHIP IN GOOD STANDING, A SERVICE AVAILABILITY CHARGE MUST BE PAID MONTHLY TO THE CORPORATION, WHETHER OR NOT WATER IS USED. FAILURE TO PAY THE MONTHLY SERVICE AVAILABILITY CHARGE TO THE CORPORATION SHALL JEOPARDIZE THE MEMBER'S MEMBERSHIP STANDING AND GIVE RISE TO LIQUIDATION OF THE MEMBERSHIP FEE. A MEMBER MAY BE RELIEVED OF THIS OBLIGATION TO PAY BY SURRENDERING THE MEMBERSHIP CERTIFICATE, PROPERLY ENDORSED, TO THE CORPORATION. THE MEMBER SHALL COMPLETE A SERVICE DISCONTINUANCE REQUEST FORM PRIOR TO TERMINATION OF SERVICE. ALL FEES, CHARGES, AND RATES PREVIOUSLY PAID FOR SERVICE AT SUCH LOCATION SHALL BE FORFEITED TO THE CORPORATION AND RIGHTS TO FUTURE SERVICE AT THIS TAP SHALL BE EXTENDED ON AN AS AVAILABLE BASIS AND SUBJECT TO THE TERMS OF THIS TARIFF.

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E. LIQUIDATION DUE TO DELINQUENCY

WHEN THE AMOUNT OF MONTHLY SERVICE AVAILABILITY CHARGES OWED BY THE MEMBER EQUALS THE MEMBERSHIP FEE, THE MEMBERSHIP FEE SHALL BE LIQUIDATED AND THE MEMBERSHIP CANCELLED AND TRANSFERRED BACK TO THE CORPORATION. IN THE EVENT THE MEMBER LEAVES A BALANCE DUE ON AN ACCOUNT GUARANTEED UNDER THE TERMS OF A STANDARD SERVICE APPLICATION AND AGREEMENT, AND THE DELINQUENT MEMBER OWNS MORE THAN ONE MEMBERSHIP CERTIFICATE, THE CORPORATION MAY LIQUIDATE AS MANY OF THE MEMBER GUARANTOR'S MEMBERSHIP FEES AS NECESSARY TO SATISFY THE BALANCE DUE THE CORPORATION.

SUB-SECTION 5.

OWNERS OF RENTAL PROPERTY

ANY HWSC MEMBER RENTING OR LEASING PROPERTY TO OTHER PARTIES ARE RESPONSIBLE FOR ALL CHARGES DUE THE CORPORATION IN THE EVENT A RENTER OR LESSEE LEAVES THE CORPORATION WITH ANY UNPAID BILLS. THE CORPORATION WILL BILL THE RENTER OF LESSEE FOR WATER SERVICE AS A THIRD PARTY, BUT THE MEMBER IS FULLY RESPONSIBLE FOR ANY AND ALL UNPAID BILLS LEFT BY THE RENTER/LESSEE. THE MEMBER SHALL TAKE RESPONSIBILITY FOR ANY NECESSARY DEPOSITS FROM THE RENTER/LESSEE TO ENSURE PAYMENT OF A PAST DUE BILL. THE CORPORATION MAY NOTIFY THE MEMBER OF THE RENTER'S PAST DUE PAYMENT STATUS SUBJECT TO SERVICE CHARGE.

SUB-SECTION 6.

DENIAL OF SERVICE

THE CORPORATION MAY DENY SERVICE FOR THE FOLLOWING REASONS:

- A. FAILURE OF THE APPLICANT OR TRANSFEREE TO COMPLETE ALL REQUIRED FORMS;
- B. FAILURE OF THE APPLICANT OR TRANSFEREE TO COMPLY WITH RULES, REGULATIONS, POLICIES, AND BY-LAWS OF THE CORPORATION;

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- C. EXISTENCE OF A HAZARDOUS CONDITION AT THE APPLICANT'S PROPERTY WHICH WOULD JEOPARDIZE THE WELFARE OF THE MEMBER/USERS OF THE CORPORATION UPON CONNECTION;
- D. FAILURE OF APPLICANT OR TRANSFEREE TO COMPLY WITH ALL GOVERNMENTAL RULES AND REGULATIONS OF THE CORPORATION ON FILE WITH STATE REGULATORY AGENCY GOVERNING THE SERVICE APPLIED FOR BY THE APPLICANT;
- E. FAILURE OF APPLICANT OR TRANSFEREE TO PROVIDE PROOF OF OWNERSHIP, TO THE SATISFACTION OF THE CORPORATION, OF PROPERTY FOR WHICH THE TAP HAS BEEN REQUESTED, AND/OR;
- F. APPLICANT'S SERVICE FACILITIES ARE KNOWN TO BE INADQUATE OR OF SUCH CHARACTER THAT SATISFACTORY SERVICE CANNOT BE PROVIDED;
- G. IF THE APPLICANT OR TRANSFEREE IS INDEBTED TO ANY UTILITY FOR THE SAME KIND OF SERVICE AS THAT APPLIED FOR.

SUB-SECTION 7.

APPLICANT'S OR TRANSFEREE'S RECOURSE

IN THE EVENT THE CORPORATION REFUSES AN APPLICANT UNDER THE PROVISIONS OF THESE RULES, THE CORPORATION MUST NOTIFY THE APPLICANT OF THE BASIS OF ITS REFUSAL AND APPLICANT MAY FILE FOR AN APPEAL, IN WRITING, WITH THE BOARD OF DIRECTORS OF THE CORPORATION.

SUB-SECTION 8.

INSUFFICIENT GROUNDS FOR REFUSAL OF SERVICE

THE FOLLOWING SHALL NOT CONSTITUTE SUFFICIENT CAUSE FOR THE REFUSAL OF SERVICE TO AN APPLICANT;

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- A. FAILURE TO PAY A BILL TO CORRECT PREVIOUS UNDERBILLING DUE TO MISAPPLICATION OF RATES MORE THAN SIX (6) MONTHS PRIOR TO THE DATE OF APPLICATION;
- B. VIOLATION OF CORPORATION'S RULES PERTAINING TO OPERATION OF NON-STANDARD EQUIPMENT OR UNAUTHORIZED ATTACHMENTS WHICH INTERFERES WITH THE SERVICE OF OTHERS, OR OTHER SERVICES SUCH AS COMMUNICATION SERVICES, UNLESS THE MEMBER HAS FIRST BEEN NOTIFIED AND BEEN AFFORDED REASONABLE OPPORTUNITY TO COMPLY WITH SAID RULES, OR;
- C. FAILURE TO PAY A BILL OF ANOTHER MEMBER AS GUARANTOR THEREOF UNLESS THE GUARANTY WAS MADE IN WRITING TO THE CORPORATION AS A CONDITION PRECEDENT TO SERVICE;

SUB-SECTION 9.

DEFERRED PAYMENT AGREEMENT

THE CORPORATION MAY OFFER A DEFERRED PAYMENT PLAN TO A MEMBER WHO CANNOT PAY AN OUTSTANDING BALANCE IN FULL AND IS WILLING TO PAY THE BALANCE IN REASONABLE INSTALLATIONS AS DETERMINED BY THE CORPORATION, INCLUDING ANY LATE PENALTY FEES OR INTEREST ON THE MONTHLY BALANCE TO BE DETERMINED AS PER AGREEMENT WITH THE BOARD OF DIRECTORS.

