

**LUELLA WATER SUPPLY CORPORATION
METER TEST AUTHORIZATION
AND TEST REPORT**

NAME: _____

ADDRESS: _____

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

ACCOUNT NUMBER: _____ METER SERIAL NUMBER: _____

REASONS FOR REQUEST: _____

Members requesting a meter test may be present during the test, but if not, Member shall accept test results shown by the Corporation. The test shall be conducted in accordance with the American Water Works Association standards and methods on a certified test bench or on-site with an acceptable certified test meter. Member agrees to pay \$25.00 for the test if the results indicate an AWWA acceptable performance, plus any outstanding water utility service. In the event that the Member is required to pay for the test and for outstanding water utility service as set forth herein, said charges shall be applied to the next billing sent to the Member after the date of the test.

Signed by Member

TEST RESULTS

Low Flow (1/4 GPM)	_____ %	AWWA Standard 97.0 - 103.0 %
Intermediate (2 GPM)	_____ %	AWWA Standard 98.5 - 101.5 %
High Flow (10 GPM)	_____ %	AWWA standard 98.5 - 101.5 %

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

Meter tests accurately; no adjustments due.

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

Meter tests low; no adjustment due.

Test conducted by _____ Approved _____

JAN 13 2004

JAN 13 2004

JAN 13 2004

SAMPLE

**_____ WSC
NOTICE TO OWNER OF RENTAL PROPERTY**

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

_____ WSC MANAGEMENT

Amount Due Including Service Charges _____

Final Due Date _____

JAN 13 2004

**LUELLA WSC
TERMINATION NOTICE**

TO:

ACCOUNT NUMBER:

DATE:

DATE OF SCHEDULED TERMINATION:

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

LUELLA WSC MANAGEMENT

JAN 13 2004

JAN 13 2004

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

Pursuant to Chapter 13.2502 of the Texas Water Code, Luella Water Supply Corporation/Special Utility District hereby gives notice that any person who subdivides land by dividing any lot, tract, or parcel of land, within the service area of Luella Water Supply Corporation/Special Utility District, Certificate of Convenience and Necessity No. 001046, in Grayson County, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded or requests more than two water or sewer service connections on a single contiguous tract of land must comply with [title of subdivision service extension policy stated in the tariff/policy] (the "Subdivision Policy") contained in Luella Water Supply Corporation's tariff/Special Utility District's policy.

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

Applicable elements of the Subdivision include:

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

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

Payment of fees for reserving water supply capacity;

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

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

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

Luella Water Supply Corporation's/Special Utility District's tariff and a map showing Luella Water Supply Corporation's/Special Utility District's service area may be reviewed at Luella Water Supply Corporation's/Special Utility District's offices, at 36 LWSC Rd. Sherman, Texas; the tariff/policy and service area map also are filed of record at the Texas Commission on Environmental Quality in Austin, Texas and may be reviewed by contacting the TCEQ, c/o Utility Rates and Services Section, Water Utilities Division, P.O. Box 13087, Austin, Texas 78711.

JAN 13 2004

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

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

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

JAN 13 2004

JAN 13 2004

**LUELLA WSC
NOTICE OF RETURNED CHECK**

TO: _____

DATE: _____

CHECK NUMBER: _____

AMOUNT OF CHECK: _____

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

You have ten days from the date of this notice in which to redeem the returned check and pay an additional \$25.00 Returned Check Fee. Redemption of the returned check and payment of additional fees may be made by cash, money order, or certified check. If you have not redeemed the returned check and paid the additional service fees within ten (10) days, your utility service will be disconnected unless other arrangements have been made with management.

