

Tariff for Lee County Water Supply Corporation

Lee County Water Supply Corporation 1598 South Leon Street Giddings, TX 78942 Telephone: (979) 542-6213 <u>www.leecountywater.com</u>

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SECTION A. RESOLUTIONS

THE BOARD OF DIRECTORS OF LEE COUNTY WATER SUPPLY CORPORATION ESTABLISHES THAT:

- 1. This Tariff of the Lee County Water Supply Corporation ("Corporation" or "WSC"), serving in Lee, Bastrop, Fayette, and Washington Counties, consisting of Sections A through K and forms inclusive, is adopted and enacted as the current regulations and policies effective as of December 21, 2023.
- 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 in the tariff from time to time.
- 3. The revisions of this Tariff do 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, and a copy may be viewed on the Corporation's website. The Secretary of the Corporation shall maintain the original copy as approved and all previous copies for exhibit.
- 5. Rules and regulations of state or federal agencies having jurisdiction shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, word, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected.
- 6. This tariff has been revised in compliance with the <u>Open Meetings Act, Chapter 551</u> of the Texas Government Code.

PASSED and APPROVED this 21 day of December, 2023

President, Lee-County Water Supply Corporation

SEAL (if applicable)

Secretary, Lee County Water Supply Corporation

Section B.

SECTION B. STATEMENTS

- 1. **Organization.** The Lee County Water Supply Corporation is a member-owned, nonprofit corporation incorporated pursuant to the <u>Texas Water Code Chapter 67</u> and the provisions of the Texas Business Organizations Code applicable to member-owned, member-controlled nonprofit corporations for the purpose of furnishing potable water utility service. Corporation operating policies, rates, and regulations are adopted by the Board of Directors elected by the Members of the Corporation.
- 2. *Non-Discrimination Policy.* Membership in the Corporation and service is provided to all Applicants who comply with the provisions of this Tariff regardless of race, creed, color, national origin, sex, disability, or marital status.
- 3. **Policy and Rule Application.** These policies, rules, and regulations apply to the water services provided by the Corporation. Failure on the part of the Member, Customer, 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 that establish the make-up of the Board of Directors and other important regulations of the Corporation. The bylaws are on file at the Corporation's office.
- 5. *Fire Protection Responsibility.* The Corporation does not provide nor imply that fire protection is available throughout the distribution system. Flush valves are for the operation and maintenance of the system and may be used by authorized fire departments in accordance with a contract with the Corporation to supply water for use in fire suppression and training. The Corporation reserves the right to remove any hydrant, flush valves, or assign specific refill hydrants/valves 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 flush valves are installed pursuant to the terms of a Nonstandard Service Contract as provided for in Section F, in which event the terms and conditions of the Contract shall apply.
- 6. **Damage Liability.** The Corporation is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limits of liability of the Corporation are the extent of the cost of service provided. By acceptance of Membership, the Member consents to waiver of such liability.
- 7. Information Disclosure. The records of the Corporation shall be kept in the Corporation office at 1598 South Leon St., Giddings, Texas. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Public Information Act and other applicable laws. In no event and under no circumstances shall the Corporation disclose the Social Security Number of any Member or Customer to any person other than an employee of the Corporation. Chapter 182, Subchapter B of the Texas Utilities Code makes confidential a water utility customer's address, telephone number, account records, and information relating to the volume or units of utility usage or the amounts billed to or collected from the individual for utility usage. However, an individual customer may request in writing that this information be released upon request. The Corporation shall give its applicants and customers notice of their right to request

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disclosure of this information under this policy. The confidentiality provision in Chapter 182, Subchapter B of the Texas Utilities Code does not prohibit the utility from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the Corporation acting in connection with the employee's duties. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each member entitled to vote on a list to be made available to the Corporation's voting members or their agents or attorneys in connection with a meeting of the Corporation's members.

- 8. *Customer Notice of Rate Change.* The Corporation shall give written notice of rate changes by mail, or hand delivery, and by email, and the Corporation's website, if applicable, to all Customers at least 30 days prior to the effective date of the new rate. The notice shall contain the old rates, new rates, the effective date of the new rate (meaning the first date of the applicable billing cycle where the new rate will take effect), the 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 nonstandard service. Customer service inspections are also required on any existing service when the Corporation has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction, or addition to the members' water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contaminant hazards, and illegal lead materials. (30 TAC 290.46(j)) (See Tariff Section G. 6.)
- 11. Submetering Responsibility. Submetering and Non-Submetering by Master Metered Accounts may be allowed in the Corporation's water distribution system provided the Master Metered Account customer complies with the Public Utility Commission, <u>Chapter 24</u>, <u>Subchapter 1</u> 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 Public Utility Commission.

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12. *Prohibition Against the Resale of Water.* The meter connection is for the sole use of the Member or customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to share or resell water to any other persons, dwellings, businesses, or property, etc., is prohibited.

Section C.

SECTION C. DEFINITION

Active Service-The status of any Member receiving authorized service under the provisions of this Tariff.

Applicant – A person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with the Corporation. A person must have reached the age of majority (18) in Texas to apply for service. (Section 129.001, Civil Practice & Remedies Code)

Base Rate – The monthly charge assessed each Member/Customer for the opportunity of receiving service. The Base Rate is a fixed rate based on the meter size and units as set forth in the equivalency chart in Section G.

Board of Directors – The governing body elected by the Members of the Corporation that is vested with the management of the affairs of the Corporation. (Section 22.001(1), Texas Business Organizations Code)

Bylaws – The rules pertaining to the governing of the Corporation adopted by the Corporation Members. (Section 22.001(2), Texas Business Organizations Code)

Capital Recovery Fee - Each applicant will be required to pay a Capital Recovery Fee on a per-meter unit or per-living unit basis. This fee will be assessed prior to providing service and is restricted to the tap for which the service was originally requested. (Tariff Section G. 5). Capital Recovery Fees are a source of capital improvement financing and are used to help the Corporation recover the investment in capacity allocated to new customers. Capital Recovery Fees paid to the Corporation are used specifically to offset the capacity-related costs for growth from past and future projects. The implementation of the fees will not eliminate normal, periodic water rate increases to account for inflation, material cost increases, increased operations and maintenance expenses, and ongoing repair and replacement of aging infrastructure.

