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**MISCELLANEOUS**

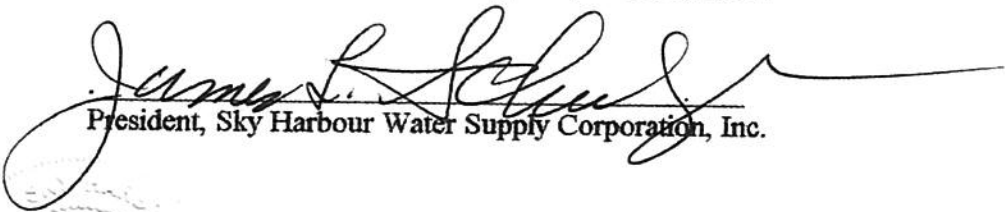
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**SECTION A.**  
**RESOLUTIONS**

THE BOARD OF DIRECTORS OF SKY HARBOUR WATER SUPPLY CORPORATION, INC. ESTABLISHES THAT :


1. This Tariff of the Sky Harbour Water Supply Corporation, Inc., serving in Hood county consisting of Sections A. through H. inclusive, is adopted and enacted as the current regulations and policies effective as of May 8, 1997.
2. Only those preexisting written contracts or agreements executed by the present or previous Board of Directors shall remain in effect, unless the contract or agreement requires compliance with changes of the tariff from time to time.
3. The adoption of this tariff does not prohibit or limit the Corporation from enforcing previous penalties or assessments from before the current effective date.
4. An official copy of this and all policies or records shall be available during regular office hours of the Corporation. The Secretary of the Corporation shall maintain the original copy as approved and all previous copies for exhibit.
5. Rules and regulations of state or federal agencies having jurisdiction shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, word, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected.

PASSED and APPROVED this 8<sup>th</sup> day of April, 1997

  
President, Sky Harbour Water Supply Corporation, Inc.

  
SEAL

ATTEST:

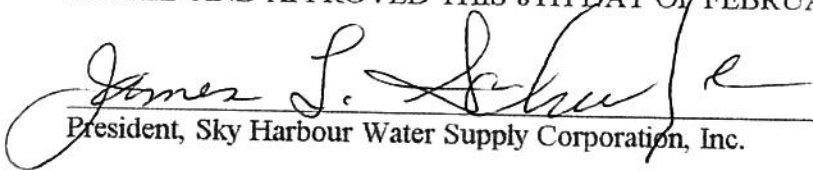
  
Secretary, Sky Harbour Water Supply Corporation, Inc

RESOLUTION

THE BOARD OF DIRECTORS OF SKY HARBOUR WATER SUPPLY CORPORATION, INC. ESTABLISHES THAT:

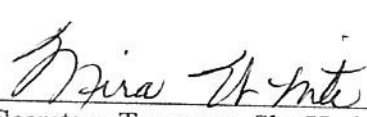
Mira White, Secretary-Treasurer of the corporation, is authorized to acquire a bank debit card through Community Bank for use by the above corporation. Mira White will be custodian of the card and will be responsible for its safe-keeping as well as passing it to those authorized to use it. Upon completion of its use it will be returned to her. If the card shall become lost or stolen it will be reported immediately to the bank so that proper action may be taken.

PASSED AND APPROVED THIS 8TH DAY OF FEBRUARY, 1999.

  
\_\_\_\_\_  
President, Sky Harbour Water Supply Corporation, Inc.

SEAL

ATTEST

  
\_\_\_\_\_  
Secretary-Treasurer, Sky Harbour Water Supply Corporation, Inc.

## RESOLUTION

THE BOARD OF DIRECTORS OF SKY HARBOUR WATER SUPPLY CORPORATION, INC. ESTABLISHES THAT:

1. Agreements be negotiated for the following properties within the Sky Harbour Development.:
  - a) Purchase Lot 102 Section 11 for approximately \$1500
  - b) Purchase Lot 3 Section 11 for price of delinquent Homeowners Dues and Taxes.
  - c) Option for sanitary easement with Tom Wells on lot 114 Section 11 depending upon proving a commercial well site for public water supply on Lot 2 Section 11.
  - d) Option to purchase Lot 4 Section 11 from Lynn Tucker and Granbury Housing Exchange, Inc depending upon proving a commercial well site for public water supply on Lot 2 Section 11.
  - e) Option to sell to Tucker and Granbury Housing Exchange, Inc Lots 113, 3, 2 and that portion of Lot 1 not being used for Sky Harbour Homeowner Signs of Section 11 dependent upon failure to prove a viable source of public water supply on lot 2 of Section 11 within 1 year of completing tasks 1.a,b,c,d.
2. Agreements be negotiated for sanitary easements on properties not within the Sky Harbour Subdivision dependent upon proving a commercial well site for public water supply on Lot 2 Section 11:
  - a) Sky Harbour Water Supply Corporation will not build or sell lots 1, 2, 3, 4 of Section 11 for residential housing.
  - b) Sky Harbour Water Supply Corporation will modify their CCN to include Forget Me Not Estates 10 residential lots but will not cross Reed Road. Costs of CCN modifications shall be born by SHWSC.
  - c) The developer of Forget Me Not Estates shall agree to the terms of the non-standard service agreement in Sky Harbour Water Supply Corporation's Tariff for supplying water to Forget Me Not Estates.
  - d) The sanitary easements external to Sky Harbour Subdivisions shall remain enforceable as long as the public water supply well on lot 2 Section 11 is in use.

PASSED and APPROVED this 8<sup>th</sup> day of Nov., 1999



Vice President, Sky Harbour Water Supply Corporation

Seal

Attest:



Secretary-Treasurer, Sky Harbour Water Supply Corp.



## SECTION B

### STATEMENTS

**1. Organization.** The Sky Harbour Water Supply Corporation is a member-owned, non-profit corporation incorporated pursuant to the Water Supply / Sewer Service Corporation Act, Article 1434a, Tex. Rev. Civ. Stat. (West 1980, Vernon Supp. 1996 as amended) and as supplemented by the Texas Non-Profit Corporation Act, Tex. Rev. Civ. Stat. Ann., Article 1396-1.01, et seq. (West 1980, Vernon Supp. 1996 as amended) for the purpose of furnishing potable water and or sewer utility service. Corporation operating policies, rates, and regulations are adopted by the Board of Directors elected by the Members of the Corporation.

**2. Non-Discrimination Policy.** Membership in the Corporation and service is provided to all Applicants who comply with the provisions of this Tariff regardless of race, creed, color, national origin, sex, disability, or marital status.

**3. Policy and Rule Application.** These policies, rules and regulations apply to the water services provided by the Sky Harbour Water Supply Corporation, Inc., also referred to as Corporation, Sky Harbour WSC, or SHWSC. Failure on the part of the Member, Consumer, or Applicant to observe these policies, rules and regulations gives the Corporation the authority to deny or discontinue service according to the terms of this Tariff as amended from time to time by the Board of Directors of the Corporation.

**4. Corporation Bylaws.** The Corporation Members have adopted bylaws (see Article 1396-2.09) which establish the make-up of the Board of Directors and other important regulations of the Corporation. The bylaws are on file at the Corporation's office.

**5. Fire Protection Responsibility.** The Corporation does not provide nor imply that fire protection is available on any of the distribution system. All hydrants or flush valves are for the operation and maintenance of the system and may be used for refill only by authorized fire departments. The Corporation reserves the right to remove any hydrant, due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or compensation to the contributors unless such hydrants are installed pursuant to the terms of a Non-Standard Service Contract as provided for in Section F, in which event the terms and conditions of the Contract shall apply.

**6. Damage Liability.** The Sky Harbour WSC is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limits of liability of the Sky Harbour WSC is the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability.

**7. Information Disclosure.** The records of the Corporation shall be kept in the Corporation office in Sky Harbour Clubhouse 2707 Solar, Hood County, Texas. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Open Records Act: Chapter 552, Texas Government Code (West Supp. 1996). An individual customer may request in writing that their name, address, telephone number, or social security number be kept confidential. Such confidentiality does not prohibit the utility from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the Corporation acting in connection with the employee's duties. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each member on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with a meeting of the Corporation's members. The Corporation shall give its applicants and customers notice of rights to confidentiality under this policy and all prevailing associated fees for such request.

**8. Customer Notice Provisions.** The Corporation shall give written notice of monthly rate changes by mail or hand delivery to all consumers at least 30 days prior to the effective date of the new rate. The notice shall contain the old rates, new rates, effective date of the new rate, date of Board authorization, and the name and phone number of the Corporation's contact person designated to address inquiries about the rate change.

**9. Grievance Procedures.** Any Member of the Corporation or individual demonstrating an interest under the policies of this Tariff in becoming a Member of the Corporation shall have an opportunity to voice concerns or grievances to the Corporation by the following means and procedures:

- (a) By presentation of concerns to the Corporation's manager or authorized staff member. If not resolved to the satisfaction of the aggrieved party then,
- (b) By presenting a letter to the Board of Directors stating the individual's grievance or concern and the desired result.
- (c) The Board of Directors shall respond to the complaint by communicating the Board's decision in writing.
- (d) Any charges or fees contested as a part of the complaint in review by the Corporation under this policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors.