LUELLA WSC MANAGEMENT

JAN 13 2004

JAN 13 2004

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

I _____, hereby request that my water meter (SSN# _____) or account number _____ located on _____, be disconnected from Luella Water Supply Corporation service and that my membership fee is be refunded to me. I understand that if I should ever want my service reinstated I may have to reapply for service as a new member and I may have to pay all costs as indicated in a then current copy of the Water Supply Corporation Tariff. Future ability to provide service will be dependent upon system capacity, which I understand may be limited and may require capital improvements to deliver adequate service. I also understand that these improvements will be at my cost. I further represent to the Corporation that my spouse joins me in this request and I am authorized to execute this Request for Service Discontinuance on behalf of my spouse.

Signature

Date of Signature

NOTE: Charges for service will terminate when this signed statement is received by the Luella WSC office. A \$5.00 fee will be assessed for the processing of this transaction and will be deducted from the membership fee in addition to final charges.

JAN 13 2004

2004 13

EASEMENT DENIAL LETTER AND AFFIDAVIT

Date _____

Luella Water Supply Corporation
36 LWSC Rd.
Sherman, Texas 75090

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

Dear _____:

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

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

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

If you need any clarification on this matter, or wish to discuss any aspects of the enclosed easement, please contact our office: [office address, phone number].

We appreciate your attention to this matter.

Sincerely,

JAN 13 2004

JAN 13 2004

**LUELLA WATER SUPPLY CORPORATION
EQUIPMENT AND LINE DEDICATION AGREEMENT**

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

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

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

Luella Water Supply Corporation

Transferor Signature

Signed by Corporation Representative

Address

Address

City

Zip

City

Zip

THE STATE OF TEXAS, COUNTY OF GRAYSON

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

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

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

Signature of Notary Public

JAN 13 2004

2004 13 11

SAMPLE
_____ **WSC**
TERMINATION NOTICE

TO:

ACCOUNT NUMBER:

DATE:

DATE OF SCHEDULED TERMINATION:

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

_____ **WSC MANAGEMENT**

JAN 13 2004

SERVICE INSPECTION CERTIFICATION

Name of PWS LUELLA WATER

PWS I.D. #0910032

Location of Service _____

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

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

Water service shall not be provided or restored to the private water distribution facilities until the above conditions are determined to be in compliance. I further certify that the following materials were used in the installation of the water distribution facilities:

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

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

Signature of Inspector

450-19-2935
Registration Number

OPERATOR
Title

(B) GROUND ENDOREMENT
Type of Registration

10-08-2003
Date

JAN 13 2004

ACKNOWLEDGEMENT OF REFUSAL

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

AFFIDAVIT

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

[name]
[position with Corporation]
Date: _____

THE STATE OF TEXAS
COUNTY OF _____

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

(SEAL)

Notary Public, _____ County, Texas
My Commission Expires:

JAN 13 2004

LUELLA WATER SUPPLY CORPORATION
36 LWSC RD.
SHERMAN, TEXAS
Phone 903-892-9084 / Fax 903-813-0693

MEMBER / APPLICANT Emergency/Repair Request Agreement

Member / Applicant: _____
Account Number(s): _____

Phone: _____
Fax: _____
E Mail: _____

I, the member / applicant, requests that the Corporation notify the person(s) listed below,
OR turn off meter service **IF I AM NOT AVAILABLE.**

In case of emergency contact:

- A. Name _____ Phone Number: _____
FAX: _____ E MAIL _____

- B. Name _____ Phone Number: _____
FAX: _____ E MAIL _____

- C. Name _____ Phone Number: _____
FAX: _____ E MAIL _____

YES/NO I hereby authorize the Luella WSC personnel to **TURN OFF METER VALVE** in case of a leak or other type of emergency on my property.

By signing this agreement I also agree to pay the service trip charges or make arrangements to pay these charges and understand if these charges are not paid with the next monthly utility service bill or other payment arrangements have been made, service will be disconnected in accordance with Section E. 15. 9) of the Corporation's Tariff.

I also understand and acknowledge that the Corporation is under no obligation or liability to look for any leaks occurring on my property and that the Corporation may not know when or if a leak is on my property.