Certificate(s) of Convenience and Necessity (CCN) – The authorization granted under <u>Chapter 13</u> <u>Subchapter G of the Texas Water Code</u> for the Corporation to provide water utility service within a defined territory. The Corporation has been issued Certificate Number(s) <u>10310</u>. The territory defined in the CCN shall be the Certificated Service Area. (See <u>Section D</u>. Certificated Service Area Map(s))

Corporation – The Lee County Water Supply Corporation.

Customer- A person, partnership, cooperative corporation, corporation, agency, public or private organization of any type who purchases water from the Corporation.

Debt Owed to Corporation – All debts accrued by an individual customer that shall include but not be limited to past due bills from the current or other/former service location(s) of the customer, deferred payment agreements, fees, and penalties incurred in accordance with this Tariff, disconnect/reconnect fees, Corporation assessments, and any other monetary amount accrued and owed to the Corporation.

Developer – Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who subdivides land or requests more than two water service connections on a single contiguous tract of land [as defined in Section 13.2502 (e)(1) of the Texas Water Code].

Section C.

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 the property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable) for both service to an Applicant and system-wide service. This may also include restrictions on the adjacent area to limit the installation of other facilities that would restrict the use of any area of the easement. The easement will be filed in the real property records of the appropriate county or counties.

Extreme Weather Emergency – A period beginning when the previous day's highest temperature recorded for the Corporation's service area did not exceed 28 degrees Fahrenheit, and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service reports for that area. An extreme weather emergency is over on the second business day the temperature exceeds 28 degrees Fahrenheit [as defined in <u>16 TAC 24.173(b)(2)</u>].

Final Plat – A complete plan for the subdivision of a tract of land showing or referencing Local Tax Appraisal Maps, access to public road(s), number and size of lots or tracts, any restrictions, and location of dedicated water easements, and location(s) of lakes, streams, or rivers through the property. The Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. For purposes of evaluating Subdivision service requests under <u>Section F</u>., the Corporation may accept preliminary plats or plats awaiting final approval pending execution of the agreement for service by the Corporation.

Hazardous Condition – A condition that jeopardizes the health and welfare of the Members/Customers of the Corporation as determined by the Corporation or regulatory authority.

Inactive Connection-Water connections tapped to the utility that are not currently receiving service.

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. (Sample Application Packet - USDA RUS-TX Bulletin 1780-9 (Rev. 05/17))

Installation Fee- A fee charged for all costs necessary for installation of the type of service requested. (*See* <u>Section G.</u> for breakdown of costs included in the fee.)

Liquidated Membership – A Membership that has been canceled due to delinquent charges or for other reasons as specified in this Tariff. (See Section E.19 e.)

Member – Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who holds a membership in the Corporation and who is a record owner of fee simple title to the property in an area served by the water supply service corporation or a person who is granted a membership and who either currently receives or will be eligible to receive water utility service from the Corporation. An applicant must be qualified for service and must have been certified as a member in accordance with the Corporation's Tariff before service will be activated. (Texas Water Code Section

Section C. 13.002(11), Texas Water Code Section 67.016(d))

Membership – A non-interest-bearing stock or right of participation purchased from the Corporation evidencing a Member's interest in the Corporation. (See Tariff Section <u>E.19</u> and <u>Texas Business</u> Organizations Code Sections 22.151(c)).

Membership Fee – A fee qualified as such under the terms of the tariff and the bylaws of the Corporation assigned to the real estate designated to receive service. The membership fee shall be refundable minus all remaining bills upon termination of service and surrender of the membership. The membership fee cannot be more than 12 times the minimum monthly base rate.

Meter Test Fee - A fee assessed by the Corporation upon written request of the Member for testing the accuracy of the meter.

Public Utility Commission (PUC) – State regulatory agency having jurisdiction over water service utilities and appellate jurisdiction over the rates and fees charged by Nonprofit Water Service Corporations

Proof of Ownership – For the purpose of this tariff, applicants for service and membership shall provide proof of ownership of the real estate to be served by deed of trust, warranty deed, or other recorded documentation. (See <u>Texas Property Code</u>, <u>Title 3</u>, <u>Chapter 12</u>, <u>Section 12.001</u> and <u>12.001</u>)

Rural Utilities Service (RUS) – An agency of the United States Department of Agriculture Rural Development Mission Area that provides loan and grant funds for the development of rural water systems serving communities with a population of less than ten thousand (10,000) people.

Renter – A customer who rents or leases property from a Member or who may otherwise be termed a tenant. (See Tariff Section <u>E. 18</u>.)

Re-Connect - Providing service to an applicant at a location where there is an existing tap without a meter. The cost of such re-connect will be based on material and labor costs.

Re-Service – Providing service to an Applicant at a location for which service previously existed and where there is an existing meter. Costs of such re-servicing shall be based on justifiable expenses in connection with such re-servicing. (See Tariff Section E. 1. b., and Section J Miscellaneous Request for Service Discontinuance & Membership Cancellation)

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 <u>Sample Application Packet RUS-TX Bulletin 1780-9</u> (Rev. 05/17))

Service Investigation Fee – A fee for costs associated with determining if service is available and determining the cost of service. (See Tariff Section <u>F. 3. (c)</u>, and <u>G. 25</u>).

Service Trip Fee - A fee charged 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

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disconnecting or collecting payment for services.

Service Unit – The base unit of service used in facilities design and rate making. For this Tariff, a service unit is a 5/8" X 3/4" water meter (See Tariff Section <u>G. 16</u>)

Subdivide – To divide the surface area of land into two or more lots or tracts.

Subdivider or Person who Subdivides Land– An individual, firm, corporation, or other legal entity that owns any interest in land and that directly or indirectly subdivides land into two or more lots or tracts as a part of a common promotional plan in the ordinary course of business.