SUB-SECTION 10.

CHARGE DISTRIBUTION AND PAYMENT APPLICATION

- A. SERVICE AVAILABILITY CHARGE IS DEFINED AS A MINIMUM MONTHLY CHARGE WHICH IS APPLIED FROM THE FIRST DAY OF THE BILLING CYCLE TO THE LAST DAY OF THE BILLING CYCLE. CHARGES SHALL BE FROM METER INSTALLATIONS AND SERVICE TERMINATIONS FALLING DURING THE MONTH. BILLINGS FOR THIS AMOUNT SHALL BE MAILED ON THE 25th OF THE MONTH PRECEDING THE MONTH FOR WHICH THIS CHARGE

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IS DUE. ALL STANDARD AND NON-STANDARD SERVICES SHALL BE SUBJECT TO THIS CHARGE WHETHER OR NOT THE SERVICE IS IN USE BY THE MEMBER.

B. GALLONAGE CHARGE IS DEFINED AS WATER USAGE IN EXCESS OF THE WATER ALLOTMENT INCLUDED IN THE SERVICE AVAILABILITY CHARGE SHALL BE BILLED AT THE RATE SPECIFIED IN SECTION G, AND SHALL BE BILLED IN 1000 GALLON INCREMENTS. WATER CHARGES FOR USAGE EXCEEDING THE MONTHLY ALLOTMENT 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. BILLING FOR THIS ADDITIONAL USAGE IS APPROXIMATELY ONE MONTH BEHIND THE MONTHLY SERVICE AVAILABILITY CHARGE.

C. **POSTING OF PAYMENTS**

ALL PAYMENTS SHALL BE POSTED AGAINST PREVIOUS BALANCES PRIOR TO POSTING AGAINST CURRENT BILLINGS.

SUB-SECTION 11.

DUE DATES, DELINQUENT BILLS, AND SERVICE DISCONNECTION DATES

THE CORPORATION SHALL MAIL ALL BILLS ON THE 25th OF THE MONTH PRECEDING THE MONTH IN WHICH THE BILL IS DUE. ALL BILLS SHALL BE DUE BY THE 10th OF THE MONTH, AT WHICH TIME A PENALTY SHALL BE APPLIED AS DESCRIBED IN SECTION G. A BILL IS DELINQUENT IF NOT PAID BY THE 15th DUE DATE. FINAL NOTICES SHALL BE MAILED ALLOWING TEN (10) ADDITIONAL DAYS FOR PAYMENT PRIOR TO DISCONNECTION. THE TEN (10) ADDITIONAL DAYS SHALL BEGIN ON THE DAY THE FINAL NOTICE IS DEPOSITED WITH THE U.S. POSTAL SERVICE WITH SUFFICIENT POSTAGE. IF THE DUE DATE FOR THE REGULAR OR FINAL BILLING IS ON A WEEK-END OR HOLIDAY, THE NEXT DUE DATE FOR PAYMENT PURPOSES SHALL BE THE NEXT DAY THE CORPORATION OFFICE IS OPEN FOR BUSINESS AFTER SAID WEEK-END OR HOLIDAY.

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SUB-SECTION 12.

RULES FOR DISCONNECTION OF SERVICE

THE FOLLOWING DESCRIBES THE RULES AND CONDITIONS FOR DISCONNECTION OF SERVICE;

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

IN THE EVENT A CHECK, DRAFT, OR ANY OTHER SIMILAR INSTRUMENT IS GIVEN BY A PERSON, FIRM, OR 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 CORPORATION SHALL MAIL, VIA THE 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.

(2) FAILURE TO PAY A DELINQUENT ACCOUNT FOR UTILITY SERVICE FOR FAILURE TO COMPLY WITH THE TERMS OF DEFERRED PAYMENT AGREEMENT;

(3) VIOLATION OF THE CORPORATION'S RULES PERTAINING TO THE USE OF SERVICE IN A MANNER WHICH INTERFERES WITH THE SERVICE OF OTHERS OR THE OPERATION OF NON-STANDARD EQUIPMENT IF A REASONABLE ATTEMPT HAS BEEN MADE TO NOTIFY THE MEMBER

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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'S, BY-LAWS, OR SPECIAL CONTRACT PROVIDED THAT THE CORPORATION HAS GIVEN NOTICE OF SAID FAILURE TO COMPLY AND MEMBER HAS FAILED TO COMPLY WITHIN A SPECIFIED AMOUNT OF TIME AFTER NOTIFICATION;
- (5) FAILURE TO PROVIDE ACCESS TO THE METER UNDER THE TERMS OF THIS TARIFF;
- (6) MISREPRESENTATION BY ANY APPLICANT OR TRANSFEREE OF ANY FACT ON ANY FORM, DOCUMENT, OR OTHER AGREEMENT REQUIRED TO BE EXECUTED BY THE CORPORATION;

B. DISCONNECTION WITHOUT NOTICE

WATER UTILITY SERVICE MAY BE DISCONNECTED WITHOUT NOTICE FOR ANY OF THE FOLLOWING CONDITIONS;

- (1) A KNOWN DANGEROUS CONDITION EXISTS FOR WHICH IT MAY REMAIN DISCONNECTED FOR AS LONG AS THE CONDITION EXISTS;
- (2) SERVICE IS CONNECTED WITHOUT AUTHORITY BY A PERSON WHO HAS NOT MADE APPLICATION FOR SERVICE OR WHO HAS RECONNECTED SERVICE WITHOUT AUTHORITY FOLLOWING TERMINATION OF SERVICE FOR NON-PAYMENT; AND
- (3) IN INSTANCES OF TAMPERING WITH THE CORPORATION'S METER OR EQUIPMENT, BY-PASSING THE METER OR EQUIPMENT, OR OTHER DIVERSION OF SERVICE.

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WHERE REASONABLE, GIVEN THE NATURE OF THE HAZARDOUS CONDITION, A WRITTEN STATEMENT PROVIDING NOTICE OF DISCONNECTION AND THE REASON THEREFOR SHALL BE POSTED AT THE PLACE OF COMMON ENTRY OR UPON THE FRONT DOOR OF EACH AFFECTED RESIDENTIAL UNIT AS SOON AS POSSIBLE AFTER SERVICE HAS BEEN DISCONNECTED.