Member / Applicant: _____ DATE: _____

Member / Applicant's Designee: _____ DATE: _____

Corporation Witness: _____ DATE: _____

JAN 13 2004

LUELLA WATER SUPPLY CORPORATION

36 LWSC RD.

903-892-9084

Contact Person: _____

APPLICANT'S NOTICE OF INSUFFICIENT INFORMATION

TO:

ACCOUNT NUMBER:

DATE:

DATE OF SCHEDULED DISCONNECTION: _____

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

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

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

LUELLA WSC MANAGEMENT

Signed by: _____

JAN 13 2004

**LUELLA WATER SUPPLY CORPORATION
EQUIPMENT AND LINE DEDICATION AGREEMENT**

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

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

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

Luella Water Supply Corporation

Transferor Signature

Signed by Corporation Representative

Address

Address

City Zip

City Zip

THE STATE OF TEXAS, COUNTY OF _____

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

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

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

Signature of Notary Public

JAN 13 2004

RE-SERVICE ILLUSTRATION

The following illustration demonstrates the intent of Section E. 3. b. of this Tariff.

Example Case:

A meter is currently active on a tract of land and serves a 3-bedroom house. The meter and service has been active for several years. The original cost of the service to this property included a \$100 Membership Fee, a \$250 materials and labor charge, and a \$500 Equity Buy In Fee.

The Buy In Fee is the Corporation's estimated cost of production, storage, and distribution capacity lost when the customer was added. This Buy In Fee is assessed to defray the cost of replacing the lost capacity to meet future growth needs. The purpose is to keep the rates down for existing customers. This is accomplished because the Buy In Fee eliminates, at least in theory, the need to borrow money to expand the system.

The Corporation currently has a Service Availability Charge of \$12.00 and a Reserved Service Charge of \$10.00 per month. The Service Availability Charge is assessed for active metered accounts and covers the cost of service to that customer. The Reserved Service Charge is assessed for active non-metered accounts and covers the same costs for metered accounts except meter reading, billing, and maintenance costs that cannot be attributed to non-metered accounts.

The Reserved Service Charge is the monthly cost for holding capacity that would otherwise be available to paying, active accounts. This supports the concept that all water systems have limited capacity and therefore cannot reserve service without compensation for anyone who might otherwise restrict the utility from adding a paying customer.

The house has been vacant for six months and the Member is behind on his water payments approximately \$120.00. The Corporation locked the meter after the first month of delinquency and is now liquidating the \$100.00 Membership Fee. A \$20.00 balance remains on the account at the time the account is inactivated.

Because the former Member paid a \$500.00 Buy In Fee on the tract of land on which the meter was set, the Corporation cannot charge this fee on this tract again. However, the Corporation cannot reserve system capacity or service at this location without some charge for reserving the capacity or service. We can assume that since a house exists on the tract of land, there is a good possibility that someone will want service at that location. It would be good business on the part of the Corporation to reserve service capacity for this location. However, we cannot reserve service without charging for reserved service.

The solution to this problem is to set up an accounting system for these types of inactive accounts. Each inactive account, like this hypothetical case, could be debited monthly an amount equal to the Corporation's Reserved Service Charge. The debit balance would accumulate monthly until such time as the total balance equaled the \$500.00 Buy In Fee.

At such time as a new Applicant comes in to request service at the property in question, the cost of service would include a \$100.00 Membership Fee, actual cost of labor and materials to reinstall the meter, and whatever balance was showing on the account. If the property remains vacant until such time

JAN 13 2004

as the \$500.00 Buy In Fee is totally diminished, then any new Applicants would be required to pay the prevailing rate for service.

To clarify our example, let's say that a new Applicant comes twelve months after the date of Membership liquidation. There would be then twelve monthly assessments or debits on this account of the Reserved Service Fee. This fee is \$10.00 per month in our example, so a total of \$120.00 worth of debits would be due from the Applicant in addition to the \$100.00 Membership Fee and, for example's sake, \$60.00 for the re-installation of a meter in the empty meter box. The total cost of Re-Service to the Applicant would be \$280.00.