Subdivision - An area of land that has been subdivided into two or more lots or tracts.

Tap fee - All current labor and material costs necessary to provide individual metered water service.

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

Temporary Service – The classification assigned to an applicant that is in the process of construction. This could also apply to services for uses other than permanent (agricultural, road construction, drilling, livestock, etc.). The Board may set the length of time associated with this classification. This classification will change to permanent service after requirements in Tariff Sections <u>E. 25</u>, <u>E. 26</u>, <u>E. 27</u> are met. Applicant must have paid an Indication of Interest Fee.

Texas Commission on Environmental Quality (TCEQ) – State regulatory agency having jurisdiction over drinking water, water supply, and water quality issues for Nonprofit Water Service Corporations.

Transfer Fee - A fee assessed by the Corporation for costs associated with transferring membership. (See Tariff Section E. 19. c., Section G. 28 and <u>Texas Water Code Section 67.016</u>)

Transferee – An Applicant receiving a Membership by legal means from a Transferor desiring to forfeit and transfer current rights of Membership to another person or entity. (See Tariff Section E. 19. c., Section G. 28 and Texas Water Code Section 67.016)

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

Usage - Amount billed for water service based on actual or estimated usage.

- 1. Actual Usage Amount billed or to be collected based on actual meter reading.
- Estimated Usage Amount billed or to be collected based on either the member's historical average usage for the prior months or for the same month of the prior year where date is available. (See <u>Section E.5.b.</u>; See also PUC Rules <u>16 TAC §24.165(i)</u> regarding estimated

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bills.)

Water Conservation Penalty – A penalty that may be assessed under the Drought Contingency Plan section of this Tariff to enforce customer/member water conservation practices during drought contingency or emergency water demand circumstances. (See <u>Texas Water Code Section 67.011 (b)</u>)

Section D.

SECTION D. GEOGRAPHIC AREA SERVED

This section should include an area map showing the Corporation's Certificated Service Area. Therefore, the Corporation must make sure that its current service area(s) correspond to the area and/or facilities as approved by the PUC in its Certificate of Convenience and Necessity. It is the responsibility of the Corporation to properly file a map showing its service area with the PUC and to file for any changes in that service area. This copy of the Commission's official service map will serve as documentation in the event of future disputes over service areas.

CERTIFICATE OF CONVENIENCE AND NECESSITY

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

Certificate No. 10310

- I. Certificate Holder:
 - Name: Address:

Lee County Water Supply Corporation 1598 S. Leon Street P.O. Box 8 Giddings, Texas 78942

II. General Description and Location of Service Area:

General Description and Location of Service Area: 12+12+9 X 5000=from west side of Lee County go, 31.25 miles south to Schubert Road in Fayette County. 12+12+8.5 X 5000=from TX. 21 in west end of Lee County go 30.78 miles east to FM 180 in Lee County.

III. Certificate Maps:

The certificate holder is authorized to provide water service in the area(s) identified on the Commission's official service area map (See attached map), maintained in the offices of the Public Utility Commission, 701 N. Congress Avenue, P.O. Box 13326, Austin, TX 78711-3326, with all attendant privileges and obligations.

This certificate is issued under Application No. 33454-C and subject to the rules and orders of the Commission, the laws of the State of Texas, conditions contained herein and may be revoked for violations thereof. The certificate is valid until amended or revoked by the Commission.

Issued Dated: _____

ATTEST: _____



Texas Natural Resource Conservation Commission

By These Presents Be It Known To Ali That

Lee County Water Supply Corporation

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 10310

to provide continuous and adequate water utility service to that service area or those service areas in Fayette, Bastrop, and Lee Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No.33454-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Lee County Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this DEC 0 5 2001

For the Completion

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



APPLICATION NO. 33454-C

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IN THE MATTER OF THE APPLICATION OF LEE COUNTY WATER SUPPLY CORPORATION TO AMBND CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 10310 AND TO DECERTIFY A PORTION OF FAYETTE WATER SUPPLY CORPORATION, CCN NO. 10726 IN FAYETTE, BASTROP AND LEE COUNTIES, TEXAS

BEFORE THE

TEXAS NATURAL RESOURCE

CONSERVATION COMMISSION

No person has requested a public hearing on the application;

By letter dated November 19, 1999, Fayette WSC agreed to decertification;

Notice of the application was given to all affected and interested parties;

The criteria set forth in Texas Water Code Sections 13.246(c) and 13.254 have been considered; and

The certificate amendments requested in this application is necessary for the service, accommodation, convenience, and safety of the public.

Now, therefore, be it ordered by the TEXAS NATURAL RESOURCE CONSERVATION COMMISSION that the application is granted and Certificate of Convenience and Necessity Nos.10310 and 10726 be amended in accordance with the terms and conditions set forth herein and in the certificate. ť

IT IS FURTHER ORDERED that Lee County Water Supply Corporation shall serve every customer and applicant for service within the area certified under Certificate of Convenience and Necessity No. 10310 and that such service shall be continuous and adequate.