**10. Customer Service Inspections** – The Corporation requires that a customer service inspection certification be completed prior to providing continuous water service to new construction and for all new members as part of the activation of standard and some non-standard service. Customer service inspections are also required on any existing service when the corporation has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction or addition to the member's water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contaminant hazards and illegal lead materials. (30 TAC 290.46(i-j)) Revision 1

**11. Plumbing Standards.** The Corporation adopts applicable sections of the Southern Building Code Congress International, Inc. Plumbing Code as guidance in the design, installation, and maintenance of plumbing systems and service facilities connecting or connected to the utility's water facilities, to the extent appropriate under the applicable statutes and regulations governing public water utility systems. Any Member may be required to retrofit plumbing systems and service facilities as determined to be necessary by the Corporation for the purposes of compliance with the Southern Building Code Congress International, Inc. Plumbing Code. (30 TAC 290.46(i))

**12. Sub metering Responsibility.** Submetering and Non-Submetering by Master Metered Accounts may be allowed in the Corporation's water distribution or sewer collection system provided the Master Metered Account customer complies with the Texas Commission on Environmental Quality's Chapter 291 Subchapter H rules pertaining to Submetering. The Corporation has no jurisdiction or responsibility to the tenants; tenants receiving water under a Master Metered Account are not considered customers of the Corporation. Any interruption or impairment of water service to the tenants is the responsibility of the Master Metered Account Customer. Any complaints regarding submetering should be directed to the Texas Commission on Environmental Quality

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

- 1. See if they have registered with the TNRCC, (Chapter 13 Texas Water Code Subchapter M.)

Approved: /s/ Mira White

Revision 1 Initials Ray Riggen

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Date: Feb. 11, 1997

Date Sept 13, 2004

2. See that they do not charge their tenants more than the total amount of charges that you have billed. If the aggregate bill is greater than the Corporation's charge, the Master Metered Account Customer is considered by the TNRCC to be a separate Public Water System and will be required to comply with all TNRCC regulations.

3. Protect the System's CCN. Should the Master Metered Account Customer continue to violate these or other STATE regulations, the Corporation will need to request a Cease and Desist Order from the TNRCC. (Texas Water Code chap. 13.252 and TNRCC Chapter 291.118)

Approved: /s/ Mira White

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Date: Feb. 11, 1997

## SECTION C

### DEFINITIONS

**Active Service** -- Status of any Member receiving authorized service under the provisions of this Tariff.

**Applicant** -- Person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with the Sky Harbour Water Supply Corporation, Inc.

**Board of Directors** -- The governing body elected by the Members of the Sky Harbour Water Supply Corporation. ( Art. 1396-1.02 (7))

**Bylaws** -- The rules pertaining to the governing of the Sky Harbour Water Supply Corporation adopted by the Corporation Members. (Art. 1396-1.02 (5))

**Certificate of Convenience and Necessity (CCN)** -- The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for Sky Harbour Water Supply Corporation to provide water utility service within a defined territory. Sky Harbour Water Supply Corporation has been issued Certificate Number 11077. Territory defined in the CCN shall be the Certificated Service Area. (See Section D. Certificated Service Area Map)

**Corporation** -- The Sky Harbour Water Supply Corporation, Inc. (Section B. 3 of this Tariff)

**Developer** - Any person, partnership, cooperative corporation, corporation, agency, or public or private organization 'who subdivides land or requests more than two (2) water or sewer service connections on a single contiguous tract of land [as defined in Chapter 13.2502 (c)(1) of the Water Code]. Added text by Revision 2.

**Disconnection of Service** -- The discontinuance of water service by the corporation to a Member/Customer.

**Easement** -- A private perpetual dedicated right-of-way for the installation of water pipelines and necessary facilities which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable). This may also include restrictions on the adjacent area to limit the installation of sewer lines or other facilities that would restrict the use of any area of the easement. (See Sample Application Packet, FmHA Form 442-8 or FmHA Form 442-9)

**Equity Buy-In Fee** -- A fee assessed of new Applicants for service for the purpose of acquiring capital to defray the costs of expanding the system facilities in order to meet the customer growth needs of the Corporation. This fee is charged for each meter equivalent or service unit for which service has been requested. (Section G. 5., also see Miscellaneous)

**Final Plat** -- A complete plan for the subdivision of a tract of land. The Sky Harbour Water Supply Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. (30 TAC 291.85 TWC 13.25.02(a)(1))

**Fiscally Responsible Person** A member, renter or entity that has established a history of twelve (12) months of payment without late charges, disconnect for non-payment, or hot checks. Alternately, at the time of application for service, Fiscal Responsibility may be established by written letter from a water

Approved: /s/ Mira White

Rev.1 {Text Deleted} **Added Text** Date Oct. 5, 1998 Initials Mira White  
Revision 2 Apporoved Initials Mira White

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Date January 24, 2000



utility which provided service to the applicant within the prior twelve (12) months of a history of compliance with these conditions, Rev 3.

**Hazardous Condition** -- A condition which jeopardizes the health and welfare of the Members/Consumers of the Corporation as determined by the Corporation or regulatory authority.

**Indication of Interest Fee** -- A fee paid by a potential Member of the Corporation for the purpose of determining the feasibility of a construction and/or expansion project. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. This also applies to applicants applying for, or receiving, Temporary Service. (Section E. 6 b., and Sample Application Packet - USDA Form RUS-TX 442-11 (Rev. 8/96))

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

**Member** -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization that has qualified for service and received a Membership in accordance with the Corporation's Tariff.

**Membership Certificate** -- A non-interest bearing stock certificate purchased from the Corporation evidencing a Member's interest in the Corporation. (See Tariff Section E. 6 b and ART. 1396-2.08 D)

**Membership Fee** -- A fee qualified as such under the terms of the tariff and the Bylaws of the Corporation assigned to the real estate designated to receive service. The membership fee shall be refundable upon termination of service and surrendering the Membership Certificate. (30 TAC 291.3 Definitions, Texas Water Code 13.043(g), Article 1434a, Tex. Rev. Civ. Stat. Sec. 9 A. (c))

**Proof of Ownership** - Article 1434a, Tex. Rev. Civ. Stat. Sec. 9A(c) gives authority to the corporation to require ownership of real estate designated to receive service as a condition of membership and service. For the purpose of this tariff, applicants for service and membership shall provide proof of ownership by deed of trust, warranty deed, or other recordable documentation of fee simple title to real estate to be served.

**Rural Utilities Service (RUS)** -- An Agency of the United States Department of Agriculture Rural Development Mission Area, previously called Farmers Home Administration Mission Area (FmHA), that provides loan and grant funds for development of rural water and sewer systems serving communities with a population of less than ten thousand (10,000) people, includes successor agencies.

**Renter** -- A consumer who rents or leases property from a Member or who may otherwise be termed a tenant. (Section E. 7)

**Re-Service** -- Providing service to an Applicant at a location for which service previously existed. Costs of such re-servicing shall be based on justifiable expenses.

**Reserved Service Charge** -- A monthly charge assessed for each property where service is being reserved. (See Section F. 6 d, e)

**Service Availability Charge** -- (Also known as "minimum monthly charge", "minimum", or the "base rate") the monthly charge assessed each Member/Customer for the opportunity of receiving service. The Service Availability Charge is a fixed rate based upon the meter, service size, or equivalent dwelling unit(s). (See definition of Reserved Service Charge)

Approved: /s/ Mira White

Rev.1 {Text Deleted} **Added Text** Date Oct. 5, 1998 Initials Mira White

Revision 2 Approved Initials Mira White

Page 2 of 3

Date: Janm. 14, 1997

Date January 24, 2000

**Service Application and Agreement** -- A written agreement between the Member/Applicant and the Corporation defining the specific type of service requirements requested on the current service application and agreement form, and the responsibilities of each party required before service is furnished. (See Sample Application Packet RUS Form 442-11 or Non-Standard Service Contract)

**Service Unit** -- The base unit of service used in facilities design and ratemaking. For the purpose of this Tariff, a service unit is a 5/8" X 3/4" water meter. (See Section G. 6. a., Miscellaneous)

**Subdivide** - Means to divide the surface area of land into lots intended primarily for residential use. (Local Government Code Chapter 232, Section 232.021 Definitions) Added by revision 2

**Subdivider** - Means an individual, firm, corporation, or other legal entity that owns any interest in land and that directly or indirectly subdivides land into lots as a part of a common promotional plan in the ordinary course of business. (Local Government Code Chapter 232, Section 232.021 Definitions) Added by revision 2.

**Subdivision** - Means an area of land that has been subdivided into lots for sale or lease. (Local Government Code Chapter 232, Section 232.021 Definitions) Added by revision 2

**Tariff** -- The operating policies, service rules, service extension policy, service rates, and rationing policies adopted by the Board of Directors. A copy of this, Board approved, tariff is on file at the Corporation office and as required since September 1, 1989 at the State office of the TNRCC.

**Temporary Service** -- The classification assigned an applicant that is in the process of construction. This could also apply to service for uses other than permanent (agricultural, road construction, drilling, livestock, etc.). The length of time associated with this classification will be set by the Board. This classification will change to permanent service after requirements in Section E. 1, E. 2, E. 3, and E. 5 are met. Applicant must have paid an Indication of Interest Fee.