While this process may seem complicated, it does allow the Corporation to recover all of its costs of reserving service and sets a time frame for which the Buy In Fee is held intact for a particular property. However, a more conservative approach is to only charge the Membership Fee, labor, and materials cost to Re-Service a property. You may choose this option to avoid any controversy and minimize your bookkeeping efforts.

JAN 13 2004

IMPORTANT NOTICE CONCERNING ADOPTION OF THIS POLICY

Attached is a rough draft of a suggested indigent assistance policy to be incorporated in the rate schedule section of the tariff of a water supply corporation. The following instructions should accompany the provisions.

- 1) If the corporation wishes to adopt an indigent assistance policy, it should be incorporated into the rate schedule provisions of the corporation's tariff.
- 2) This policy is a suggested policy only and contains several discretionary provisions that should be examined by the corporation's Board of Directors.
 - a) The first paragraph permits the Board to elect an appropriate rate for indigent assistance. The Board may restructure the entire section to provide for reduced rates for one set of circumstances, a monthly minimum rate in another set of circumstances and no charges in yet a third set of circumstances if the Board so decides. The Board can provide for a combination of rates as well.
 - b) The conditions for receiving indigent assistance are merely suggestions as to appropriate circumstances for receipt of assistance. By requiring other agencies to make a determination of eligibility for receipt of assistance as the standard for indigent care, the Board of Directors is relieved of much subjective decision making. The Board may delete, add, or modify conditions fitting the corporation's particular circumstances. The Board should tailor the "other income levels " appropriately.
 - c) The "proof" paragraph is critical. If customers wish to take advantage of these benefits they must be prepared to present proper proof. This is a service being offered by the corporation that is discretionary with the corporation.
 - d) The final "good cause" paragraph is discretionary and is available to the Board in hardship cases which do not fit the tariff guidelines but which are just as meritorious.
- 3) Again, it should be emphasized that these guidelines are suggestions only. The corporation should secure prior acceptance by the Tax Appraisal District if possible before implementation.
- 4) The corporation should review its by-laws, loan commitments to Rural Development and any other agreements it may have with any other lender to determine if its assistance policy violates such documents and agreements.
- 5) The corporation should also consult with their attorney regarding the adoption of this policy and request a review of this policy as a precaution.

JAN 13 2004

_____ WATER SUPPLY CORPORATION
INDIGENT ASSISTANCE POLICY

A Member is entitled to receive water at (1) the monthly service availability charge, (2) reduced rate, (3) free of any charge, if the Member meets one or more of the following conditions as allowed by the corporation:

- a) The Member receives Temporary Assistance for Needy Families (TANF), formerly known as Aid to Families with Dependent Children (AFDC).
- b) The Member or the ratepayer's spouse receives Supplemental Security Income from Social Security (SSI benefits) and has no income from any other source (including income from the earnings of any other member of the Member's household) in excess of \$ _____.00 per month.
- c) The Member or the ratepayer's spouse receives unemployment compensation from the State of Texas and receives no income from any other source (including income from the earnings of any other member of the Member's household) in excess of \$ _____.00 per month.
- d) The Member or the Member's spouse receives disabled veteran's benefits (VA disability benefits) and has no income from any other source (including income from the earnings of any other member of the Member's household) in excess of \$ _____.00 per month.

To qualify for indigent assistance, the ratepayer must submit the attached application to the Board of Directors and present proof of financial circumstances including, but not limited to, the following: (1) proof of receipt of benefits, where applicable, (2) wage statements, and/ or copies of federal income tax returns.

Indigent assistance is available in other hardship cases at the discretion of the Board of Directors upon application and presentation of appropriate proof of financial indigence.