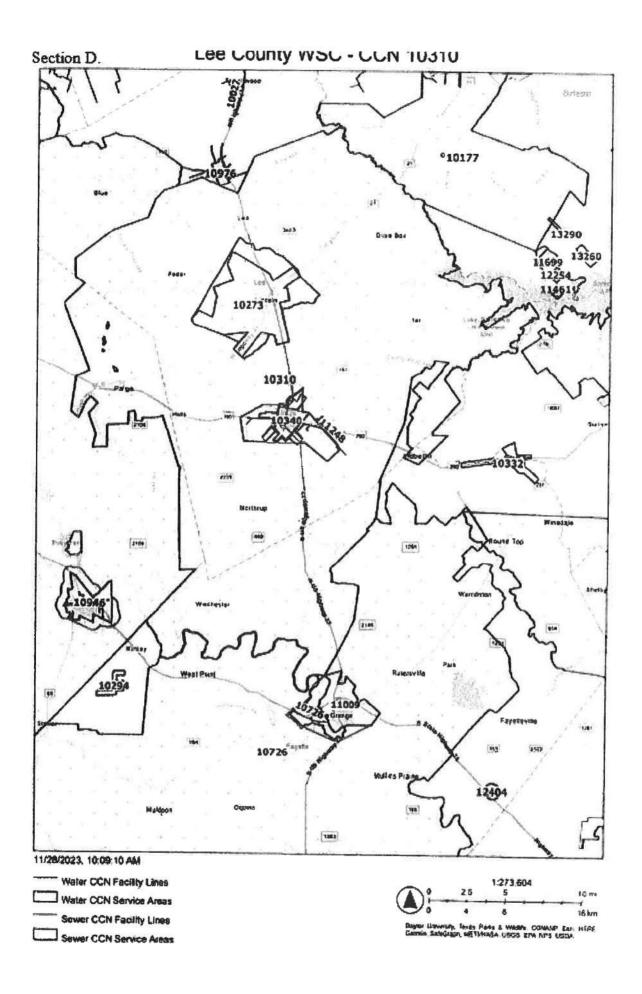
IT IS FURTHER ORDERED that Fayette Water Supply Corporation shall serve every customer and applicant for service within the area certified under Certificate of Convenience and Necessity No. 10726 and that such service shall be continuous and adequate.

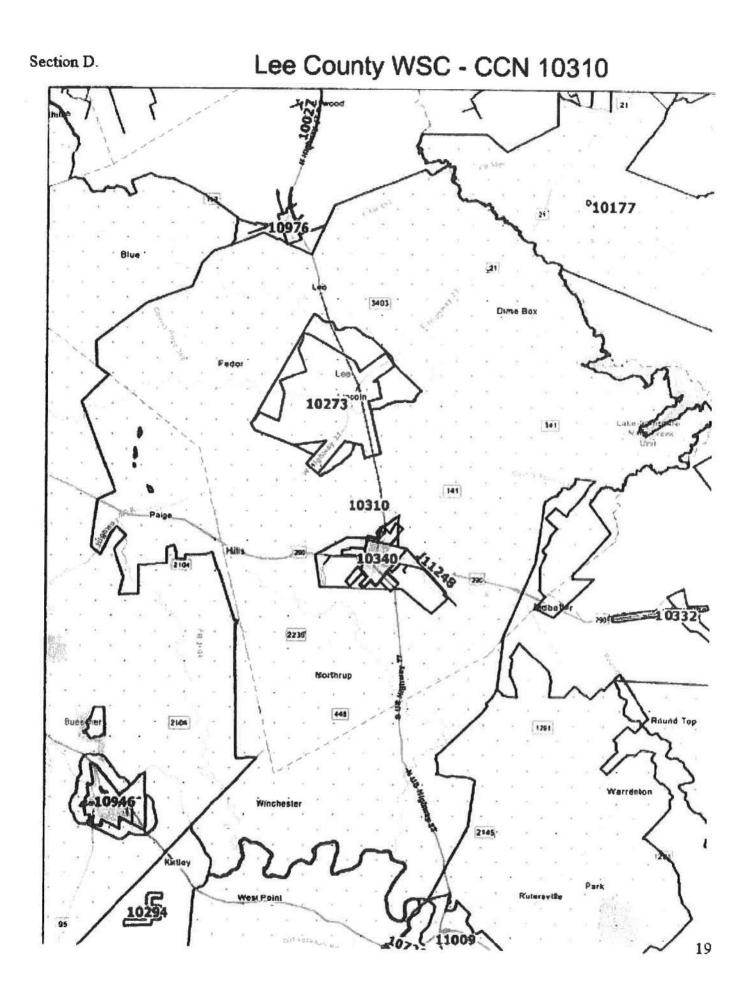
> TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Issued date: DEC 0 5 2001

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SECTION E. SERVICE RULES AND REGULATIONS

- 1. Activation of Standard Service. Before receiving service, applicants must comply with all the following requirements, as applicable:
 - a. New Tap The Corporation shall charge a nonrefundable service installation fee as required under Section G. of this tariff. The service installation fee shall be quoted in writing to the applicant. Any debt owed to the Corporation and all fees shall be paid, or a deferred payment contract signed in advance of installation. (16 TAC 24.163(a)(1)(A))
 - b. **Re-Service** On property where service previously existed and where there is an existing meter, the corporation shall charge the Membership Fee (where the Membership Fee has been liquidated or refunded), re-service costs, any debt owed to the Corporation if the applicant is the person that previously incurred those charges, and other applicable costs necessary to restore service.
 - c. Performance of Work All tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative after all requirements for service have been met. The tap for a standard service request shall be completed within five (5) working days but not later than ten (10) working days. This time may be extended for installation of equipment for Nonstandard Service Request. (16 TAC 24.161(a)(4), See Section F.)
 - d. Inspection of Customer Service Facilities The property of the Applicant/Member shall be inspected to ensure compliance with state required Minimum Acceptable Operating Practices For Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. The customer must, at his or her expense, properly install, inspect, test, maintain, and provide all required documentation of any approved backflow prevention device required by the Corporation. (30 TAC 290.46(j); Section I. Service Application and Agreement)
- 2. Activation of Nonstandard Service. Activation of Nonstandard Service shall be conducted as prescribed by terms of Section F. of this Tariff.
- 3. 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.
- 4. Back-billing. If a Member is undercharged, the Corporation may back-bill the Member/Customer. Back-billing may not exceed 12 months unless such undercharge is a result of meter tampering, bypass, or diversion by the customer as defined in this tariff (See 16 TAC Section 24.165(h)). If the underbilling is \$25 or more, the utility shall offer to such Member/Customer a deferred payment agreement option for the same length of time as that of the underbilling.