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

**Transferee** -- An Applicant receiving a Sky Harbour WSC Membership by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity. (See Section E. 6 c., Miscellaneous Transaction Forms)

**Transferor** -- A Member who transfers Membership by legal means to another person or entity desiring to qualify for service at a property for which the Membership is currently issued or to the Corporation. (Art. 1434a Sec.9A)

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

Approved: /s/ Mira White

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Date: Janm. 14, 1997

Rev.1 {Text Deleted} Added Text Date Oct. 5, 1998 Initials Mira White

Revision 2 Apporoved Initials Mira White

Date January 24, 2000

Revision 3 Initials Ray Rikken Date Sept 13, 2004

## SECTION D

### GEOGRAPHIC AREA SERVED

This section includes a copy of Sky Harbour WSC CERTIFICATE OF CONVENIENCE AND NECESSITY and an area map which shows the Corporation's Certified Service Area. The Corporation will make sure that its service area corresponds to its WSC CERTIFICATE OF CONVENIENCE AND NECESSITY and an area map which shows the Corporation's Certified Service Area. The Corporation will make sure that its service area corresponds to its Certified Area. It is the responsibility of the Corporation to properly file a map showing its service area with the TNRCC. This copy of the Commission's official service map will serve as documentation in the event of future disputes over service areas.

Approved: /s/ Mira White

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Date: Janm. 14, 1997

Rev.1 {Text Deleted} Added Text Date Oct. 5, 1998 Initials Mira White

Revision Apporoved Initials Mira White

Date January 24, 2000

# TEXAS WATER COMMISSION



## CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide Water Service Under Chapter 13, Texas Water Code,  
and the Rules of the Texas Water Commission

Certificate No. 11077

### I. Certificate Holder:

Name: Sky Harbour Water Supply Corporation

Address: P. O. Box 2388  
1403 Moon Court  
Granbury, Texas 76048

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

The area covered by this certificate is generally located about three miles north of the City of Granbury in Sky Harbour Addition Subdivision on the northeast shore of Lake Granbury, one half mile east of Ranch Road 51 in Hood County.

### III. Certificate Map:

The certificate holder is authorized to provide water service in the area identified on the Commission's official service area map, WRS-112, maintained in the offices of the Texas Water Commission, 1700 North Congress, Austin, Texas, with all attendant privileges and obligations.

This certificate is issued subject to the rules and orders of the Commission, the laws of the State of Texas, and the conditions contained herein and may be revoked for violations thereof. This certificate is valid until amended or revoked by the Commission.

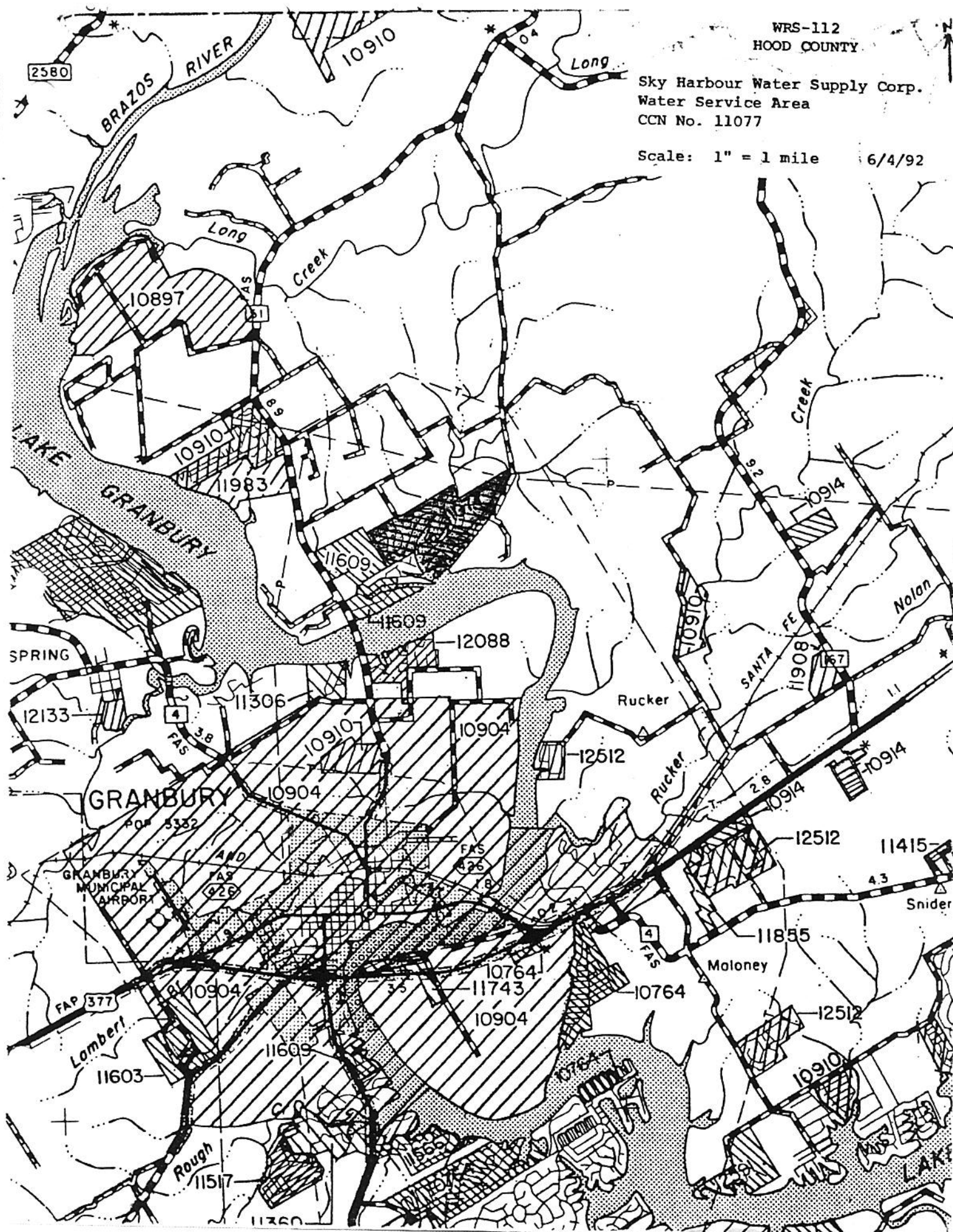
ISSUED this 3rd day of November, 1987.

ATTEST:

Karen A. Phillips Pam Hopkins  
For the Commission



Scale: 1" = 1 mile 6/4/92





## SECTION E

### SERVICE RULES AND REGULATIONS

1. **Service Entitlement.** An Applicant shall be considered qualified and entitled to water and or sewer utility service when proper application has been made, terms and conditions of Service and Membership have been met and continue to be met, and all fees have been paid as prescribed. (30 TAC 291.85 (a))

2. **Application Procedures and Requirements.** For the purposes of this Tariff, service requested by an Applicant shall be for real estate designated to receive the service provided by the Corporation shall be divided into the following two classes:

(a) **Standard Service** is defined as service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines.

(b) **Non-Standard Service** is defined as any service request which requires a larger meter service, service to a Master Metered Account (see E. 2. c. (4) of this section), or an addition to the supply, storage and/or distribution/collection system. The service requirements as prescribed by Section F of this Tariff shall be required of the Non-Standard Service Applicant prior to providing service.

(c) **Requirements for Standard and Non-Standard Service.**

(d) 1) The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant. (See Sample Application - RUS-TX 442-11 (Rev. 8/96))

(e) 2) A Right-of-Way Easement Form, Sanitary Control Easement, or other such easement forms, required by the Corporation, must be completed by the Applicant for the purpose of allowing future facility additions. (See Sample Application - RUS-TX 442-11 (Rev. 8/96), TNRCC 30 TAC 290.47 Appendix C.) NOTE: This requirement may be delayed for Non-Standard Service requests.

(f) 3) The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the Corporation. Proof of ownership may consist of warranty deed, deed of trust or other recordable documentation of fee simple title to the real estate designated to receive service. (ART. 1434a, Sec.9A. (c) Vernon's Tex. Civ. Stat., 13.002 (11) of the Texas Water Code)

(g) 4) The Corporation shall consider master metering service to apartments, condos, trailer /RV parks, or business centers and other similar type enterprises at an Applicant's request provided the total number of units to be served are all:

- a) owned by the same person, partnership, cooperative, corporation, agency, public or private organization of any type but not including a family unit,
- b) directly inaccessible to public right-of-way, and
- c) considered a commercial enterprise i.e. for business or rental, or lease purposes.