The attached application form is included as an integral part of this policy. Applicants for indigent assistance shall complete only the Corporation's approved form. The indigent care applicant shall apply separately for each case on a need by need basis.

JAN 13 2004

OFFICE USE ONLY					
Case No.	Status ___ Approved ___ Review	Former Recipient? ___ Yes ___ No	Date Form Requested	Dated Form Received	App. Comp. Date

APPLICATION FOR FINANCIAL ASSISTANCE
TRWA WATER SUPPLY CORPORATION
INDIGENT ASSISTANCE

PLEASE PRINT NEATLY

Applicant's Name (Last, First, Middle)			Telephone Number		
			Home:		Work:
Mailing Address (Street, P.O. Box, or RFD)		City	State	Zip	
Home Address (if different from Mailing Address)					

- I need household water.
- I have water bills that I cannot pay.

ANSWER EVERY QUESTION. Write "NA" if the question does not apply. This application should be completed by or for the applicant.

1. Fill in all blanks for everyone who lives with you, whether you consider them household members or not.

NAME			WHAT KIN TO YOU	DATE OF BIRTH		SEX	RACE*	MARRIED		IN SCHOOL		SOCIAL SECURITY NUMBER
Last	First	Middle		Mo.	Day			Yr.	Yes	No	Yes	
Applicant			SELF									

* Information on race is voluntary and is requested to ensure that benefits are provided without regard to race, color, or national origin. It will not affect your eligibility or benefit level.

- 2. Give your household's County Rd. and Meter Number: _____
- 3. List any livestock on Business water use:
 - a. Horse, cattle, swine, poultry _____
 - b. Animals kept for breeding _____
 - c. Farm, Ranch, other _____

JAN 13 2004

4. Does anyone who lives with you receive benefits from (check "Yes" or "No" for each type of program):

AFDC ___ Yes ___ No	SSI ___ Yes ___ No	Food Stamps ___ Yes ___ No	Social Security ___ Yes ___ No	Medicaid ___ Yes ___ No	WIC ___ Yes ___ No
------------------------	-----------------------	-------------------------------	-----------------------------------	----------------------------	-----------------------

5. Do you or anyone who lives with you have a job (including day work, babysitting, etc.) or are any of you in training for a job? Yes ___ No ___

If "Yes", fill out all the blanks for each person who is in training or is employed including (self-employment):

Give Names of People Who are WORKING or in TRAINING	Give Name and Address of Employer or Where Training if Provided	Number Hours Per Week		HOW OFTEN PAID					Gross Pay (Before Deductions)
		Regular	Overtime	Daily	Weekly	Every Two Weeks	Twice Monthly	Monthly	

6. Do you or anyone else in your household receive money from the following sources? (check "Yes" or "No"):

	YES	NO		YES	NO
Social Security			Child Support & or Alimony		
Supplemental Security Income (SSI)			Dividends from Stock and Bonds		
Veteran's Benefits and or Pensions			Interest from Savings Accounts or Certificates of Deposit		
Railroad Retirement			Money from Oil, Gas, or Mineral Leases or Royalties		
Other Retirement Benefits or Pensions			Money from Farm (Including pasture rental, ASC payments, livestock, or other related money)		
Welfare Checks (AFDC)			Cash, Gifts, or Contributions from Parents, Relatives, Friends, Others		
Other Private or Public Welfare Agencies			Educational Loans, Grants, or Scholarships		
Unemployment Checks			Other Money (Include Loans made to you and any lump-sum [one-time] payments received) LIST:		
Worker's Compensation			_____		
Payments from Private Insurance			_____		
Union Benefits (Including strike benefits)			_____		
Military Allotments			_____		
Money from Rent of House or Apartments			_____		
Money from Roomers or Boarders in Your House			_____		

JAN 13 2004

If you answered "Yes" to any of the questions in Item 6, complete the following:

Name of Person Receiving Money	Who Provides the Money	If Social Security, Enter Claim Number	Amount Received	How Often Received

7. During the last four months, have you or the members for whom you want assistance received utility services which have not yet been paid for? Yes No

If "Yes" check the services received:

a. Water b. Electric c. Telephone d. Other

8. List your monthly expenses below:

	Amount	How Often Billed	Date of Last Payment Made
Rent or House Payment			
Taxes, Special Assessments			
Home Insurance Payments			
Telephone			
Utilities (gas, electric, etc.)			
Food			
Charge Accounts			
Medical Expenses			
Loans			
Other (specify)			

9. Do you or anyone else in your household pay for someone to care for a child or a disabled or elderly adult so that you or others can work or get training?..... Yes No

If "Yes", complete the following:

Who provides the care?	How often?	How much does it cost?
Address of person who provides the care:		Telephone No.

JAN 13 2004

10. Do you or anyone who lives with you have any of the following (if "Yes", give value):

	Yes	No	Value
A. Savings Account or Credit Union Account			
B. Checking Account			
C. Cash			
D. Stocks, Bonds, etc.			
E. Oil, Mineral Rights			
F. Life Insurance (face value)			
G. Burial Insurance (face value)			
H. Property (real estate)			
I. Livestock			

	Yes	No	Value
J. Cars, Trucks, Motorcycles, Boats, and Other Vehicles			
List year, make and model of each vehicle:			
YEAR	MAKE	MODEL	

11. Do you or anyone who lives with you own or are you buying anything not listed above..... Yes No
 If "Yes", give date and explain:

12. Did you or a member of your household sell, trade, or give away anything valuable during the last two years? Yes No
 If "Yes", give date and explain:

13. If someone is helping you fill in this form, give his name and address:

Name	Address (Street, City, State, Zip)	Telephone No.

14. Give the name and address of a relative or friend to contact in case of an emergency:

Name	Address (Street, City, State, Zip)	Telephone No.

My answers to all questions and the statements I have made are true and correct to the best of my knowledge and belief.

I agree to give the staff of TRWA Water Supply Corporation any information necessary to prove statements about my eligibility. I will cooperate fully with water personnel to get information from any source to prove the statements I made. I will cooperate fully with water personnel in a quality control review or audit.

I have been told and understand that my failure to meet the obligations set forth may be considered willful withholding of information and can result in the recovery of any loss by repayment, or by filing criminal or civil charges against me.

I certify that if I am applying for services under the TRWA Water Supply Corporation Indigent Assistance Program I am, or the person responsible for me is, financially unable to pay for all or-part of the cost of the necessary services.

JAN 13 2004

I agree to report any changes in the following within fourteen (14) days:

- Income,
- Resources,
- Number of people who live with me,
- Address,
- Other circumstances that may affect my eligibility for water assistance.

I have been told and understand that this application will be considered without regard to race, color, religion, national origin, age, sex, handicap, or political belief; that I may request a review of the decision made on my application or recertification for assistance; and that I may request orally or in writing, a fair hearing about actions affecting receipt of or stopping assistance.

BEFORE YOU SIGN BE SURE EACH ANSWER IS COMPLETE AND CORRECT

_____ Signature of Applicant	_____ Date
_____ Signature of Spouse	_____ Date
_____ Signature of Witness (if signed with "X")	_____ Date

JAN 13 2004

CLIENT REFERRAL

TO: _____
Name

FROM: **TRWA Water Supply Corporation**
Indigent Assistance Program
Name

Address _____

Address _____

Telephone Number _____

Telephone Number _____

Client's Name	Case Number
Client's Address	

Our screening process indicates that this client is potentially eligible for water services.
Their application for water services is

- currently pending.
- cannot be completed until eligibility/ineligibility for your program is determined.
- is complete and the client is ELIGIBLE, INELIGIBLE.
- (other): _____

REFERRED BY:

Signature _____

Date _____

JAN 13 2004

TRWA WATER SUPPLY CORPORATION INDIGENT ASSISTANCE PROGRAM

Date

Case No.