C. DISCONNECTION PROHIBITED

UTILITY SERVICE MAY NOT BE DISCONNECTED FOR ANY OF THE FOLLOWING REASONS;

- (1) FAILURE OF THE MEMBER TO PAY FOR MERCHANDISE OR CHARGES FOR NON-UTILITY SERVICE PROVIDED BY THE CORPORATION;
- (2) FAILURE OF THE MEMBER TO PAY FOR A DIFFERENT TYPE OR CLASS OF UTILITY SERVICE UNLESS A FEE FOR SUCH SERVICE IS INCLUDED IN THE SAME BILL;
- (3) FAILURE OF THE MEMBER TO PAY CHARGES ARISING FROM AN UNDERBILLING OCCURRING DUE TO ANY MIS-APPLICATION OF RATES MORE THAN SIX (6) MONTHS PRIOR TO THE CURRENT BILLING;
- (4) FAILURE OF THE MEMBER TO PAY CHARGES ARISING FROM AN UNDERBILLING DUE TO ANY FAULTY METERING, UNLESS THE METER HAS BEEN TAMPERED WITH OR UNLESS SUCH UNDERBILLING CHARGES ARE DUE TO METER ERROR;
- (5) 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;
- (6) FAILURE OF THE MEMBER TO PAY ESTIMATED BILL OTHER THAN A BILL RENDERED PURSUANT TO AN APPROVED METER READING

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PLAN, UNLESS THE CORPORATION IS UNABLE TO READ THE METER DUE TO CIRCUMSTANCES BEYOND ITS CONTROL

D. DISCONNECTION ON HOLIDAYS AND WEEK-ENDS

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 OFFICE 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 CERTIFIED SERVICE AREA WITHOUT WRITTEN NOTICE TO ITS MEMBERS AND ALL SIMILAR NEIGHBORING UTILITIES AND APPROVAL FROM THE TEXAS WATER COMMISSION.

F. DISCONNECTION FOR ILL AND DISABLED

THE CORPORATION MAY NOT DISCONTINUE SERVICE TO A DELINQUENT RESIDENTIAL MEMBER RESIDING IN AN INDIVIDUAL METERED DWELLING UNIT WHEN THAT MEMBER ESTABLISHES THAT DISCONTINUANCE OF SERVICE WILL RESULT IN SOME PERSON AT THAT RESIDENCE BECOMING SERIOUSLY ILL OR MORE SERIOUSLY ILL IF SERVICE IS DISCONTINUED. EACH TIME A MEMBER SEEKS TO AVOID TERMINATION OF SERVICE UNDER THIS SUBSECTION, THE MEMBER MUST HAVE THE ATTENDING PHYSICIAN CALL OR CONTACT THE CORPORATION WITH-IN SIXTEEN (16) DAYS OF ISSUANCE OF THE BILL, A WRITTEN STATEMENT MUST BE RECEIVED BY THE CORPORATION FROM THE PHYSICIAN WITH-IN TWENTY-SIX (26) DAYS OF THE ISSUANCE OF THE UTILITY BILL. THE PROHIBITION AGAINST SERVICE TERMINATION SHALL LAST SIXTY-THREE (63) DAYS FROM THE ISSUANCE OF THE UTILITY BILL OR SUCH LESSER PERIOD AS MAY BE AGREED UPON BY THE CORPORATION AND MEMBER'S PHYSICIAN. THE MEMBER SHALL ENTER INTO A DEFERRED

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PAYMENT AGREEMENT.

G. DISCONNECTION OF MASTER METERED APARTMENTS

WHEN A BILL FOR WATER UTILITY SERVICE IS DELINQUENT FOR A MASTER-METERED APARTMENT COMPLEX (DEFINED AS A BUILDING IN WHICH A SINGLE METER SERVES FIVE OR MORE RESIDENTIAL DWELLING UNITS), THE FOLLOWING SHALL APPLY;

- (1) THE CORPORATION SHALL SEND A NOTICE TO THE MEMBER AS REQUIRED. THIS NOTICE SHALL INFORM THE MEMBER THAT NOTICE OF POSSIBLE DISCONNECTION WILL BE PROVIDED TO THE TENANTS OF THE APARTMENT COMPLEX IN SIX (6) DAYS IF PAYMENT IS NOT RENDERED BEFORE THAT TIME.
- (2) AT LEAST SIX (6) DAYS AFTER PROVIDING NOTICE TO THE MEMBER AND AT LEAST FOUR DAYS PRIOR TO DISCONNECTION, THE CORPORATION SHALL POST AT LEAST FIVE NOTICES IN PUBLIC AREAS OF THE APARTMENT COMPLEX NOTIFYING THE RESIDENTS OF THE SCHEDULED DATE FOR DISCONNECTION OF SERVICE.

SUB-SECTION 13.

BILLING CYCLE CHANGES

THE CORPORATION RESERVES THE RIGHT TO CHANGE THE BILLING CYCLE IF THE WORK LOAD REQUIRES SUCH PRACTICE. AFTER A BILLING PERIOD HAS BEEN CHANGED, THE BILLING SHALL BE SENT ON THE NEW CHANGE DATE UNLESS OTHERWISE DETERMINED BY THE CORPORATION.

SUB-SECTION 14.

BACKBILLING

THE CORPORATION MAY BACKBILL A MEMBER FOR UP TO FOUR YEARS, (48) MONTHS

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FOR METER ERROR, MISAPPLIED METER MULTIPLIER, INCORRECT METER READINGS, OR ERROR ON COMPUTING A MEMBER'S BILL. FAILURE TO PAY THE MOST RECENT SIX (6) MONTHS BILLING WILL RESULT IN DISCONNECTION OF SERVICE AND THE RE-ESTABLISHMENT OF CREDIT. BACK-BILLING SHALL NOT EXTEND BEYOND CURRENT MEMBERSHIP.

SUB-SECTION 15.

DISPUTED BILLS

IN THE EVENT OF A DISPUTE BETWEEN THE MEMBER AND THE CORPORATION REGARDING ANY BILL, THE CORPORATION SHALL FORTHWITH MAKE AND CONDUCT AN INVESTIGATION AS SHALL BE REQUIRED BY THE PARTICULAR CASE, AND REPORT THE RESULTS THEREOF TO THE MEMBER. ALL DISPUTES UNDER THIS SUB-SECTION MUST BE REPORTED TO THE CORPORATION, IN WRITING, PRIOR TO THE DUE DATE POSTED ON SAID BILL.

SUB-SECTION 16.

INOPERATIVE METERS

WATER METERS FOUND INOPERATIVE WILL BE REPAIRED OR REPLACED WITHIN A REASONABLE TIME. IF A METER IS FOUND NOT TO REGISTER FOR ANY PERIOD, UNLESS BY-PASSED OR TAMPERED WITH, THE CORPORATION SHALL MAKE A CHARGE FOR UNITS USED, BUT NOT METERED, FOR A PERIOD NOT TO EXCEED THREE (3) MONTHS, BASED ON AMOUNTS USED UNDER SIMILAR CONDITIONS DURING THE PERIOD PRECEDING OR SUBSEQUENT THERETO, OR DURING CORRESPONDING PERIODS IN PREVIOUS YEARS.

SUB-SECTION 17.

BILL ADJUSTMENT DUE TO METER ERROR

THE CORPORATION SHALL TEST ANY MEMBER'S METER UPON WRITTEN REQUEST OF THE MEMBER. IN THE EVENT THE METER TESTS WITHIN THE ACCURACY STANDARDS OF THE AMERICAN WATER WORKS ASSOCIATION, A TEST FEE AS

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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 WILL BE WAIVED, THE METER SHALL BE CALIBRATED OR REPLACED, AND A BILLING ADJUSTMENT SHALL BE MADE AS FAR BACK AS SIX (6) MONTHS BUT NOT EXTENDING BEYOND CURRENT MEMBERSHIP. 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.

SUB-SECTION 18.