5) Notice of application approval and costs of service determined by the Corporation shall be presented to the Applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the Applicant must re-apply for service. (30 TAC 291.81 (a) (1))

6) If the water main has been located in the public right-of-way and is adjacent to Applicant's property due to the current or previous landowner's refusal to grant easement to the Corporation for the purpose of installing the water main and appurtenances, and the Corporation has documentation of such refusal recorded in public records file, the Applicant, prior to receiving the requested service, shall grant easement to the Corporation. In addition to the normally required fees for 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 relocation onto the Applicant's property pursuant to such easement. (See Miscellaneous Transaction Forms)

**3. Activation of Standard Service.**

a. **New Tap** The Corporation shall charge a non-refundable service installation fee as required under Section G of this tariff. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid or a deferred payment contract be signed in advance of installation. (30 TAC 291.86 (a)(1)(A))

b. **Re-Service** -- On property where service previously existed, the Corporation shall charge the Membership Fee, where the Membership Fee has been liquidated, and costs necessary to restore service. Before service can be restored, the service must be inspected by an inspector approved by SHWSC (30 TAC 290.46j).

c. **Performance of Work** -- After approval is granted by proper authorities, all tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative. The tap shall be completed within five (5) working days after approval and receipt of payment of quoted fees. This time may be extended for installation of equipment for Non-Standard Service Request. (See Section F., 30 TAC 291.85)

d. **Inspection of Customer Service Facilities** -- The property of the Applicant/ Member shall be inspected to insure compliance with state required Minimum Acceptable Operating Practices For Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. The customer must, at his or her expense, properly install, inspect, test, maintain and provide all required documentation of any backflow prevention device required by the Corporation. (30 TAC 290.46(j); Service Agreement Form)

**4. Activation of Non-Standard Service.**

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

b. **Re-Service** - The same terms which apply under the Activation of Standard Service Sub-Section on Re-Servicing shall be applied to Non-Standard Re-Service requests. (Section E. 3. b)

**5. Changes in Service Classification.** If at any time the Corporation determines that the customer service needs changed from those originally applied for to a different service classification and the Corporation determines that additional or different facilities are necessary to provide adequate service, the Corporation shall require the Applicant/Member to re-apply for service under the terms and conditions of this Tariff. Applicant/Members failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this Tariff, Sub-Section 15.a.

**6. Membership.**

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

b. f3) **Membership Certificates** - upon qualification for service, qualification for Membership, and payment of the required fees, the Corporation shall issue a refundable Membership Certificate to the Applicant. The Membership Certificate provides proof of Membership in the Corporation and shall entitle the Member to one (1) connection to the Corporation's water utility service and one (1) share of Corporation Stock. The Membership Certificate also entitles the Member to one (1)

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vote in conducting the affairs of any Annual, Semi-Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. An original or a copy of each Membership Certificate shall be held on file in the Corporation Office. Ownership of more than one (1) Membership Certificate shall not authorize the Member to cast more than one (1) vote at any annual, semi-annual or special meeting. (Art. 1434a Vernon's Tex. Civ. Stat.) Each Membership Certificate and Stock thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. (ART. 1434a, 9A. (c)(e) Vernon's Tex. Civ. Stat.)

**NOTE (1):** In the event that the Corporation is conducting a potential Members survey for indications of interest in future service for the purpose of determining the feasibility of an initial construction or expansion project under RUS guidelines (see Sample Application Packet - (FmHA) Form RUS TX 442-1, Membership Survey Data Sheet), regular application procedures may be modified. An Indication of Interest Fee may be required prior to qualifications for receipt of service by the Applicant but shall only be used or applied as a Membership Fee for Membership purposes (upon issuance of a Membership Certificate) if service is ultimately received or reserved by the Applicant as a result of the planned project facilities. If service is not provided within the scope of this project, Indication of Interest Fees shall be refunded, less expenses, within sixty (60) days of the loan closing with the Rural Utilities Service.

**NOTE (2):** In the event the applicant is in the process of construction the Membership will be considered TEMPORARY until such time as the final Customer Service Inspection is completed and the forms are returned as required. (See Section C., Section E. Sub-Section 1. Service Entitlement)

**c. Transfers of Membership.** (Art. 1434a. Vernon's Tex. Rev. Civ. Stat. Sec. 9A.)

1) A Member is entitled to transfer Membership in the Corporation only under the following circumstances:

- a) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
- b) f3) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
- c) The Membership is transferred without compensation or by sale to the Corporation; or
- d) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.

2) In the event that Membership is transferred pursuant to the provisions of Sub-Section 6.c. (3) such transfer shall not be completed or recorded on the books and records of the Corporation until such time as the transferor has provided satisfactory evidence to the Corporation of such transfer. A transfer of Membership shall not be binding on the Corporation until such transfer has been approved as provided by Sub-Section 6.c. (3).

3) f3) Qualifications for service upon transfer of Membership set forth in Sub-Section 6.c. (1) and 6.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:

- 4) f3) a) A Transfer Authorization Form has been completed by the Transferor and Transferee;
- b) The Transferee has completed the required Application Packet;
- c) All indebtedness due the Corporation has been paid;
- d) The Membership Certificate has been surrendered, properly endorsed, by the Transferor; and
- e) f3) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.

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4 If the application packet and other information is not completed on the day transfer of membership is requested the corporation will give the transferee written notice of 10 additional days to produce completed documentation to the corporation office. Service will be disconnected on the day following the 10<sup>th</sup> day according to disconnection with notice requirements. Additional time may be allowed at the directions of the manager or board.

c. **och) Cancellation of Membership** -- To keep a Membership in good standing, a Service Availability Charge or a Reserved Service Charge must be paid monthly to the Corporation, whether or not water is used. Failure to pay this monthly charge to the Corporation shall jeopardize the Member's Membership standing and give rise to liquidation of the Membership Fee and forfeiture of the Membership. A Member may be relieved of this obligation to pay by surrendering the Membership Certificate, properly endorsed, to the Corporation. The Member shall also complete a Service Discontinuance Request Form prior to termination of service. (See Misc. Transaction Forms.) However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership Certificate prior to termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Service Sub-Section E.3.a. of this Tariff. (Art. 1434a. Vernon's Tex. Rev. Civ. Stat. Sec. 9. A. (d))

e. **Liquidation Due To Delinquency** -- When the amount of the delinquent charges owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated and the Membership canceled and transferred back to the Corporation. In the event the Member leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership Certificate, the Corporation may liquidate as many of the Member Guarantor's Membership Fees as necessary to satisfy the balance due the Corporation, provided proper notice has been given (see section E, Subsection 15.1[4]). The Corporation shall collect any remaining account balances by initiation of legal action. Re-instatement of service shall be subject to the terms of the Activation of Service Subsection E 3.a. of this Tariff.

f. **taboch) Cancellation Due To Policy Non-Compliance.** The Corporation may cancel a Membership

anytime a Member fails to comply with policies of the Corporation, including but not limited to Member's failure to provide proof of ownership of the property from which the Membership arose. (ART. 1434a. Vernon's Tex. Rev. Civ. Stat. Sec. 9A. (e))

g. **Re-assignment of Canceled Membership** -- The Corporation, upon cancellation of Membership under the provisions of this Tariff, may re-assign the Membership rights thereby granted to any person who satisfactorily demonstrates eligibility for Membership, including but not limited to proof of ownership of the property from which the Membership arose. (Art. 1434a. Vernon's Tex. Rev. Civ. Stat. Sec. 9A.(e))

h. **Mortgaging of Memberships** -- Nothing herein shall preclude a Member from mortgaging his Membership. However, notification to the holder of any security interest (mortgagee/lien-holder) of account status of Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage Agreement (See Misc. Transaction Forms). Prior to the cancellation of any Membership as provided under Sub-Section E. 6.d. (Cancellation of Membership), the Corporation will notify the holder of any security interest in the Membership. The holder of the security interest also must hold a security interest in the real property at which water service is provided under the Membership. The Corporation may transfer the Membership to the holder of such security interest in lieu of cancellation, provided the holder of the security interest pays in full all delinquent and unpaid obligations and provided further that the holder of the security interest has secured title to the real property from which the Membership arose. The Corporation may withhold cancellation of a Membership pending the resolution of any foreclosure proceedings or similar legal proceedings by the holder of the security interest.

- i. **Continuation of Service During Bankruptcy.** Upon notice of the filing of a petition of bankruptcy, the Corporation may require the posting of a deposit or other form of security, acceptable to the Corporation as a condition of continuing utility service. Unless special circumstances require otherwise, the amount of security shall equal the amount of charges for the month of greatest use during the preceding 12 months. The Corporation shall not require the payment of any security prior to the expiration of 20 days following the date on which the petition is filed. Failure to provide this security by the date specified by the Corporation may result in termination of service according to the Disconnection With Notice provisions of Section E (15) (a) of this Tariff, with a copy of the notice to the bankruptcy Trustee.
7. taboch) **Owners and Renters.** Any Member, renting or leasing real estate property designated to receive service according to the terms of this tariff to other parties, is responsible for all charges due the Corporation. The Corporation may bill the renter or lessee for utility service (at Member Request) as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The owner shall be required to sign an Alternate Billing Agreement. (See Misc. Transaction Forms.) The Member shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The Corporation may notify the Member of the renter's past due payment status subject to service charges (see Section: Miscellaneous Transaction Forms).
8. **Denial Of Service.** The Corporation may deny service for the following reasons:
- a. Failure of the Applicant or Transferee to complete all required forms and pay all required fees and charges;
  - b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the Corporation;
  - c. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Members/Users of the Corporation upon connection;
  - d. Failure of Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property, for which service has been requested;
  - e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the Corporation on file with the state regulatory agency governing the service applied for by the Applicant;
  - f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which the tap has been requested, and/or
  - g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.
9. **Applicant's or Transferee's Recourse.** In the event the Corporation refuses to serve an Applicant under the provisions of these rules, the Corporation must notify the Applicant, in writing, on the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the Corporation.
10. **Insufficient Grounds for Refusal of Service.** The following shall not constitute sufficient cause for the refusal of service to an Applicant:
- a. Delinquency in payment for service by a previous occupant of the premises to be served;
  - b. Failure to pay a bill to correct previous under billing due to misapplication of rates more than six (6) months prior to the date of application;
  - c. Violation of the Corporation's rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;

- d. Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service;
- e. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill;
- f. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations.