NOTICE OF INELIGIBILITY

On the basis of information received by this office, the following action is being taken (only the checked box applies to you):

Your application for the TRWA Water Supply Corporation Indigent Assistance Program benefits has been denied because _____

You will not be eligible for the TRWA Water Supply Corporation Indigent Assistance Program benefits after _____ because _____

If you have any questions, please contact this office. Your right to appeal this decision is explained below.

OUR ADDRESS AND TELEPHONE NO:

By: _____

YOUR RIGHT TO APPEAL

If you believe this decision is not correct, you may request a fair hearing to appeal the decision. If you want to appeal, you must do so within 90 days from the date of this notice.

Contact this office if you want to request an appeal. You may request an appeal in writing, in person, or by telephone.

JAN 13 2004

TRWA WATER SUPPLY CORPORATION INDIGENT ASSISTANCE PROGRAM

I file this petition for an appeal hearing because I disagree with the decision to deny my application for benefits from the TRWA Water Supply Corporation Indigent Assistance Program.

I will represent myself at the hearing. (check one) YES NO

If you checked "NO" complete the following:

<p>_____</p> <p align="center">Name of Representative or Legal Counsel</p> <p>Is representing me in the appeal. I authorize the TRWA Water Supply Corporation, and its representative, to release copies of any factual data furnished to me before, during or after the appeal hearing.</p> <p>_____</p> <p align="center">Representative's Address</p>
--

Signature of Appellant _____ Date _____

Signature of Witness _____ Date _____
(if appellant signed by "X")

FOR OFFICE USE ONLY		
Case Name	Case No.	County
Mailing Address (Street or P. O. Box, City, State, Zip)		
Reason for Petition		
<input type="checkbox"/> Application Denied <input type="checkbox"/> Discontinuance of Assistance		
Explanation for Denial and Handbook Reference:		

Eligibility Determiner		Telephone No.
Office Address (Street, City, State, Zip)		County

JAN 13 2004

TRWA WATER SUPPLY CORPORATION INDIGENT ASSISTANCE PROGRAM

IDENTIFICATION

Appellant	Case No.	County
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PERSONS PRESENT AT APPEAL HEARING:

NAME	CAPACITY

1. Principal Issue in Hearing: _____

2. Nature of Request:

___ Appellant requested hearing to protest policy.

___ Appellant requested hearing to challenge fact or judgment.

3. Action Taken:

___ Decision Supported	___ Decision Reversed	___ Appeal Withdrawn	Date of Decision	Effective Date
------------------------	-----------------------	----------------------	------------------	----------------

4. Hearing Authority's Instructions to Staff: _____

5. Hearing Authority's Decision and Explanation: _____

Signature-Hearing Authority: _____

JAN 23 2004

RE-SERVICE ILLUSTRATION

The following illustration demonstrates the intent of Section E.3 b. of this Tariff.

Example Case:

A meter is currently active on a tract of land and serves a 3-bedroom house. The meter and service has been active for several years. The original cost of the service to this property included a \$100 Membership Fee, a \$250 materials and labor charge, and a \$500 Equity Buy In Fee.

The Buy In Fee is the Corporation's estimated cost of production, storage, and distribution capacity lost when the customer was added. This Buy In Fee is assessed to defray the cost of replacing the lost capacity to meet future growth needs. The purpose is to keep the rates down for existing customers. This is accomplished because the Buy In Fee eliminates, at least in theory, the need to borrow money to expand the system.

The Corporation currently has a Service Availability Charge of \$12.00 and a Reserved Service Charge of \$10.00 per month. The Service Availability Charge is assessed for active metered accounts and covers the cost of service to that customer. The Reserved Service Charge is assessed for active non-metered accounts and covers the same costs for metered accounts except meter reading, billing, and maintenance costs that cannot be attributed to non-metered accounts.