METER TAMPERING AND DIVERSION

FOR PURPOSES OF THESE SECTIONS, METER-TAMPERING, BY-PASSING, OR DIVERSIONS SHALL ALL BE DEFINED AS TAMPERING WITH THE CORPORATION'S METER OR EQUIPMENT, BY-PASSING THE SAME, OR OTHER INSTANCES OF DIVERSION SUCH AS PHYSICALLY DISORIENTING THE METER, OBJECTS ATTACHED TO THE METER TO DIVERT SERVICE OR TO BY-PASS, INSERTION OF OBJECTS INTO THE METER, AND OTHER ELECTRICAL AND MECHANICAL MEANS OF TAMPERING WITH, BY-PASSING, OR DIVERTING SERVICE. THE BURDEN OF PROOF OF METER-TAMPERING, BY-PASSING, OR DIVERSION IS ON THE CORPORATION. PHOTOGRAPHIC EVIDENCE OR ANY OTHER RELIABLE EVIDENCE MAY BE USED; HOWEVER, ANY EVIDENCE SHALL BE ACCOMPANIED BY A SWORN AFFIDAVIT BY THE CORPORATION'S STAFF WHEN ANY ACTION REGARDING METER-TAMPERING AS PROVIDED FOR ON THESE SECTIONS IS INITIATED. A COURT FINDING OF METER-TAMPERING MAY BE USED INSTEAD OF PHOTOGRAPHIC OR OTHER EVIDENCE, IF APPLICABLE. UNAUTHORIZED USERS OF SERVICES OF THE CORPORATION SHALL BE PROSECUTED TO THE EXTENT ALLOWED BY LAW.

SUB-SECTION 19.

METER RE-LOCATION

RE-LOCATION OF METERS/TAPS SHALL BE ALLOWED BY THE CORPORATION PROVIDED THAT;

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- A. NO TRANSFER OF MEMBERSHIP IS INVOLVED;
- B. AN EASEMENT FOR THE PROPOSED LOCATION HAS BEEN GRANTED TO THE CORPORATION;
- C. THE PROPERTY OF THE NEW LOCATION REQUESTED IS OWNED BY THE CURRENT MEMBER OF THE METER TO BE MOVED;
- D. THAT THE EXISTING TAP LOCATION IS CONTIGUOUS TO THE PROPOSED TAP LOCATION; AND
- E. THE MEMBER PAY THE ACTUAL COST OF RELOCATION PLUS ADMINISTRATIVE FEES.

SUB-SECTION 20.

ONE RESIDENTIAL OR COMMERCIAL UNIT PER METER

LOAN CONVENANTS WITH THE CORPORATION'S LENDERS PROVIDE THAT ONLY ONE RESIDENTIAL AND/OR COMMERCIAL UNIT SHALL BE SERVICED THROUGH EACH TAP.

- A. IF THE CORPORATION HAS SUFFICIENT REASON TO BELIEVE THAT MORE THAN ONE HOUSEHOLD/BUSINESS IS CONNECTED TO A SINGLE METER, THE MEMBER SHALL BE NOTIFIED BY MAIL, TO THE LAST KNOWN ADDRESS, AND GIVEN THIRTY (30) DAYS ISSUANCE OF THE NOTICE TO REPLY TO THE NOTICE AND MAKE PROPER APPLICATION FOR A NEW MEMBERSHIP TO ACCOMMODATE ALL ADDITIONAL RESIDENTIAL OR COMMERCIAL UNITS.
- B. UNDER THE RULES OF THE CORPORATION, EACH TAP TO THE MAIN PIPELINE IS A UNIT AND THE MONTHLY SERVICE AVAILABILITY CHARGE SHALL BE PAID, WHETHER OR NOT WATER IS USED.

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SUB-SECTION 21.

MEMBERS RESPONSIBILITY

- A. A MEMBER SHALL PROVIDE ACCESS TO THE TAP AT ALL REASONABLE TIMES FOR THE PURPOSE OF READING, INSTALLING, CHECKING, REPAIRING, OR REPLACING THE METER. MEMBERS SHALL PROVIDE KEYS TO LOCKED GATES. IF THE GATE TO THE MEMBER'S PREMISES IS LOCKED 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 ENTRANCE COULD NOT BE GAINED AND THAT A KEY SHOULD BE FURNISHED OR THE GATE UNLOCKED FOR EACH READING PERIOD. SHOULD THE GATE REMAIN LOCKED FOR THREE (3) CONSECUTIVE MONTHS AFTER PROPER NOTIFICATION TO THE MEMBER, THEN SERVICE SHALL BE DISCONTINUED AND THE METER REMOVED WITH NO FUTURE NOTICE.
- B. THE MEMBER SHALL SEE THAT ALL PLUMBING CONNECTIONS SHALL BE MADE TO COMPLY WITH THE TEXAS DEPARTMENT OF HEALTH RULES AND REGULATIONS. ALL CONNECTIONS SHALL BE DESIGNED TO INSURE AGAINST BACK-FLOW OR SIPHONAGE INTO THE CORPORATION'S WATER SUPPLY. IN PARTICULAR, LIVESTOCK WATER TROUGHS SHALL BE PLUMBED INTO THE TOP OF THE TROUGH WITH AIRSPACE BETWEEN THE DISCHARGE AND THE WATER LEVEL OF THE TROUGH. SERVICE SHALL BE DISCONTINUED WITHOUT FUTURE NOTICE WHEN INSTALLATIONS 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 CERTIFICATE SHALL KEEP ALL PAYMENTS CURRENT ON ALL ACCOUNTS, FAILURE TO MAINTAIN CURRENT STATUS ON ALL ACCOUNTS SHALL BE ENFORCEABLE AS PER STANDARD SERVICE APPLICATION AND AGREEMENT EXECUTED BY THE MEMBER.
- D. THE CORPORATION'S OWNERSHIP AND MAINTENANCE RESPONSIBILITY OF

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WATER SUPPLY AND METERING EQUIPMENT SHALL END AT THE POINT WHERE THE MEMBER CONNECTS TO THE EQUIPMENT PROVIDED BY THE CORPORATION DURING THE INSTALLATION OF THE METERING EQUIPMENT. THEREFORE, ALL WATER USAGE REGISTERING UPON AND/OR DAMAGES OCCURRING TO THE METERING EQUIPMENT OWNED AND PROVIDED BY THE CORPORATION SHALL BE SUBJECT TO CHARGES AS DETERMINED BY THE CORPORATION'S TARIFF AS AMENDED FROM TIME TO TIME BY THE BOARD OF DIRECTORS.

- E. THE CORPORATION SHALL REQUIRE EACH MEMBER TO PROVIDE A CUT-OFF VALVE ON THE MEMBER'S SIDE OF THE METER FOR PURPOSES OF ISOLATING THE MEMBER'S SERVICE PIPELINE AND PLUMBING FACILITIES FROM THE CORPORATION'S WATER PRESSURE. THE MEMBER'S USE OF THE CORPORATION'S CURB STOP OR OTHER SIMILAR VALVE FOR SUCH PURPOSES IS PROHIBITED. ANY DAMAGE TO THE CORPORATION'S EQUIPMENT SHALL BE SUBJECT TO SERVICE CHARGES.

SUB-SECTION 22.