11. **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 installments as determined by the Corporation, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement. A deferred payment agreement with terms in excess of six (6) months must have the prior agreement of the Board of Directors. (See Misc. Transaction Forms)

12. **Charge Distribution and Payment Application.**

- a. **The Service Availability Charge or the Reserved Service Charge** is for the billing period from the 21<sup>st</sup> day of the month to the 20<sup>th</sup> day of the month. Charges shall be prorated for meter installations and service terminals falling during the billing period. Billings for this amount shall be mailed on or about the 1st of the month in the month for which this charge is due. All services shall be subject to this charge whether or not the service is in use by the Member.
- b. **Gallage Charge** shall be billed at the rate specified in Section G and billing shall be calculated in one hundred (100) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.
- c. **Posting of Payments --** All payments shall be posted against previous balances prior to posting against current billings.

13. **Due Dates, Delinquent Bills, and Service Disconnection Date.** The Corporation shall mail all bills on or about the 1st of the month. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in Section G. A bill is delinquent if not paid on or before the past due date. Payments made by mail will be considered late if postmarked after the past due date. A ten (10) day grace period may then be allowed for delayed payments prior to mailing of final notices. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposes shall be the normal weekday after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings or the normal weekday the payment is removed from the deposit box at the Corporate Office.

a. Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15 day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings. (HB 670 Effective August 30, 1993)

b. The Corporation may offer an alternative due date plan not to exceed six (6) consecutive months from that due date printed on the bill.

14. aboch) **Rules for Disconnection of Service.** The following describes the rules and conditions for disconnection of service.

15. aboch) a. **Disconnection With Notice --** Water utility service may be disconnected for any of the following reasons after proper notification has been given.

1) Returned Checks -- The Corporation shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the Corporation office. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service. (See Miscellaneous Transaction Forms) Any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12 month period shall be considered evidence of bad credit risk by the Corporation. The Member/Customer in violation shall be placed on a "cash-only" basis for a period of 12 months.

NOTE: "cash only" means certified check, money order, or cash.

2) Failure to pay a delinquent account for utility service or failure to comply with the terms of a deferred payment agreement (Miscellaneous Transaction Forms);

3) Violation of the Corporation's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation;

4) Failure of the Member to comply with the terms of the Corporation's Service Agreement, Tariff (including, where appropriate, Section H), Bylaws, or Special Contract provided that the Corporation has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification.

5) Failure to provide access to the meter under the terms of this Tariff or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify.

6) Misrepresentation by any Applicant or Transferee of any fact on any form, document, or other agreement required to be executed by the Corporation.

7) Failure of Member to re-apply for service upon notification by the Corporation that Member no longer meets the terms of the service classification originally applied for under the original service application.

b. **Disconnection Without Notice** -- Water utility service may be disconnected without notice for any of the following conditions:

1) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a violation of the Texas Sanitation and Health Protection Law 4477-1, or there is reason to believe a dangerous or hazardous condition exists and the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (Section E. 3. d., E. 24., 30 TAC 290.46 (j));

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 nonpayment; and

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

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

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



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- 1) Failure of the Member to pay for merchandise or charges for non-utility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of non-utility service as a condition of service;
- 2) Failure of the Member to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
- 3) Failure of the Member to pay charges arising from an under billing occurring due to any misapplication of rates more than six (6) months prior to the current billing;
- 4) Failure of the Member to pay the account of another Member as guarantor thereof, unless the Corporation has in writing the guarantee as a condition precedent to service;
- 5) Failure of the Member to pay charges arising from an under billing due to any faulty metering, unless the meter has been tampered with or unless such under billing charges are due under the Inoperative Meters subsection E. 18. of this tariff.
- 6) Failure of the Member to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Corporation is unable to read the meter due to circumstances beyond its control;
- 7) In response to a request for disconnection by an Owner/Member of rental property where the renter is billed directly by the Corporation as authorized by the owner, and the renter's account is not scheduled for disconnection under the Rules for Disconnection of Service in this Tariff.

**d. Disconnection on Holidays and Weekends** -- Unless a dangerous condition exists or the Member requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the Corporation are not available to the public for the purpose of making collections and reconnecting service.

**e. Disconnection Due to Utility Abandonment** -- The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the Texas Commission on Environmental Quality.

**f. Disconnection for Ill and Disabled** -- The Corporation may not discontinue service to a delinquent residential Member permanently residing in an individually 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 Sub-section, the Member must have the attending physician call or contact the Corporation within sixteen (16) days of issuance of the bill. A written statement must be received by the Corporation from the physician within 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 Payment Agreement (see Miscellaneous Transaction Forms).

**g. Disconnection of Master-Metered Accounts** -- When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the following shall apply: (30 TAC

SUBCHAPTER H. 291.126)

- 1) The Corporation shall send a notice to the Member as required. This notice shall also inform the Member that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.
- 2) At least five (5) days after providing notice to the Member and at least five (5) days prior to disconnection, the Corporation shall post notices, stating "Termination Notice" in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.

3) The tenants may pay the Corporation for any delinquent bill in behalf of the owner to avert disconnection or to reconnect service to the complex.

**h. Disconnection of Temporary Service** -- When an applicant with a Temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this Tariff service may be terminated with notice.

**15. Billing Cycle Changes.** The Corporation reserves the right to change its billing cycles if the workload requires such practice. After a billing period has been changed, the billings shall be sent on the new change date unless otherwise determined by the Corporation.

**16. Back-billing.** The Corporation may back-bill a Member for up to four (4) years (48 months) for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a Member's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service. Back-billing shall not extend beyond current Membership except in cases involving the transfer of a Membership conditioned upon payment of delinquent obligations by the Transferee, as provided in Section E. Sub-Section 6.h.

**17. 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 in writing thereof to the Member. All disputes under this Subsection must be submitted to the Corporation, in writing, prior to the due date posted on said bill except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h.

**18. 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.

**19. 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 prescribed in Section G of this Tariff shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months but not extending beyond current Membership except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Member shall complete a Meter Test Request Form prior to the test. (See Misc. Transaction Forms.)

**20. Meter-Tampering and Diversion.** For purposes of these Sections, meter tampering, by-passing, or diversion shall all be defined as tampering with the Corporation's service equipment, by-passing the same, or other instances of diversion, such as:

- a. removing a locking or shut-off device used by the Corporation to discontinue service,
- b. physically disorienting the meter,
- c. attaching objects to the meter to divert service or to by-pass,
- d. inserting objects into the meter,
- e. 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 and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the Corporation's staff when any action regarding meter-tampering as

provided for in 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 under the Texas Penal Code 28.03. (Is a Misdemeanor)

- 21. Meter Relocation.** Relocation of services shall be allowed by the Corporation provided that:
- The relocation is limited to the existing property designated to receive service.
  - A current easement for the proposed location has been granted to the Corporation;
  - The Member pays the actual cost of relocation plus administrative fees, and
  - Service capacity is available at proposed location.

**22. Prohibition of Multiple Connections To A Single Tap.** No more than one (1) residential, commercial, or industrial service connection is allowed per meter. The Corporation may consider allowing an apartment building or mobile home/RV park to apply as a "Master Metered Account" and have a single meter (This refers to Section E. 2. c. (4)). Any unauthorized sub metering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. If the Corporation has sufficient reason to believe a Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with Notice provisions of this Tariff. (Exception shall be made for multiple connections approved by the previous owner of the water system. Such service shall be encouraged to convert to single metered accounts.) (See Sample Application Packet- RUS Form 442-11 (Rev. 8/96))

**23. Member's Responsibility.**

- The Member shall provide access to the meter as per service agreement. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month; and a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification to the Member, then service shall be discontinued and the meter removed with no further notice. (Section E. 3. d.)
- The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
  - All connections shall be designed to ensure against back-flow or siphonage into the Corporation's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30TAC 290.46)
  - The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant and shall be a minimum of SDR-26 PVC pipe. (30 TAC 290.46)
- 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 Service Application and Agreement executed by the Member.
- The Corporation's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the Corporation shall be subject to charges as determined by the Corporation's Tariff as amended from time to time by the Board of Directors.
- The Corporation shall require each Member to have 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. (This valve may be installed as a part of the original meter installation by the Corporation) The valve shall meet AWWA standards (a ball valve is preferred).

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f. The Member's use of the Corporation's curb stop or other similar valve for isolating the Member's service pipeline and plumbing facilities from the Corporation's water supply is prohibited. Any damage to the Corporation's equipment by unauthorized operation of the Corporation's curb stop shall be subject to service charges.