5. Bill Adjustment.

- a. Due to Meter Error The Corporation shall test any Member's meter upon written request of the Member. In the event the meter tests within the accuracy standards of The American Water Works Association, a test fee as prescribed in <u>Section G</u>. of this Tariff shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Member shall complete a Meter Test Request Form prior to the test. (See <u>Section J. Miscellaneous Transaction Forms.</u>)
- b. Due to Estimated Billing If the Corporation has estimated usage because the Corporation is unable to access the meter due to circumstances beyond the Corporation's control, such as a natural disaster, or because access is hindered or denied by a Member, the Corporation shall adjust the bill once access has been regained and actual usage is determined. (See Section E. 20. a.)
- c. Due to Leak If a Member's monthly bill is higher than normal due to a leak on the Member's side of the meter, the Member may submit a written leak adjustment request to the Corporation. Upon approval of a leak adjustment by the Corporation, the Member shall be charged the amount of one month's average bill for the previous twelve (12) months. Any additional consumption above the Member's average bill shall be charged at the Corporation's current lowest-tier rate that fully covers the cost of service associated with the additional consumption. The Corporation may grant an adjustment if each of the following apply:
 - (1) the amount of excess water usage reflected in the contested bill is at least five (5) times the Member's average monthly usage;
 - (2) the leak has been verified by the Corporation's representative;
 - (3) the Member submits documentary evidence that the leak has been repaired within thirty
 (30) days of the billing cycle in which the leak occurred, including a statement from a plumber and/or receipt(s) for parts purchased to repair the leak; and
 - (4) the Member has not requested a leak adjustment during the previous thirty-six (36) months, regardless of the number of meters serving the Member's property or properties.
- 6. *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.
- 7. 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 (See Section E. 11. a.)

8. Charge Distribution and Payment Application.

- a. The Base Rate is for the billing period from the 25th day of the month to the 25th day of the following month. Charges shall be prorated for meter installations and service terminations falling during the billing period. Billings for this amount shall be mailed on or about the 25th of the month preceding the month for which this charge is due. All services shall be subject to this charge whether or not the service is in use by the Member.
- b. Gallonage Charge shall be billed at the rate specified in <u>Section G</u>., and billing shall be calculated in ten (10) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.
- c. Posting of Payments: All payments shall be posted against previous balances and late fees prior to posting against current billings.
- d. Forms of Payment: The Corporation will accept the following forms of payment: cash, personal check, cashier's check, money order, credit card/debit card, automatic debit on customer's bank account, or draft on bank. The Corporation will not accept two-party checks, pay checks, or any other instrument of payment that is not made out to the Corporation. Also, the Corporation Office Staff will not accept any form of payment over the telephone. The Corporation reserves the right to require exact change and may refuse to accept payments made using more than \$1.00 in coins. The Corporation will not assess the credit card processing fee associated with credit card payments to those customers who make payments by credit card in accordance with consumer laws. The credit card vendor, not the Corporation, assesses any credit card-related fees.
- 9. Deferred Payment Agreement. The Corporation may offer a written deferred payment agreement to a Member or rental tenant who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the Corporation, including any late penalty fees or interest on the monthly balance to be determined as per agreement. (See Section J. Miscellaneous Transaction Forms). The Corporation must offer a deferred payment agreement for bills due during an Extreme Weather Emergency for at least thirty (30) days from the date an Extreme Weather Emergency ends. The Member or rental tenant must accept the deferred payment agreement within seven (7) days from receipt of the written deferred payment agreement from the Corporation. The failure to make required and timely payments as provided in any deferred payment agreement will void that agreement and service will be discontinued. The Corporation may consider another deferred payment agreement provided payments will be made by automatic bank draft or credit/debit card. Nonpayment of any amount under an additional deferred payment agreement will cause service to be disconnected immediately, and service will not be restored until the account is paid in full and all other charges resulting from the disconnection of service are fully paid. In the event the requestor is a tenant of rental property, the Corporation shall notify the owner/member of the deferred payment agreement.

- 10. Denial of Service. The Corporation may deny service for any of the following reasons:
 - a. Failure of the Applicant or Transferee to complete all application requirements, including granting an easement, completing all forms, and paying all required fees and charges;
 - b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the Corporation;
 - c. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Members/Users of the Corporation upon connection;
 - d. Failure of Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property for which service has been requested;
 - e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the Corporation's tariff on file with the state regulatory agency governing the service applied for by the Applicant;
 - f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which the tap has been requested;
 - g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided;
 - h. Failure of Applicant or transferee to comply with applicable regulations for on-site sewage disposal systems if the Corporation has been requested to deny service by the TCEQ or the TCEQ's designated representative under <u>Chapter 366 of the Texas Health and Safety Code</u>; and
 - Failure of the Applicant or Transferee to pay any previous outstanding delinquent account(s) in full. This could be delinquencies resulting from the same account location or other service location(s) within the system where the Applicant or Transferee received service. (Also see E 19.)
- 11. Disconnection of Service Rules. The following describes the rules and conditions for disconnection of service. Notwithstanding any language to the contrary in the Service Application and Agreement Form, the Corporation may only discontinue service for the reasons set forth in this Section. For the purposes of disconnecting service under these policies, water service will be terminated in lieu of disconnecting service. In instances of nonpayment of service or other violations by a Member who is not a water customer, the Corporation has the option to disconnect the tap or take other appropriate actions.
 - a. **Disconnection with Notice** Water utility service may be disconnected for any of the following reasons after proper notification has been given.

- 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, certified check, or credit/debit card. Failure to meet these terms shall initiate disconnection of service. (see Miscellaneous Transaction Forms) Any such instruments returned as insufficient or nonnegotiable 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 six (6) months.
- Failure to pay a delinquent account for utility service, failure to timely provide a deposit or other security under <u>Section E.10. i.</u>, or failure to comply with the terms of a deferred payment agreement (See <u>Section J. Miscellaneous Transaction Forms</u>);
- 3) Violation of the Corporation's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation;
- 4) Failure of the Member to comply with the terms of the Corporation's Service Agreement, Tariff (including, where appropriate Drought Contingency Plan), Bylaws, or Special Contract provided that the Corporation has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification.
- 5) Failure to provide access or hindering access to the meter under the terms of this Tariff or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify. Conditions that may hinder access include but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals.
- 6) Misrepresentation by any Applicant or Transferee of any fact on any form, document, or other agreement required to be executed by the Corporation.
- 7) Failure of Member to 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.
- 8) Cancellation of membership by Member on an account that the Member holds for water service to the Member's renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement. The cancellation of membership must be in writing and signed by the Member. CORPORATION ASSUMES NO LIABILITY TO RENTER/LESSEE; MEMBER IS SOLELY RESPONSIBLE FOR COMPLIANCE WITH AND LIABILITY UNDER ANY FEDERAL, STATE, OR LOCAL LAW CREATING OR PROTECTING RIGHTS OF RENTERS/LESSEE.
- 9) Violation of any applicable regulation or pertaining to on-site sewage disposal systems if the Corporation has been requested in writing to disconnect service by the TCEQ or the TCEQ's designated representative under <u>Chapter 366 of the Texas Health and Safety Code</u>.