RECORDS LOCATION AND AVAILABILITY

THE RECORDS OF THE CORPORATION SHALL BE KEPT IN THE CORPORATION OFFICE LOCATED IN HUDSON, TEXAS. THESE RECORDS MAY, UPON REQUEST, BE EXAMINED BY ANY MEMBER OF THE CORPORATION. THE RECORDS MAY NOT BE REMOVED FROM THE CORPORATION OFFICE.

PRESIDENT, HUDSON WATER SUPPLY CORPORATION

SECRETARY, HUDSON WATER SUPPLY CORPORATION

SEAL:



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(409) 875-2148

H

SECTION F SERVICE EXTENSION POLICY

Hudson Water Supply Corporation

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SERVICE EXTENSION

1. Corporation's limitations. All Applicants shall recognize that the Corporation must comply with local, state, and federal rules and regulations as promulgated from time to time, and by covenants of current indebtedness.
2. Purpose. The purpose of this Section is to govern agreements and service procedures for subdivisions, additions to subdivisions, or developments where service to more than one tract is necessary; and/or additional piping, service facilities, etc., are required to accommodate individual, multiple, commercial, or industrial Applicants. For the purposes of this Tariff, Applicants subject to this Section shall be defined as Non-Standard.
3. Application of Rules. This Section may be altered or suspended when applied to planned facility expansions for which the Corporation extends its indebtedness. The Board of Directors of the Corporation shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.
4. Non-Standard Service Application. The Applicant shall meet the following requirements prior to the initiation of a Service Agreement by the Corporation:
 - a. The Applicant shall provide the Corporation an original, signed letter containing information pertinent to the service request. The letter shall state that the Applicant has been provided a copy of the Corporation's Tariff.
 - b. A final plat approved by the Corporation must accompany the letter showing the Applicant's requested service area. The plat must be approved by all regulatory authorities having jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such regulatory authorities shall be submitted with the plat. Applicant's for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
 - c. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property outside the Corporation's Certificated Service Area of Public Convenience and Necessity, service may be extended provided that:
 - (1) The service location is contiguous to the Corporation's Certificated Service Area of Public Convenience and Necessity,
 - (2) The service location is not in an area receiving similar service from another utility, and
 - (3) The service location is not within the Area of Public Convenience and Necessity of another similar utility.

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5. Design. The Corporation shall study the design requirements of the Applicant's required facilities prior to initiation of a Service Agreement by adopting the following schedule:

- a. The Corporation's Consulting Engineer shall design all service facilities for the Applicant's requested service.
- b. The Contractor's and Engineer's fees shall be paid by the Applicant.
- c. The Consulting Engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.
- d. The Corporation's Engineer shall design all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demand, provided however, that the corporation pay the expense of such upgrading above the Applicant's facility requirements.

6. Non-Standard Service Agreement. All Applications subject to this Section shall enter into a written agreement which defines the terms of service prior to construction of required service facilities. Guidelines for the service agreement may include, but are not limited to:

- a. Definition of 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. Definition of procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
- c. Definition of costs associated with achieving parity with existing members of the Corporation as demonstrated in the Average Net Equity Purchase Fee Formula.
- d. Definition of monthly Service Availability Charges as applicable to the service request.
- e. Definition of terms by which reserved service shall be provided to the Applicant and duration of reserved service with respect to the impact the Applicant's service request will have upon the Corporation's system capability to meet other service requests.
- f. Definition of terms by which the Corporation shall administer the Applicant's project with respect to:

- (1) Design of the Applicant's service facilities,
- (2) Securing and qualifying bids,

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- (3) Execution of the Service Agreement,
- (4) Selection of a qualified bidder for construction,
- (5) Dispensing advanced funds for construction of facilities required for the Applicant's service,
- (6) Inspecting construction of facilities, and
- (7) Testing facilities and closing the project.

g. Definition of terms by which the Applicant shall indemnify the Corporation from all third party claims or law suits in connection with the project contemplated.

h. Definition of terms by which the Applicant shall deed all constructed facilities to the Corporation and by which the Corporation shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.

i. Definition of terms by which the Applicant shall grant title or easement for right-of-ways and facility sites and/or terms by which the Applicant shall provide for the securing of required right-of-ways and sites.

j. Definition of terms by which the Board of Directors shall review and approve the Service Agreement pursuant to current rules, regulations, and by-laws.

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

a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Corporation shall require the Applicant to secure easements or title to facility sites in behalf of the Corporation. All right-of-way easements and property titles shall be researched, validated, and filed by the Corporation at the expense of the Applicant.

b. All facilities installed in public right-of-ways in behalf of the Applicant, due to inability to secure private right-of-way easements, shall be subject to costs equal to the original cost of facility installation for those facilities in public right-of-ways, plus the estimated cost of future relocation to private right-of-way, provided however, that funds are not received at a later date from other sources for such relocation.

c. The Corporation shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to property required for other on-site facilities.

d. Easements and facilities sites shall be prepared for the construction

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of the Corporations's pipeline and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.

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

a. The Applicant shall sign the Service Agreement 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, and

e. The Contractor shall qualify with the Corporation as competent to complete the work, as having current water license.

9. 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 Service Agreement.

10. Construction.

a. All road work pursuant to county and/or municipal standards (if applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.

b. The Corporation shall, at the expense of the Applicant, inspect the the facilities to insure that corporation standards are achieved.

c. Construction plans and specifications shall be strictly adhered to, but the Corporation reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

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SECTION G RATES AND SERVICE FEES

Ref letter

May 24, 2010

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UNLESS SPECIFICALLY DEFINED IN THIS TARIFF, ALL FEES, RATES, AND CHARGES, AS HEREIN STATED SHALL BE NON-REFUNDABLE.

SUB-SECTION 1.

SERVICE INVESTIGATION FEE

THE CORPORATION SHALL CONDUCT A SERVICE INVESTIGATION FOR EACH SERVICE APPLICATION SUBMITTED AT THE CORPORATION OFFICE AND REPORT THE RESULTS UNDER THE FOLLOWING TERMS;

- A. ALL STANDARD SERVICE APPLICATIONS SHALL BE INVESTIGATED WITHOUT CHARGE AND ALL COSTS FOR INSTALLATION SHALL BE QUOTED TO THE APPLICANT WITHIN TEN (10) WORKING DAYS OF APPLICATION;
- B. ALL NON-STANDARD SERVICE APPLICATIONS SHALL BE SUBJECT TO A FEE, UNIQUE TO EACH PROJECT, OF SUFFICIENT AMOUNT TO COVER ALL ADMINISTRATIVE, LEGAL, AND ENGINEERING FEES ASSOCIATED WITH THE INVESTIGATION OF THE CORPORATION'S ABILITY TO DELIVER SERVICE TO THE APPLICANT, PROVIDE COST ESTIMATES OF THE PROJECT, PRESENT DETAILED PLANS AND SPECIFICATIONS AS PER FINAL PLAT, ADVERTISE AND ACCEPT BIDS FOR THE PROJECT, PRESENT A NON-STANDARD SERVICE AGREEMENT TO THE APPLICANT, AND PROVIDE OTHER SERVICES AS REQUIRED BY THE CORPORATION FOR SUCH INVESTIGATION. A NON-STANDARD SERVICE AGREEMENT SHALL BE PRESENTED TO THE APPLICANT, WITHIN A SUITABLE AMOUNT OF TIME AS DETERMINED BY THE COMPLEXITY OF THE PROJECT.