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

1. **Corporation's Limitations.** All Applicants shall recognize that the Corporation must comply with local, state, and federal rules and regulations as promulgated from time to time, and with covenants of current indebtedness. The Corporation is not required to extend retail utility service to an Applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this policy. 13.2502 of the Texas Water Code requires that notice be given herein or by publication (see Miscellaneous Transaction Forms) or by alternative means to the Developers/Applicants. (Also see Section F. 11.)
2. **Purpose.** It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions are determined including the Developer's and the Corporation's respective costs.
3. **Application of Rules.** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard. This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation 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 Contract by the Corporation:
  - a. The Applicant shall provide the Corporation a completed Service Application And Agreement giving special attention to the item on SPECIAL SERVICE NEEDS OF THE APPLICANT.
  - b. A final plat approved by the Corporation must accompany the Application showing the Applicant's requested service area. The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
  - c. At the time the Applicant submits the Application, a Non-Standard Service Investigation Fee (See Section G) to cover initial administrative, legal and engineering fees shall be paid to the Corporation. The balance of actual expenses incurred as a result of efforts by the Corporation to study service requirements of the Applicant shall be refunded to the Applicant and the Applicant shall pay any additional expenses.
  - d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property outside the area described in the Corporation's Certificate of Convenience and Necessity, service may be extended provided that:
    - 1). The service location is contiguous to or within one-fourth (1/4) mile of the Corporation's Certificated Service Area;
    - 2). The service location is not in an area receiving similar service from another utility; and
    - 3). The service location is not within another utility's Certificate of Convenience and Necessity.
  - 4). If the Corporation extends service under these conditions, the Applicant shall fully support any subsequent efforts by the Corporation to amend its Certificate of Convenience and Necessity to include the applicant's property within the service area.
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:

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- a. The Corporation's Consulting Engineer shall design all service facilities for the Applicant's requested service within the Corporation's specifications or within certain codes and specifications of neighboring municipalities for all Non-Standard Service Applications which lie within the enforced extra territorial jurisdiction of a municipality.
  - b. The Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee, provided the actual costs of the Engineer's services do not exceed the amount of the Non-Standard Service Investigation Fee allotted for engineering services. If the fee for the Engineer's services exceed the allotted fee, the Applicant shall pay the balance of engineering fees prior to commencing with the service investigation.
  - c. The Consulting Engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.
  - d. If no governmental authority imposes other design criteria on the Applicant's service request, 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 demands provided however, that the Corporation shall pay the expense of such upgrading in excess of the Applicant's facility requirements.
6. **Non-Standard Service Contract.** All Applicants requesting or requiring Non-Standard Service shall enter into a written contract, drawn up by the Corporation's Attorney, in addition to submitting the Corporation's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to:
- a. All costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid.
  - b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
  - c. Equity Buy-In Fee (Front-end Capital Contributions) required by the Corporation in addition to the other costs required under this Section.
  - d. Monthly Reserved Service Charges as applicable to the service request.
  - e. 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. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Equity Buy-In Fees.
  - g. Terms by which the Corporation shall administer the Applicant's project with respect to:
    - 1) Design of the Applicant's service facilities;
    - 2) Securing and qualifying bids;
    - 3) Execution of the Service 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.
  - h. Terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuit in connection with the project contemplated.
  - i. taboch) Terms by which the Applicant shall dedicate, assign and convey to the corporation all constructed facilities and related rights (including contracts, easements, rights-of-way, dedcs, warranties, and so forth) by which the Corporation shall assume operation and maintenance responsibility

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the Applicant's project. The Applicant shall also provide reproducible as-built drawings of all constructed facilities. The as-built drawings must verify that all facilities have been properly located within the easements conveyed to the Corporation.

j. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

**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 make good faith efforts 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. (See Sample Application Packet RUS Form 442-8 or 442-9.)

b. All facilities required to be 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, or subject to the cost of installation under condemnation procedures, whichever is most desired by the Applicant.

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 of the Corporation'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 Contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;

b. The Contractor shall provide an adequate bid bond under terms acceptable to the Corporation;

c. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation;

d. The Contractor shall supply favorable references acceptable to the Corporation;

e. The Contractor shall qualify with the Corporation as competent to complete the work; and

f. The Contractor shall provide adequate certificates of insurance as required by the Corporation.

**9. Pre-Payment For Construction and Service.** After the Applicant has executed the Service Agreement, the Applicant shall pay to the Corporation all costs necessary for completion of the project prior to construction and in accordance with the terms of the Service Contract.

**10. Construction.**

a. taboch) All roadwork pursuant to state, 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

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road construction to avoid road damage during construction of Applicant's facilities.

b. The Corporation shall, at the expense of the Applicant, inspect the facilities to ensure 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.

**11. Service within Subdivisions;** The Corporation's objective to provide service to any customer located within subdivision governed by this section is strictly limited to the non-standard service specified by the Applicant. The purchasers of any lots who do not receive service because this service has not been specified or paid for by the Applicant shall have no recourse to the Corporation but may have recourse to the Applicant/Developer.

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## **SECTION G. RATES AND SERVICE FEES**

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

1. ***Additional Assessments.*** In the event any federal, state or local government imposes on the Corporation a “per meter” fee or an assessment based on a percent of water/sewer charges, this fee or assessment will be billed and collected as a “pass through” charge to the customer.
2. ***Assessments.*** – If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water or wastewater charges to be insufficient for the payment of all costs incident to the operation of the Corporation’s system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by Rural Development, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment on indebtedness for the year’s operations. (See Article XVIII of USDA Model Bylaws, Section 1 Rev. 12-2011 or your Corporations bylaws or other governing documents)
3. ***Customer History Report Fee.*** A fee of \$\_\_\_\_\_ 1.00 shall be charged to provide a copy of the Member’s record of past account information in response to a Member’s request for such a record.
4. ***Customer Service Inspection Fee.*** A fee of \$\_\_\_\_\_ 100.00 will be assessed each Applicant before permanent continuous service is provided to new construction.
5. ***Easement Fee.*** When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites in behalf of the Applicant. (See Section E. 28.; Section F. 8. b.)
6. ***Equipment Damage Fee.*** If the Corporation’s facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions. This fee shall be charged and paid before service is re-established. If the Corporation’s equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Member and tenant if an Alternate Billing Agreement is in place. If the Corporation’s facilities or equipment have been damaged due to negligence or unauthorized use of the Corporation’s equipment, right-of-way, or meter shut-off valve, or



due to other acts for which the Corporation incurs losses or damages, the Member shall be liable for all labor and material charges incurred as a result of said acts or negligence.

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

**Sample Calculation:**

Total Contributions and Assets of the Corporation minus (-)

Accumulated Depreciation minus (-)

Outstanding Corporation Debt Principle minus (-)

Developer Contributions minus (-)

Grants received divided by

Total Number of Members / Customers equals = Average Net Equity Buy-In Fee

a. Water Fee is \$45

b. Sewer Fee is

**Note: The Water or Sewer Fee for oversized or Master Metered Accounts shall be based on the multiples of meter size equivalences. (See Chart in Subsection 16 below.)**

8. **Franchise Fee Assessment.** A fee of % of the amount billed for water service will be assessed each customer whose meter is located inside the corporate limits of the City of , Texas, as required by the City's ordinance requiring a franchise fee.
9. **Groundwater District Production Fee.** - A fee of  per thousand gallons of water used by each Member. This fee is collected to pay a portion of the annual fee charged to the Corporation by  Groundwater Conservation District based on the amount of water pumped from the Corporation's wells located within the boundaries of the District.
10. **Information Copy Fee.** A fee for the copying of any public information will be charged to the person requesting that information in compliance with the cost rules of the Texas Government Code Section 552.261 et. seq.
11. **Installation Fee.** The Corporation shall charge an installation fee for service as follows:
- a. **Standard Service** shall include all:
- 1) Tap fee – all current labor and materials necessary to provide individual metered water or wastewater service
  - 2) Engineering fee

- 3) Legal Fee
- 4) Customer service inspection fee
- 5) Administrative costs
- 6) Any additional site-specific equipment or appurtenances necessary to provide water or waste water service.

Standard service fees shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.

- b. **Non-Standard Service** shall include any and all
  - 1) Facility Improvement Costs: including but not limited to tanks, piping, main lines, hydrants, and other labor materials necessary to provide service at the level required by water code and as requested by the applicant.
  - 2) Line and Facility Inspection fee:
  - 3) Administrative costs: including but not limited to contract administration costs; processing invoices; disbursement of checks to contractors.
  - 4) Legal Fee: including but not limited to contract development, easements, water rights, permits, CCN amendments for the area.
  - 5) Engineering fee;
  - 6) Any additional site-specific equipment or appurtenances necessary to provide water or waste water service as determined by the Corporation under the terms of Section F. of this Tariff (includes tap (fee(s))).
- c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E. 28. e. of this Tariff.

- 12. Late Payment Fee.** Once per billing period, a penalty of \$15.00 \_\_\_\_\_ or \_\_\_\_\_ %, whichever is larger, shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing period but shall be applied to any unpaid balance during the current billing period.

NOTE: The Corporation cannot charge political subdivisions and state agencies the late payment fee. (Texas Government Code Chapter 2251.021 and Sec. E. 13.)

- 13. Line Extension Reimbursement Fee.** – An approved Applicant may have to pay, on a prorated basis, a line reimbursement fee to the Corporation for the purpose of reimbursing a member or other entity that made the initial capital outlay to extend service to that area.
- 14. Membership Fee.** At the time the application for service is approved, a refundable Membership Fee must be paid for each service requested before service shall be provided or reserved for the Applicant by the Corporation. The membership fee cannot be more than 12 times the minimum monthly base rate.
- a. The Membership Fee for water service is \$\_\_\_125.00 for each service unit.
  - b. The Membership Fee for wastewater service is \$\_\_\_\_\_.00 for each service unit.
  - c. Membership fee for oversized or Master Metered Accounts shall be based on multiples of meter size equivalence. (See Chart in Subsection 16 below.)