- 10) Failure by a Member to pay for all repair or replacement costs resulting from the Member damaging system facilities including, but not limited to, water lines, service taps, meter boxes, valves, or meters by engaging in activities such as property excavations, installment of a driveway or roadway requiring encasements, lowering, or re-routing of lines or system components, or by any other action. The Corporation will provide the Member with a notice detailing the extent of the damage, the location of the damage, the cost of repair, and whether the damage occurred on private property or a public right-of-way. Failure to pay the cost of repair or replacement will result in the Member's service being disconnected in accordance with the Disconnection with Notice Provisions in this Section. Service will remain disconnected until payment is received or an acceptable payment plan is approved.
- Failure to disconnect or secure additional service tap(s) for an RV or other service connection (See <u>E. 24</u> of this Section) after notification by the Corporation of violation of the Prohibition of Multiple Connections.
- b. **Disconnection Without Notice** Water utility service may be disconnected without notice for any of the following conditions:
 - 1) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a public health nuisance as defined in <u>Texas Health and Safety Code Sections 341.011</u> or <u>343.011</u>. If there is reason to believe a dangerous or hazardous condition exists, the Corporation may conduct a customer service inspection (CSI) to verify the hazardous condition and may notify the local county health office. The Corporation will disconnect without notice if the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (<u>30 TAC 290.46(i)</u> and <u>290.46(j)</u>). Service will be restored when a CSI confirms no health hazard exists, the health hazard has been removed or repaired, or the health hazard has been isolated from the Corporation's water system by the installation of a backflow prevention device.
 - 2) A line leak on the member's side of the meter is considered a potentially hazardous condition under paragraph b. 1, as stated above. If the Corporation conducts a CSI and discovers that the line leak has created a hazardous condition, the Corporation will provide the member up to five (5) business days, or another time period determined reasonable under the circumstances, to repair the line prior to disconnection of service.
 - Service is connected without authority by a person/entity who has not made application for service or who has reconnected service without authority following termination of service for nonpayment and
 - 4) In instances of tampering with the Corporation's meter tap or equipment, by-passing the meter or equipment, or other diversion of water service.
- c. **Disconnection Prohibited** Utility service may not be disconnected for any of the following reasons:

- Failure of the Member to pay for merchandise or charges for nonutility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of nonutility service as a condition of service;
- 2) Failure of the Member to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
- 3) Failure of the Member to pay charges arising from an underbilling 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 underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the Inoperative Meters Section E. 14. of this Tariff.
- 6) Failure of the Member to pay an 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) Failure of the Member to pay a bill due during an Extreme Weather Emergency if the Member has requested, accepted, and is in compliance with the terms of a deferred payment schedule under Section F. 9. of this Tariff. (16 TAC 24.173)
- d. **Disconnection on Holidays and Weekends** Unless a dangerous condition exists or the Member requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the Corporation are not available to the public for the purpose of making collections and reconnecting service.
- e. **Disconnection Due to Utility Abandonment** The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the PUC.
- f. Disconnection for III Customers The Corporation may not discontinue service to a delinquent residential Member or tenant under an alternative billing agreement permanently residing in an individually metered dwelling unit when that Member or tenant establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. To avoid disconnection under these circumstances, the Member or tenant must provide a written statement from a physician to the Corporation prior to the stated date of disconnection. Service may be disconnected in accordance with Subsection (a) of this Section if the next month's bill and the past due bill are not paid by the due date of the next month's bill unless the Member or tenant enters into a Deferred Payment Agreement (see <u>Miscellaneous Transaction Forms</u>). The Corporation shall provide notice to an owner of rental property in the event a tenant requests service not be discontinued due to illness as per this subsection.

- g. **Disconnection of Master-Metered Accounts and Nonstandard Services** When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the following shall apply:
 - 1) The Corporation shall send a notice to the Member as required. This notice shall also inform the Member that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.
 - 2) At least five (5) days after providing notice to the Member and at least five (5) days prior to disconnection, the Corporation shall post a notice 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 on behalf of the owner/member to avert disconnection or to reconnect service to the complex.
- h. **Disconnection of Temporary Service** When an applicant with 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.
- 12. Disputed Bills. In the event of a dispute between the Member and the Corporation regarding any bill, the Corporation shall make and conduct an investigation as required by the particular case and report the results in writing 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.

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

- a. The Corporation shall mail all bills on or about the 25th of the month. All bills are considered the responsibility of each person signing the Service Application and Agreement Form. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in Section G. The time for payment by a political subdivision may be different than your regular due date. (See <u>Texas Government Code 2251.021</u>) A bill is delinquent if not paid on or before the past due date. Final notices shall be mailed, allowing approximately ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposes shall be the next day the Corporation office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings.
- b. The Board of Directors, General Manager, or Designee may elect to not charge a late fee or disconnect fee in accordance with this Tariff during or after the occurrence of a natural disaster or other incident that impacts the property of members or interrupts the management and

operation of the system.