SUB-SECTION 2.

MEMBERSHIP FEE

AT THE TIME AN APPLICATION FOR SERVICE IS COMPLETED AND SUBMITTED, A MEMBERSHIP FEE OF \$100.00 MUST BE PAID BEFORE THE APPLICATION FOR SERVICE SHALL BE ACCEPTED BY THE CORPORATION ON A PER LOT OR METER EQUIVALENCY BASIS.

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SUB-SECTION 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 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.

SUB-SECTION 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, AND ADMINISTRATIVE FEES NECESSARY TO PROVIDE INDIVIDUAL METERED SERVICE AND SHALL BE CHARGED ON A PER TAP BASIS, THE INSTALLATION FEE SHALL BE QUOTED TO THE APPLICANT AFTER A SERVICE INVESTIGATION HAS BEEN CONDUCTED.
- B. NON-STANDARD SERVICE SHALL INCLUDE ANY AND ALL CONSTRUCTION LABOR AND MATERIALS, ADMINISTRATION, LEGAL, ENGINEERING, MEMBERSHIP, AND MONTHLY SERVICE AVAILABILITY 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, 1 C (2) OF THIS TARIFF.

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SUB-SECTION 5.

BUY-IN FEE

EACH APPLICANT SHALL BE REQUIRED TO ACHIEVE PARITY WITH EXISTING MEMBERS OF THE CORPORATION BY PAYING AN AMOUNT OF \$51.00, PER EACH NEW STOCK/MEMBERSHIP PURCHASED. THESE FUNDS ARE IN SAVINGS FOR FUTURE CONSTRUCTION AND REPAIRS TO THE SYSTEM.

SUB-SECTION 6.

STANDARD AND NON-STANDARD SERVICE AVAILABILITY CHARGES.

A. THE CORPORATION SHALL CHARGE A MONTHLY SERVICE AVAILABILITY CHARGE TO ALL APPLICANTS BASED ON THE CORPORATION'S MONTHLY OPERATING COSTS TO SERVICE THE APPLICANT'S DEDICATED FACILITIES ON A PER LOT BASIS, AND THEREBY RESERVING SERVICE TO THE APPLICANT'S SERVICE AREA. THIS FEE IS DETERMINED ON A CASE BY CASE BASIS BUT SHALL NEVER EXCEED THE MONTHLY SERVICE AVAILABILITY CHARGE FOR STANDARD METERED SERVICE ON A PER LOT/TAP BASIS.

B. IN ADDITION TO THE STANDARD AND NON-STANDARD SERVICE AVAILABILITY CHARGE, A GALLONAGE CHARGE SHALL BE ADDED TO THIS MINIMUM MONTHLY CHARGE AT A RATE OF \$2.00 PER 1000 FOR ANY GALLONAGE OVER 1000 GALLONS USED ON ANY ONE (1) BILLING PERIOD. THE MONTHLY MINIMUM SHALL BE CHARGED WHEN SERVICE HAS BEEN ESTABLISHED.

SUB-SECTION 7.

LATE PAYMENT FEE

A PENALTY OF \$1.00 PER BILLING PERIOD SHALL BE MADE ON DELINQUENT BILLS. THIS LATE PAYMENT PENALTY SHALL BE APPLIED TO ANY UNPAID BALANCE AFTER THE 15th OF THE MONTH.

board area only

OBsolete

DATE 06/25/10 FILE 10352

ref letter

24 May 2010

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SUB-SECTION 8.

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 \$5.00 FIRST TIME, \$10.00 THEREAFTER.

SUB-SECTION 9.

RECONNECT FEE

THE CORPORATION SHALL CHARGE A FEE OF \$10.00 FOR RECONNECTING SERVICE AFTER THE CORPORATION HAS PREVIOUSLY DISCONNECTED THE SERVICE FOR ANY REASON PROVIDED IN THIS TARIFF EXCEPT FOR ACTIVATION OF SERVICE UNDER SECTION E, 2 (B).

A. SERVICE TRIP FEE

THE CORPORATION SHALL CHARGE A TRIP FEE OF \$5.00 FOR ANY SERVICE CALL OR TRIP TO THE MEMBER'S TAP AS A RESULT OF A REQUEST BY THE MEMBER OR RESIDENT (UNLESS THE SERVICE CALL IS IN RESPONSE TO DAMAGE OF THE CORPORATION'S OR ANOTHER MEMBER'S FACILITIES) OR FOR THE PURPOSE OF RECHECKING CORRECT METER READINGS.

SUB-SECTION 10.

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 DIVERSIONS, A FEE SHALL BE CHARGED EQUAL TO THE ACTUAL COSTS FOR ALL LABOR, MATERIALS, AND EQUIPMENT NECESSARY FOR REPAIR, REPLACEMENT, AND OTHER CORPORATION ACTIONS SHALL BE CHARGED AND

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Ref letter
May 24, 2010

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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, MATERIALS, EQUIPMENT, AND OTHER ACTIONS NECESSARY TO CORRECT SERVICE DIVERSIONS, UNAUTHORIZED TAPS, OR RECONNECTIONS OF SERVICE WITHOUT AUTHORITY. ALL COMPONENTS OF THIS FEE WILL BE ITEMIZED, AND AN ITEMIZED STATEMENT SHALL BE PROVIDED TO THE MEMBER.

- A. 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 MATERIALS CHARGES INCURRED AS A RESULT OF SAID ACTS OR NEGLIGENCE.

SUB-SECTION 11.

CUSTOMER HISTORY REPORT FEE

A FEE OF \$1.00 SHALL BE CHARGED TO PROVIDE A COPY OF THE MEMBERS RECORD OF PAST WATER PURCHASES IN RESPONSE TO A MEMBER'S REQUEST FOR SUCH A RECORD.

SUB-SECTION 12.

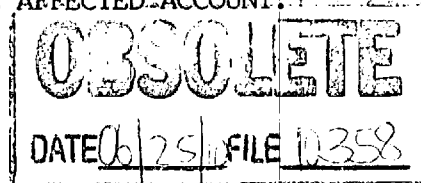
METER TEST FEE

THE CORPORATION SHALL TEST A MEMBER'S METER UPON WRITTEN REQUEST OF THE MEMBER. UNDER THE TERMS OF SECTION F OF THIS TARIFF, A CHARGE OF \$5.00 SHALL BE IMPOSED ON THE AFFECTED ACCOUNT.

SUB-SECTION 13.

TRANSFER FEE

AN APPLICANT FOR SERVICE WHO IS A TRANSFEREE SHALL COMPLETE ALL REQUIRED APPLICATION FORMS, ETC., AND PAY A TRANSFER FEE OF \$10.00.



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Ref letter

24 May 2010

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SUB-SECTION 14.

MEMBERSHIP CERTIFICATE COPY FEE

A FEE OF \$1.00 WILL BE CHARGED TO PROVIDE A DUPLICATE COPY OF THE MEMBERSHIP CERTIFICATE.

SUB-SECTION 15.

OWNER NOTIFICATION FEE

THE CORPORATION MAY, AT THE EXPENSE OF THE MEMBER, NOTIFY SAID MEMBER OF A RENTER/LESSEE DELINQUENT STATUS PRIOR TO DISCONNECTION OF SERVICE. THE OWNER NOTIFICATION FEE SHALL BE \$1.00 PER NOTIFICATION.