- 15. Meter Tampering and Damage to Property Penalty.** In addition to the Equipment Damage Fee, the Corporation may charge a penalty for "Tampering" as defined in Section E. 22. The penalty may only be assessed against the person who committed the Tampering. The penalty cannot be assessed against the Member for the Tampering committed by their tenant. The penalty shall not exceed six (6) times the Base Rate.

**16. Monthly Charges.**

**a. Base Rate**

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

<b>Meter Size</b>	<b>5/8" x 3/4" Meter Equivalents</b>	<b>Monthly Rate</b>
5/8" x 3/4"	1.0	\$ 45.00
3/4"	1.5	\$ 67.50
1"	2.5	\$ 112.50
1 1/2"	5.0	\$ 225.00
2"	8.0	\$ 360.00
3" DISP	9.0	\$ 405.00
3" CMPD	16.0	\$ 720.00
3" TURB	17.5	\$ 787.50
4" CMPD	25.0	\$ 1125.00
4" TURB	30.0	\$ 1350.00
6" CMPD	50.0	\$ 2250.00
6" TURB	62.5	\$ 2812.50
8" CMPD	80.0	\$ 3600.00

- 2) Sewer Service - The monthly charge for standard sewer service on a per tap basis is as follows:

(Insert formula)

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

1) Water:

- \$ \_\_.50 per \_\_ 100 gallons for 0 to \_\_ 5,000 gallons
- \$ \_\_.52 per \_\_ 100 gallons for \_\_ 5,001 gallons to \_\_ 14,000 gallons
- \$ \_\_.62 per \_\_ 100 gallons for \_\_ 14,001 gallons to 20,000 gallons
- \$ \_\_.90 per \_\_ 100 gallons for 20,001 gallons and over.

- 2) Sewer :\$ \_\_.00 per \_\_, 000 gallons for 0 to \_\_,000 gallons; \$\_\_ per 1000 gallons for any gallonage over \_\_\_\_, 000 gallons. Sewer billing will be based on the winter month's average for water usage. The following months are used to calculate the winter month's average for sewer rates: \_\_\_\_\_. For new



- customers, sewer billing will be based on the system-wide, winter month's average.
- 3) The Corporation shall, as required by Texas Water Code Section 5.701, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water or wastewater service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G. 16. Monthly Charges of this Tariff. 30 TAC 291.76(d))
- 4) The Corporation, as a part of its billing process, collects voluntary contributions on behalf of the \_\_\_\_\_ County Voluntary Fire Department and Emergency Medical Service. The Corporation shall retain from the proceeds the lesser amount of five percent or the total administrative costs for billing, collecting, and disbursing the voluntary contributions.
- 17. Mortgagee/Guarantor Notification Fee.** The Corporation shall assess a fee of \$ \_\_\_\_ 5.00 for each notification to a Membership lien-holder under agreement prior to Membership cancellation. (See Miscellaneous Transaction Forms.)
- 18. Meter Test Fee.** The Corporation shall test a Member's meter upon written request of the Member. (See Meter Test Authorization and Test Report Form in Section J) Under the terms of Section E. of this Tariff, a charge of \$ \_\_\_\_ 25.00 shall be imposed on the affected account.
- 19. Non-Disclosure Fee.** A fee of \$ \_\_\_\_ 1.00 shall be assessed to any Member or tenant requesting in writing that personal information under the terms of this tariff not be disclosed to the public.
- 20. Other Fees.** All services outside the normal scope of utility operations that the Corporation may be compelled to provide at the request of a Member or the general public shall be charged to the recipient based on the cost of providing such service.
- 21. Owner Notification Fee.** The Corporation shall assess a fee of \$ \_\_\_\_ 5.00 per notification to a Member of a renter/lessee delinquent account status prior to disconnection of service. (See Miscellaneous Transaction Forms.)
- 22. Reconnect Fee.** The Corporation shall charge a fee of \$ \_\_\_\_ 50.00 for reconnecting service during normal business hours but shall charge a fee of \$100.00 for reconnecting service after 5:00 PM and 08:00 AM after the Corporation has previously disconnected the service for any reason provided for in this Tariff except for activation of service under Section E. 1. b. Re-Service.
- 23. Regulatory Assessment.** - A fee of 0.5% of the amount billed for water/sewer service will be assessed each customer; this assessment is required under Texas law and TCEQ regulations. **NOTE:** The regulatory assessment is not to be collected from state agencies, wholesale customers, or buyers of non-potable (not drinkable) water. (Ref. TCEQ RG-199 revised Sept. 2017; TCEQ Section 291.76 (c))
- 24. Returned Check Fee.** In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$ \_\_\_\_ 25.00. (See Miscellaneous Transaction Forms)
- 25. Seasonal Reconnect Fee.** The Corporation shall charge a fee calculated based on the Base

Rate multiplied by the number of months during which service is suspended/locked, not to exceed nine (9) months during any twelve (12) consecutive months.

- 26. Service Investigation Fee.** The Corporation shall conduct a service investigation for each service application submitted to the Corporation. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted and the results reported under the following terms:
- a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.
  - b. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant to;
    - (1) provide cost estimates of the project,
    - (2) to present detailed plans and specifications as per final plat,
    - (3) to advertise and accept bids for the project,
    - (4) to present a Non-Standard Service Contract to the Applicant, and
    - (5) to provide other services as required by the Corporation for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.5.)
- 27. Service Trip Fee.** The Corporation shall charge a trip fee of \$\_\_\_\_50.00 for any service call or trip to the Member's tap as a result of a request by the Member or tenant for response to damage of the Corporation's or another Member's facilities; for customer service inspections due to suspicion of meter tampering, bypass or diversion of service; or for the purpose of disconnecting or collecting payment for services. For service trips that extend beyond one hour, such as when an extended line location is required, the Corporation shall charge \$\_\_\_\_.00 per employee per hour for each additional hour required.
- 28. Transfer Fee.** A Fee of \$\_\_\_\_5.00 shall be assessed for the transfer of any membership.

**SECTION H.**  
**DROUGHT CONTINGENCY PLAN**  
**FOR THE**  
Sky Harbour Water Supply Corp.  
June 12, 2000

**Section I: Declaration of Policy, Purpose, and Intent**

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency condition, the Sky Harbour Water Supply Corp. (Sky Harbour WSC) hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under the Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section VIII of the Plan.

**Section II: Public Involvement**

Opportunity for the public to provide input into the preparation of the Plan was provided by the Sky Harbour WSC by scheduling and providing public notice of a public meeting to accept input on the Plan

**Section III: Public Education**

The Sky Harbour WSC will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. The availability of this information will be provided by means of notices on back of water bill and/or mailings and/or postings.

**Section IV: Coordination with Regional Water Planning Groups**

The service area of the Sky Harbour WSC is located within the Region G regional water planning area and Sky Harbour WSC has provided a copy of this Plan to the Region G regional water planning group.

**Section V: Authorization**

The Board President or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination the such implementation is necessary to protect public health, safety, and welfare. The Board President or his/her designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this plan.

Approved: /s/ Mira White

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Date June 12, 2000

**Section VI: Application**

According to the Tariff of Sky Harbour WSC:

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the Sky Harbour WSC. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

Any person, including a person classified as a water customer of the Sky Harbour WSC, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a refutable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents control shall constitute a refutable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.

#### **Section VII: Definitions**

For the purposes of this Plan, the following definitions shall apply:

**Aesthetic water use:** water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

**Board President:** refers to the President of the Board of Directors of the Corporation.

**Conservation:** those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

**Corporation:** refers to the entity of Sky Harbour WSC.

**Customer:** any person, company, or organization using water supplied by Sky Harbour WSC.

**Domestic water use:** water use for personal needs or for household or sanitary purposes such as drinking, bathing, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

**Even numbered address:** street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

**Landscape irrigation use:** water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks and rights-of-way and medians.

**Livestock water use:** drinking, cooling, cleaning and grooming of livestock.

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**Non-essential water use:** water uses that are not essential nor required for the protection of public health, safety, and welfare, including:

- a. b0 . taboch) Irrigation of landscape areas, including parks, athletic fields, and golf courses, except as otherwise provided under this Plan.

- b. b0 . taboch) Use of water to wash any motor vehicle motorbike, boat, trailer, airplane or other vehicle.
- c. b0 . taboch) Use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas.
- d. b0 . taboch) Use of water to wash down buildings or structures for purposes other than immediate fire protection.
- e. b0 . taboch) Flushing gutters or permitting water to run or accumulate in any gutter or street.
- f. b0 . taboch) Use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools.
- g. b0 . taboch) Use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life.
- h. b0 . taboch) Failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).
- i. b0 . taboch) Use of water from hydrants for construction purposes or any other purposes other than fire fighting.

**Odd numbered address:** street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

**Utility:** refers to the entity of Sky Harbour WSC.

### **Section VIII: Criteria for Initiation and Termination of Drought Response Stages**

The Board President or his/her designee shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when specified "triggers" are reached.

The triggering criteria described below are based on known system capacity limits.

#### **Stage 1 Triggers – MILD Water Shortage Conditions**

##### Requirements for initiation

Stage 1 may be implemented under the following conditions:

- a. b0 . taboch) Water level in the tanks has been reduced to 75% of capacity for a period of 48 hours and there is not a reasonable prospect of recovery.
- b. b0 . taboch) Water level in the tanks at the high usage time of day has been reduced to 60% of capacity for a period of 48 hours and there is not a reasonable prospect of recovery.