- c. Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive an extension of the past due date without penalty. The extension shall not exceed ten (10) days beyond the usual fifteen (15) day payment period for a total of no more than twenty-five (25) days from the date the bill is issued. The request may specify an extension of the late payment periods for current and subsequent billings. (Texas Utilities Code Sections 182.001 182.005) If this request originates from a tenant at a rental property, the owner/member will be notified in writing of any extension request.
- d. All insufficient fund checks, accounts closed, or money orders that have had a "stop payment order" issued for payment of a water bill will be deemed delinquent as if no payment was received, and the meter is subject to disconnection with notice on the regular disconnection day.
- 14. *Inoperative Meters.* Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless by-passed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed six (6) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.
- 15. Insufficient Grounds for Refusal of Service. The following shall not constitute sufficient cause for the refusal of service to an Applicant:
 - a. Delinquency in payment for service by a previous member or occupant of the premises to be served;
 - b. Failure to pay a bill to correct previous underbilling 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 nonstandard equipment or unauthorized attachments which interferes with the service of others unless the customer has first been notified and been afforded a reasonable opportunity to comply with said requirements;
 - d. Failure to pay a bill of another member or customer as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service; and
 - e. Failure to pay the bill of another member or customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.
- 16. Line Extension Reimbursement. With in the first year after completed construction, an approved Applicant may have to pay on a prorated basis a line reimbursement fee to the Corporation for the purpose of reimbursing a member or other party that made the capital outlay to extend service to that area. (See Miscellaneous Transaction Forms)

- 17. Master Metered Account Regulations. An apartment building, condominium, manufactured housing (modular, mobile, or RV) community, business center, or other similar type enterprise may be considered by the Corporation to be a single commercial facility if the owner applies for a meter as a "master metered account" and complies with the requirements set forth in PUC rules, this Tariff and applicable law. The Corporation may allow master metering and/or nonstandard service to these facilities at an Applicant's request. (16 TAC (24.281(e)(1)).
- 18. Members and Renters. Any Member having complied with the requirements of this Tariff, renting or leasing property designated to receive service according to the terms of this tariff to other parties, is responsible for all charges due to the Corporation. The membership for rental or leased properties shall be in the name of the Member as required by this Tariff. The Corporation may bill the renter or lessee for utility service (at Member Request) as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The Member shall be required to sign an Alternate Billing Agreement if the Member requests that the tenant be billed for utility service. (See Miscellaneous 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 will notify the Member of the renter's past-due payment status. Such notification will be subject to a service charge (see Miscellaneous Transaction Forms).

If at any time the member requests that membership be canceled, thereby discontinuing service to an occupied rental property, the Corporation shall provide written notice to the tenant(s) a minimum of five (5) days prior to the scheduled disconnection date.

19. Membership.

- a. **Eligibility** Eligibility for Membership shall not guarantee service to the Applicant or Transferee; however, qualification for service is a prerequisite to Membership eligibility for new Applicants or continued Membership for Transferees.
- b. Membership Upon qualification for service, qualification for Membership, payment of the required fees, and any debt owed to the Corporation, the Corporation shall certify the Applicant as a Member. The Membership shall entitle the Member to one (1) connection to the Corporation's water utility service and one (1) share of Corporation Stock. The Membership entitles the Member to one (1) vote in the election of directors and in such other matters requiring the approval of the Corporation's Members at any Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. Ownership of more than one (1) Membership shall not authorize the Member to cast more than one (1) vote at any annual or special meeting. Each Membership and Stock thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. (Texas Water Code Section 67.016)
- c. Transfers of Membership. (Texas Water Code Section 67.016)
 - 1) A Member or executor of an estate (court order or other legal instrument) is entitled to transfer Membership in the Corporation only under the following circumstances:
 - (a) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity or
 - (b) The Membership is transferred without compensation to a person related to the

- Transferor within the second degree by consanguinity or
- (c) The Membership is transferred without compensation or by sale to the Corporation or
- (d) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.
- 2) In the event that Membership is transferred pursuant to the provisions of Subsection <u>19. c.</u> (1) of this Section, such transfer shall not be completed or recorded on the books and records of the Corporation until such time as the transferor has provided satisfactory evidence to the Corporation of such transfer. A transfer of Membership shall be considered a new application for service and is not binding on the Corporation until such transfer has been approved, as provided by <u>Subsection 19. c. (3)</u> of this Section.
- 3) Qualifications for service upon transfer of Membership set forth in <u>Subsection 19. c. (1)</u> of this and <u>19. c. (2)</u> of this Section shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon the following terms and conditions:
 - (a) The Transferee has completed the required Application Packet, including granting the Corporation with a private utility easement on the form provided by the Corporation;
 - (b) The membership has not been fully or partially liquidated; and
 - (c) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
 - 4). If the application packet and other information is not completed on the day transfer of membership is requested, the corporation will give the transferee written notice of 10 additional days to produce completed documentation to the corporation office. Service will be disconnected on the day following the 10th day according to disconnection with notice requirements. Additional time may be allowed at the direction of the manager or board.
- d. **Cancellation of Membership** To keep a Membership in good standing, a Base Rate must be paid monthly to the Corporation, whether or not water is used. Failure to pay this monthly charge to the Corporation shall jeopardize the Member's Membership standing and give rise to liquidation of the Membership Fee and forfeiture of the Membership. A Member may be relieved of this obligation to pay by surrendering the Membership, properly documented, to the Corporation. The Member shall also complete a Service Discontinuance Request Form prior to termination of service. (See Misc. Transaction Forms.) However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership prior to termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Service <u>Section E 1</u>. of this Tariff. (Texas Water Code Section 67.016)
- e. Liquidation Due to Delinquency When the amount of the delinquent charges owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated, and the Membership canceled and transferred back to the Corporation. In the event, the Member leaves

a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership, the Corporation may liquidate as many of the Member Guarantor's Membership Fees as necessary to satisfy the balance due the Corporation, provided proper notice has been given (See Tariff Section E. Subsection 11. a.). The Corporation shall collect any remaining account balances by initiation of legal action. Reinstatement of service shall be subject to the terms of the Activation of Service.

f. Cancellation Due to Policy Noncompliance – The Corporation may cancel a Membership anytime a Member fails to comply with policies of the Corporation, including but not limited to Member's failure to provide proof of ownership of the property from which the Membership arose. (Texas Water Code Section 67.016)

g. Re-assignment of Canceled Membership.