The Reserved Service Charge is the monthly cost for holding capacity that would otherwise be available to paying, active accounts. This supports the concept that all water systems have limited capacity and therefore cannot reserve service without compensation for anyone who might otherwise restrict the utility from adding a paying customer.

The house has been vacant for six months and the Member is behind on his water payments approximately \$120.00. The Corporation locked the meter after the first month of delinquency and is now liquidating the \$100.00 Membership Fee. A \$20.00 balance remains on the account at the time the account is inactivated.

Because the former Member paid a \$500.00 Buy In Fee on the tract of land on which the meter was set, the Corporation cannot charge this fee on this tract again. However, the Corporation cannot reserve system capacity or service at this location without some charge for reserving the capacity or service. We can assume that since a house exists on the tract of land, there is a good possibility that someone will want service at that location. It would be good business on the part of the Corporation to reserve service capacity for this location. However, we cannot reserve service without charging for reserved service.

The solution to this problem is to set up an accounting system for these types of inactive accounts. Each inactive account, like this hypothetical case, could be debited monthly an amount equal to the Corporation's Reserved Service Charge. The debit balance would accumulate monthly until such time as the total balance equaled the \$500.00 Buy In Fee.

At such time as a new Applicant comes in to request service at the property in question, the cost of service would include a \$100.00 Membership Fee, actual cost of labor and materials to reinstall the meter, and whatever balance was showing on the account. If the property remains vacant until such time

JAN 13 2004

as the \$500.00 Buy In Fee is totally diminished, then any new Applicants would be required to pay the prevailing rate for service.

To clarify our example, let's say that a new Applicant comes twelve months after the date of Membership liquidation. There would be then twelve monthly assessments or debits on this account of the Reserved Service Fee. This fee is \$10.00 per month in our example, so a total of \$120.00 worth of debits would be due from the Applicant in addition to the \$100.00 Membership Fee and, for example's sake, \$60.00 for the re-installation of a meter in the empty meter box. The total cost of Re-Service to the Applicant would be \$280.00.

While this process may seem complicated, it does allow the Corporation to recover all of its costs of reserving service and sets a time frame for which the Buy In Fee is held intact for a particular property. However, a more conservative approach is to only charge the Membership Fee, labor, and materials cost to Re-Service a property. You may choose this option to avoid any controversy and minimize your bookkeeping efforts.

JAN 13 2004

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

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

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

EXAMPLE:

Fixed Assets Of The Corporation.....	\$3,000,000.00
Less Accumulated Depreciation.....	\$750,000.00
Less Outstanding Long Term Debt	\$800,000.00
Equals Corporation Equity.....	\$1, 450,000.00
Less Developer's Capital Contribution.....	\$57,000.00
Less Grants Received.....	\$500,000.00
Equals Net Equity.....	\$893,000.00
Average Net Equity Per 2,000 Contributing Members	\$446.50

JAN 13 2004

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

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

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

JAN 13 2004

**Luella Water Supply
Corporation**

36 LWSC Road
Sherman, Texas 75090

Phone 903-892-9084
Fax 903-813-0693

August 10, 2004

Texas Commission on Environmental Quality
Water Permits and Resource Management Division
Utilities and District Section
P.O. Box 13087
Capitol Station
Austin, Texas 78711-3087

Re: Tariff Updates

To Whom It May Concern:

Please replace the updated section G. i.e. (Rates and Service Fees) in LWSC Tariff regulation book on file in your office.

As of July 12, 2004 in a BOD meeting the Board of Directors raised the impact fee to \$2,000.00 and also as of August 09, 2004 raised the base rate to \$16.00 and increased the usages rates by .50 per 1,000.

Thank you,

LWSC
BOD

RECEIVED
AUG 26 2004
TEXAS COMMISSION
ON
ENVIRONMENTAL QUALITY