SUB-SECTION 16.

SERVICE TERMINATION FEE

A \$5.00 FEE WILL BE ASSESSED FOR THE PROCESSING OF THIS TRANSACTION AND DEDUCTED FROM THE MEMBERSHIP FEE IN ADDITION TO FINAL CHARGES.

SUB-SECTION 17.

LINE EXTENSION FEE

THE CORPORATION SHALL CHARGE \$200.00 FOR A LINE EXTENSION FEE, TO COVER THE COST OF FLUSH WATER AND INSPECTION OF NEW FACILITIES.

PRESIDENT, HUDSON WATER SUPPLY CORPORATION

SECRETARY, HUDSON WATER SUPPLY CORPORATION

SEAL:

AFFIDAVIT OF NOTICE TO CUSTOMERS AND OTHER AFFECTED PARTIES

STATE OF TEXAS
COUNTY OF ANGELINA

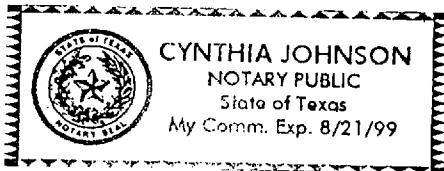
Before me, the undersigned authority, on this day personally appeared **Jeraldine Hedgepath** who being by me duly sworn, deposes and says that she is the Secretary/Treasurer of the Board of Directors of Hudson Water Supply Corporation;

that the attached notice was provided to customers and other affected parties by first class mail, on or about the following date, to wit; **February 20, 1997**

Jeraldine Hedgepath
Signature of Utility Officer

Subscribed and sworn to before me this the 20th day of 1997, to certify which witness my hand and seal of office.

Cynthia Johnson
Notary Public in and for
the State of Texas



Cynthia Johnson
Print Name of Notary

My Commission Expires 8/21/99

RECEIVED

TO: INTU...
CITY OF...
...

NOTICE OF RATE CHANGE REQUEST

Hudson Water Supply Corporation, which operates in Angelina County has filed a rate/tariff change application with the Texas Natural Resource Conservation Commission. The proposed effective date of the rate/tariff change is April 1, 1997. The requested increase in annual revenues over adjusted test year revenues is \$19,136.63. This change will affect all residential and commercial customers in HWSC's service area.

HWSC proposes the following rate structure.

Service Availability Fee	\$ 8.50 includes 1000 gallons
(Gallon usage over minimum)	\$ 2.63 per 1000
Membership Fee	\$ 100.00
Meter Lease (lifetime)	\$ 50.00
Installation Fee	\$ 25.00
Tap Fee (Standard)	\$ 250.00
Isolation Valves	\$ 25.00
Inspection Fees	\$ 20.00
Road Bore (Standard)	\$ 300.00
Open Cut	\$ 150.00
Late Charge Fee	\$ 5.00
History Fee	\$ 5.00
Owner Notification Fee	\$ 5.00
Return Check Fee	\$ 20.00
Disconnect Fee	\$ 25.00
Termination Fee	\$ 10.00
Transfer Fee	\$ 25.00
Service Trip Fee	\$ 25.00
Meter Test Fee	\$ 25.00 + cost
Line Extension Fee	\$ 25.00 per tap
Back-Flow Preventors	\$ Cost + installing

HUDSON WATER SUPPLY CORPORATION
3620 TED TROUT DRIVE LUFKIN, TX. 75904

These rates will apply to service received after the effective date listed above. If, within 60 days of the effective date, the TNRCC receives a complaint from any affected municipality, or from the lesser of 250 or 10 percent of the ratepayers, a hearing will be set to determine if the rates are reasonable. Complaints should be mailed to;

Texas Natural Resources Conservation Commission
P.O. Box 13087
Capitol Station
Austin, Tx. 78711-3087
Attention: Rate Section Tariff Clerk

Unless complaints are received from the lesser of 250 or 10 percent of the customers or the TNRCC sets a hearing on its own motion, no hearing will be held.

In the event that the application is set for hearing, the specific rates requested by the utility may be decreased or increased by order of the Commission, but in no case will the total amount of rate relief exceed the total amount included in this notice. If the Commission orders a lower rate to be set, the utility may be ordered to refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest.

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H

SECTION H: EMERGENCY RATIONING PROGRAM

PWS 0030023

10358

Hudson Water Supply Corporation
3620 Ted Trout Drive
Lufkin, Tx 75904
(936) 875-2146

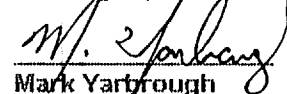
Re: Drought Contingency Plan

9-25-00

To Whom It May Concern:

Inside is a copy of Hudson Water Supply's Drought Emergency Water Demand Management Plan & Emergency Rationing Program. This plan was implemented in August 1999. No current changes have been. If any further action is required, please contact us at the number above.

Thank you,



Mark Yarbrough
H.W.S.C.

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INR... Section 10

SECTION H.
EMERGENCY WATER DEMAND MANAGEMENT PLAN
AND EMERGENCY RATIONING PROGRAM

A. INTRODUCTION

The goal of this plan is to cause a reduction in water use in response to 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 rationing program.

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

The plan will be implemented according to the three stages of rationing as imposed by the Board. The next section describes the conditions which will trigger these stages.

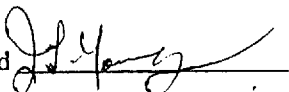
B. TRIGGER CONDITIONS

1. **Stage I - Mild Condition:** Stage I may be implemented when one or more of the following conditions exist:
 - a. Water consumption has reached 80 percent of daily maximum supply for three (3) consecutive days.
 - b. Water supply is reduced to a level that is only 20 percent greater than the average consumption for the previous month.
 - c. 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.

2. **Stage II - Moderate Conditions:** Stage II rationing condition may be implemented when one of the following conditions exist:
 - a. Water consumption has reached 90 percent of the amount available for three consecutive days.
 - b. The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days. Example: The highest recorded water level drops 10 () feet or more for 3 () consecutive days.

3. **Stage III - Severe Conditions:** Stage III rationing conditions may be implemented when one of the following four conditions exist:
 - a. 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.
 - b. Water consumption of 95 percent or more of the maximum available for three (3) consecutive days.
 - c. Water consumption of 100 percent of the maximum available and the water storage

Approved



Hudson WSC

levels in the system drop during one 24 hour period.

- d. Other unforeseen events which could cause imminent health or safety risks to the public.

C. STAGE LEVELS OF RATIONING

The stage levels of rationing are to be placed in effect by the triggers in Section B. The System shall institute monitoring and enforce penalties for violations of the Rationing Program for each of the Stages listed below. The rationing measures are summarized below.

1. Stage I - Mild Conditions

- a. Alternate day, time of day, or limiting of time restrictions for outside water usage allowed. (System will notify Customers which restriction is in effect)
- b. The system should reduce flushing operations.
- c. Encourage reduction of water use through the notice on bills or other method.

2. Stage II - Moderate Conditions

- a. All outside water use is prohibited (except for livestock).
- b. Make public service announcements as conditions change via local media (TV, radio, newspapers, etc.).