##### Rationing Measures

- a. b0 . taboch) Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in and even number (0,2,4,6,8) and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1,3,5,7,9) and to irrigate landscapes only between the hours of midnight and 10:00 a.m. and 8:00 p.m. to midnight on the designated watering days.
- b. b0 . taboch) Reduce system flushing operations.
- c. b0 . taboch) Encourage reduction of water use through notice on bills or other method.



#### Penalties For Violations

- a. First violation – The customer will be notified by written notice of the specific violation and the penalty to be assessed for continued violations.
- b. Second violation – After written notice a surcharge of \$75.00 will be added to the water bill.
- c. Subsequent Violations – After written notice, the utility will assess and additional penalty of \$100.00 for violations continuing after the Second Violation and may terminate service at the meter for a period of seven (7) days and charged for the service call to restore service. These provisions apply to all customers of the utility. See Section X for variances.

#### Requirements for termination

Stage 1 rationing measures of the Plan may be rescinded when the conditions listed as the triggering events have ceased to exist for a period of three (3) consecutive days.

#### **Stage 2 Triggers – MODERATE Water Shortage Conditions**

##### Requirements for initiation

Stage 2 rationing condition may be implemented when one of the following conditions exist:

- a. b0 . taboch) Water in the tanks has reached 60% of capacity for a period of 48 hours and there is not a reasonable prospect of recovery.
- b. b0 . taboch) Water level in the tanks at the high usage time of day has been reduced to 50% of capacity for a period of 48 hours and there is not a reasonable prospect of recovery.

#### Rationing Measures

- a. b0 . taboch) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited.
- b. b0 . taboch) Use of water to fill, refill, or add to any indoors or outdoor swimming pools, wading pools, or Jacuzzi-type pools, is prohibited.
- c. b0 . taboch) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- d. b0 . taboch) Use of water from hydrants or water system meters shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water of construction purposes may be allowed under special permit from the Sky Harbour WSC.
- e. b0 . taboch) The following uses of water are defined as non-essential and are prohibited:
  1. Use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas.
  2. Use of water to wash down buildings or structures for purposes other than immediate fire protection.
  3. Use of water for dust control.

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4. Flushing gutters or permitting water to run or accumulate in any gutter or street.
- f. b0 . taboch) Failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).
- g. Give notice through mailings, posting and public service announcements as conditions change via local media (TV, radio, newspapers, etc.).

#### Penalties For Violations

4. First violation – The customer will be notified by written notice of the specific violation. and the penalty to be assessed for continued violations
5. Second violation – After written notice a surcharge of \$75.00 will be added to the water bill.
6. Subsequent Violations – After written notice, the utility will assess and additional penalty of \$100.00 for violations continuing after the Second Violation and may terminate service at the meter for a period of seven (7) days and charged for the service call to restore service. These provisions apply to all customers of the utility. See Section X for variances.

#### Requirements For Termination

Stage 2 rationing measures of the Plan may be rescinded when the conditions listed as the triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 2, Stage 1 remains in force until rescinded.

#### **Stage 3 Triggers – SEVERE Water Shortage Conditions**

##### Requirements for initiation

Stage 3 rationing conditions may be implemented under the following condition:

- a. b0 . taboch) Water level in the tanks has reached 50% or lower of capacity for a period of 48 hours and there is not a reasonable prospect of recovery.
- b. b0 . taboch) Water level in the tanks at the high usage time of day has been reduced to 45% of capacity for a period of 48 hours and there is not a reasonable prospect of recovery.

#### Rationing Measures

- a. b0 . taboch) All outside watering prohibited and the system may also prohibit livestock watering by notice.
- b. b0 . taboch) Water use will be restricted to a percentage of each member's prior month's usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer. The Corporation shall continue enforcement and educational efforts.

#### Penalties For Violations

1. First violation – The customer will be notified by written notice of the specific violation and the penalty to be assessed for continued violations.

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2. Second violation – After written notice a surcharge of \$75.00 will be added to the water bill.
3. Subsequent Violations – After written notice, the utility will assess and additional penalty of \$100.00 for violations continuing after the Second Violation and may terminate service at the meter for a period of seven (7) days and charged for the service call to restore service. These provisions apply to all customers of the utility. See Section X for variances.

#### Requirements for termination

Stage 3 rationing measures of the Plan may be rescinded when the conditions listed as the triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 3, Stage 2 and Stage 1 remain in force until rescinded.

### **Stage 4 Triggers – EMERGENCY Water Shortage Conditions**

#### Requirements for initiation

Stage 4 rationing conditions may be implemented when one of the following four conditions exist:

- a. b0 . taboch) Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 35psi.
- b. b0 . taboch) Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service.
- c. b0 . taboch) Natural or man-made contamination of the water supply source(s).
- d. b0 . taboch) Other unforeseen events which could cause imminent health or safety risks to the public.

#### Rationing Measures

Use of water is prohibited.

#### Penalties For Violations

1. First violation – The customer will be notified by written notice of the specific violation and the penalty to be assessed for continued violations.
2. Second violation – After written notice a surcharge of \$75.00 will be added to the water bill.
3. Subsequent Violations – After written notice, the utility will assess and additional penalty of \$100.00 for violations continuing after the Second Violation and may terminate service at the meter for a period of seven (7) days and charged for the service call to restore service. These provisions apply to all customers of the utility. See Section X for variances.

#### Requirements For Termination

Stage 4 rationing measures of the Plan may be rescinded when the conditions listed as triggering events have ceased to exist.

#### **NOTE:**

- A. There may be additional restrictions imposed by Governmental Entities.
- B. Meters will be read as often as necessary to insure compliance with this program for the benefit of all customers.

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### **Section IX: Drought Response Stages**

The Board President, or his/her designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe, or emergency water shortage condition exists and shall implement the following notification procedures:

Notification of the Public:

The Board President or his/her designee shall notify the public by means of:

Written notice of the proposed rationing shall be mailed or delivered to each affected customer, and/or placed in a local newspaper and/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 of rationing restrictions to be employed.
4. Penalty for violations of the rationing program.
5. Affected area to be rationed.

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A sample letter of notification of the stage of rationing to be put in place:

SKY HARBOUR WATER SUPPLY CORP.  
P.O. Box 2388  
Granbury, Texas 76048

(Current Date)

Dear Water Customer:

Due to the extremely hot weather and high usage, it is necessary for us to implement Stage \_\_\_\_ of the Texas Commission on Environmental Quality Water Rationing Plan. Stage \_\_\_\_ provides for: \_\_\_\_\_ (example of usage restrictions) \_\_\_\_\_.

Effective \_\_\_\_ (Date) \_\_\_\_\_ we are asking customers to follow the rationing plan below. Rationing will be in effect until \_\_\_\_ (Date) \_\_\_\_\_.

Stage \_\_\_\_ (Stage number and classification \_\_\_\_\_  
\_\_\_\_\_) (List usage restrictions) \_\_\_\_\_

The Board President or his/her designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance.

Texas Commission on Environmental Quality requires that we give an explanation of the penalties for violations. They are as follows:

- a. b0 . taboch) First violation – The customer will be notified by written notice of the specific violation and the penalty to be assessed for continued violations.
- b. b0 . taboch) Second violation – After written notice a surcharge of \$75.00 will be added to the water bill.
- c. b0 . taboch) Subsequent Violations – After written notice, the utility will assess and additional penalty of \$100.00 for violations continuing after the Second Violation and may terminate service at the meter for a period of seven (7) days and charged for the service call to restore service. These provisions apply to all customers of the utility.

Please remember that conservation is very important. If you notice any water leaks or any other problems, please call us at 817 573 1446

Very truly yours,

Sky Harbour Water Supply Corp.

Approved: /s/ Mira White

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Additional Notification

The Board President or his/her designee shall notify directly, or cause to be notified directly, the following individuals and entities:

North Hood County Volunteer Fire Department Chief  
County Emergency Management Coordinator(s)  
Department of Public Safety  
Texas Commission on Environmental Quality (TCEQ) (required when mandatory restrictions are imposed)  
Hood County Department of Health

**Section X: Variances**

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

- a. b0 . taboch) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- b. b0 . taboch) Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Plan shall file a petition for variance with the Sky Harbour WSC within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the Board President and his/her designee, and shall include the following:

- a. b0 . taboch) Name and address of the petitioner(s)
- b. b0 . taboch) Purpose of water use
- c. b0 . taboch) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- d. b0 . taboch) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan.
- e. b0 . taboch) Description of the relief requested.
- f. b0 . taboch) Period of time for which the variance is sought.
- g. b0 . taboch) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date
- h. b0 . taboch) Other pertinent information.

Variances granted by the Sky Harbour Water Supply Corp. shall be subject to the following conditions, unless waived or modified by the Board President or his/her designee:

- a. b0 . taboch) Variances granted shall include a timetable for compliance.
- b. b0 . taboch) Variances granted shall expire when the rationing is no longer in effect, unless the petitioner has failed to meet specified requirements.
- c. b0 . taboch) The Board President or his/her designee revokes variance.

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

**Section XI: Miscellaneous**

- A. If the rationing period exceeds 30 days, then the Board President or his/her designee 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. A rationing period may not exceed 60 days with out extension by action of the Board
- B. When the trigger condition for a given stage no longer exists, then the Board President or his/her designee may terminate that stage and/or any lower level stages. Notice oof the end of a rationing stage shall be given the water customers.

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