3. Stage III - Severe Conditions

- a. All outside watering prohibited and the system may also prohibit livestock watering by notice.
- b. Water use will be restricted to a percentage of each members prior months usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
- c. Corporation shall continue enforcement and educational efforts.

NOTE :

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

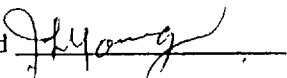
D. INITIATION AND TERMINATION PROCEDURES

Once a trigger condition occurs, the Corporation, or its designated responsible representative, shall, based on recommendation from the Chairperson of the Conservation Committee, decide if the appropriate stage of rationing 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 rationing is to be instituted, written notice to the customers shall be given.

Written notice of the proposed rationing shall be mailed or delivered to each affected customer, and placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:

1. The date rationing shall begin,
2. The expected duration,
3. The stage (level) of rationing to be employed,
4. Penalty for violations of the rationing program, and
5. Affected area to be rationed.

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Hudson WSC

A sample Customer Notice of rationing condition is included in Miscellaneous Transaction Forms of this tariff.

If the rationing period extends 30 days then the Chairperson of the Conservation Committee or manager shall present the reasons for the rationing at the next scheduled Board Meeting and shall request the concurrence of the Board to extend the rationing period.

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

E. PENALTIES FOR VIOLATIONS

For the first violation of a rationing provision a written warning shall be issued. The Corporation may install a flow restrictor in the customers service line for the second violation. The cost of this shall be the actual cost to do the work and not exceed \$100.00.

For subsequent violations, the Corporation may terminate service for up to 7 days and charge for the service call to restore service. These provisions apply to all customers of the Corporation.

F. EXEMPTIONS OR WAIVERS

The System may grant exemptions or waivers for individuals that can demonstrate just cause for outside or other use of water other than permitted by this Rationing Program. Some examples may include no other source for livestock, for business purposes, for other planned construction or improvement already in progress, etc.

G. IMPLEMENTATION

The Board shall establish a Conservation Committee by Resolution, the chairperson, of which, will be the responsible representative to make Emergency Water Management actions. This committee should also review the procedures in this plan annually so that modifications can be made to accommodate system growth.

The provisions which affect customers in this Plan were adopted by the Board. These procedures will be put into effect by the Board or its designated representative.

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REVISED NOVEMBER 1, 2007

HUDSON WATER SUPPLY CORP.

3032 TED TROUT DRIVE

LUFKIN.TX 75904

936-875-2146 PH#

936/875-2274 FAX* . . ,

NEW PRICE LIST FOR HWSC

CONTINUATION OF SERVICE (upon discontinuance of Seller; Buyer has 7 working days to continue service after 7 days new service rate applies)	\$150.00
3/4 "DROP-IN	\$550.00
3/4" U- BRANCH	\$650.00
3/4"SHORT SIDE TAP	\$750.00
1" SHORT SIDE TAP	\$1050.00
1 ½ SHORT SIDE TAP	\$1200.00
ROAD BORE – (COST OF SHORT SIDE TAP PLUS CONTRACTORS FEE.)	
METER TEST FEE	\$50.00
RECONNECT FEE	\$50.00
NSF CHECK FEE	\$35.00
SERVICE TRIP REGULAR HOURS	\$50.00
NON- EMERGENCY AFTER HOURS	\$100.00
ALL RODE BORES OF OTHER SIZES AND ALL SHORT SIDE TAPS ARE SUBJECT TO OPERATOR INVESTIGATION.	

No labor is included in this price, 1" and up meters cannot be u-branched because you must have a 1" tap.

MINIMUM MONTHLY CHARGE

A minimum monthly charge of \$16.00 shall be charged for the first 2,000 gallons of water whether or not service is used.

In addition to the minimum monthly charge, a gallonage charge will be added at the following rate:

\$4.50 per 1,000 up to 10,000

\$6.00 per 1,000 from 10,001 up to 20,000

\$7.00 per 1,000 from 20,001 up to 30,000

\$8.00 per 1,000 from 30,001 up to 40,000

\$10.00 per 1,000 from 40,001 up .

As required by the Water Code of the State of Texas the Corporation shall connect a regulatory assessment fee equal to one-half of one percent for retail water service. This charge shall be added to the customer's bill each month.

Hudson Water Supply Corporation
Board of Directors
Regular Monthly Meeting
Minutes
November 12, 2007

COPY

- I. Call to order by President James Young at 7:00 PM @ Hudson Middle School Cafeteria.
- II. First order of business
 - A. Quorum present – James Young, Lin Baker(absent), Jeff Whitfield, Sandra Renfro, Winston Lawrence
 - B. Opening prayer led by James Young. (approx. 35-40 members attended)
- III. Discussion and Action Items
 - 1) SR motion to recend motion of increased base rate to \$27.50. JW 2nd MCU SR motion to set base rate @ \$16.00 w/ 2000 gallons usage w/ graduated rate effective Jan. 1, 2008.
\$4.50 ---2001-10,000
\$6.00 --- 10,001-20,000
\$7.00 --- 20,001-30,000
\$8.00 ---30,001-40,000
\$10.00 -40,001 +
JW 2nd this motion. MCU
SR made motion to accept amended budget with these changes. JW 2nd MCU
SCHOOL RATE WILL BE AT \$3.25/THOUSAND
 - 2) Motion made by SR to have Christmas bonus for employees same as last year \$300 net. JW 2nd this motion. MCU
- IV. Executive Session not required
- V. Business and Finance—Oct '07 financials presented.
- VI. Motion by WL to adjourn at 8:30PM. JW seconded. MCU.

James Young
President

Sandra Renfro
Secretary

NOTICE
 NEW RATES FOR H.W.S.C
 EFFECTIVE June 1, 2009

Transfer Fee-Family Only (Parent to Child)	\$25.00
Continuation of Cancelled Service	\$150.00
(Upon Discontinuance of Seller — Buyer has 7 working days to Continue Service after 7 days New Service Rate Applies)	
New Service	\$500.00
Drop-In	\$650.00
Short Side Tap 3/4"	\$850.00
1"	\$1150.00
1 1/2"	\$1350.00
2"	\$1600.00
U-Branch	\$750.00
Road Bore-(Cost of Short Side Tap plus)	\$ _____
1"	_____
2"	_____
Meter Test Fee	\$50.00
Reconnect Fee	\$50.00
NSF Check Fee	\$35.00
Service Trip Reg. Hours	\$50.00
Non-Emergency After Hours	\$100.00

H.W.S.C. 10/10/07

H.W.S.C. 10/10/07

Due to the cost of water production our rates will increase by 3% effective June 1, 2009. New rates will be on your July 2009 billing for June 2009 water

MINIMUM MONTHLY CHARGE

A minimum monthly charge of \$16.00 shall be charged for the first 2,000 gallons of water whether or not service is used.

In addition to the minimum monthly charge, a gallonage charge will be added at the following rate:

- \$4.63 per 1,000 from 2,001 up to 10,000
- \$6.18 per 1,000 from 10,001 up to 20,000
- \$7.21 per 1,000 from 20,001 up to 30,000
- 8.24 per 1,000 from 30,001 up to 40,000
- \$10.30 per 1,000 from 40,001 up to 50,000

2009 JUN 01 10 21 AM
ALBANY WATER
COMMISSION