- The Corporation, upon cancellation of Membership under the provisions of this Tariff, may re-assign the canceled Membership to a person or entity that has legal title to the real estate from which the canceled membership arose and for which water service is requested (<u>Texas</u> <u>Water Code Section 67.016</u>). Membership will not be re-assigned unless the person or entity that has legal title to the real estate has complied with the corporation's current rates, charges, and conditions of service, including the current membership fee, set forth in the tariff and service application package.
- 2) The Corporation shall reassign a canceled Membership to a person or entity that acquires the real estate from which the Membership arose through judicial or nonjudicial foreclosure. The Corporation will require proof of ownership resulting from the foreclosure and compliance with the corporation's current rates, charges, and conditions of service, including the current membership fee set forth in the tariff and service application package. In the event of a foreclosure by a mortgage institution, the Corporation may allow a property management company to acquire the Membership if the management company provides written documentation showing that the management company is legally responsible for the management of the property and it is not feasible for the mortgage institution to be the Member.
- h. Mortgaging of Memberships Nothing herein shall preclude a Member from mortgaging his/her Membership. However, notification to the holder of any security interest (mortgagee/lien-holder) of the account status of the Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage Agreement (See <u>Miscellaneous Transaction Forms</u>). Prior to the cancellation of any Membership as provided under <u>Subsection E. 19. d</u>. (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. Cancellation and Re-Assignment of Membership as a Result of Bankruptcy Proceedings Upon notice of the filing of a petition in bankruptcy, the Corporation may require the posting of a deposit or other form of security acceptable to the Corporation as a condition for continuing utility service. Unless special circumstances require otherwise, the amount of security shall equal the amount of charges for the month of greatest use during the preceding 12 months. The Corporation shall not require the payment of any security prior to the expiration of 20 days following the date on which the petition is filed. Failure to provide this security by the date specified by the Corporation may result in termination of service according to the Disconnection with Notice Provisions of <u>Section E. 11</u>. of this Tariff, with a copy of the notice to the bankruptcy Trustee.
- j. Cancellation and Re-Assignment of Membership as a Result of Divorce or Death (or Dissolution of Joint Tenancy) The Corporation shall transfer the membership to a spouse (or joint tenant) or heir who has been awarded the property designated to receive service. The Corporation must be provided adequate documentation of the ownership rights of the spouse (or joint tenant) or heir requesting transfer, such as a final divorce decree, temporary court order, probate decree, affidavit of heirship, or agreement. In no event shall any membership(s) be transferred if the transferee does not otherwise meet the qualifications for membership and for service.

20. Member's Responsibility.

- a. The Member shall provide access to the meter tap location as per the easement and service agreement. If access to the meter is hindered or denied, preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month, and a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification to the Member, then service shall be discontinued and the meter removed with no further notice. Conditions that may hinder access include but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals.
- b. The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
 - All water connections shall be designed to ensure against on-site sewage contamination, backflow, 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. (<u>30 TAC 290.46</u>, <u>Texas Health & Safety Code Chapter</u> <u>366</u>)
 - 2) The use of pipe and pipe fittings that contain more than 0.25% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or nonresidential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed from the meter to the place of consumption, and the Member is required to keep the service pipeline in good repair. The Member's responsibility shall begin at the discharge side of the meter. (30 TAC 290.46; 16 TAC 24.163(a); RUS-TX Bulletin 1780-9 (Rev. 05/17))
 - 3) The Corporation may impose other site-specific requirements. All potable water service

pipeline installations must be a minimum of nine feet apart and meet all applicable plumbing standards for crossings, etc.

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

- c. A Member owning more than one (1) Membership shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable as per the Service Application and Agreement executed by the Member.
- d. The Corporation's ownership and maintenance responsibility of water supply and metering and equipment shall end at the meter or other service equipment as installed. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the Corporation shall be subject to charges as determined by the Corporation's Tariff as amended from time to time by the Board of Directors.
- e. The Corporation shall install on each Member's meter a cut-off valve located outside of the meter box on the Member's side of the meter for purposes of isolating the Member's service pipeline and plumbing facilities from the Corporation's water pressure. The valve shall meet AWWA standards. The Member's use of the Corporation's curb stop or other similar valve for such purposes is prohibited. Any damage to the Corporation's equipment shall be subject to service charges. (This cut-off valve will be installed as a part of the original meter installation by the Corporation.)
- f. The member is required to notify the system 48 hours prior to digging or excavation activities along or near water lines and appurtenances.
- 21. Meter Relocation. Relocation of services shall be allowed by the Corporation provided that:
 - a. The relocation is limited to the existing property designated to receive service;
 - b. A current easement for the proposed location has been granted to the Corporation and
 - c. The Member pays the actual cost of removing and relocation of the meter tap plus administrative fees.

22. Meter Tampering and Damage to Property.

- a. For purposes of this Section, the term "Tampering" shall mean meter-tampering, by-passing, or diversion of the Corporation's service equipment, or other instances of diversion, including:
 - 1) Removing a locking or shut-off devise used by the Corporation to discontinue service;
 - 2) physically disorienting the meter or tap;
 - 3) attaching objects to the meter or tap to divert service or to by-pass;
 - 4) inserting objects into the meter or tap;

- 5) other electrical and mechanical means of tampering with, by-passing, or diverting service;
- 6) connection or reconnection of service without Corporation authorization;
- 7) connection into the service line of adjacent customers of the Corporation and
- 8) preventing the supply discharge from being correctly registered by a metering device or tap due to adjusting the valve so that flow is reduced below metering capability.

The burden of proof of Tampering is on the Corporation. Law enforcement reports, photographic evidence, or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the Corporation's staff when any action regarding Tampering is initiated. A court finding of Tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the Corporation shall be prosecuted to the extent allowed by law under the <u>Texas Penal Code Sections 28.03</u>, <u>12.21 and 12.22</u>.

- b. If the Corporation determines under subsection (a) that Tampering has occurred, the Corporation shall disconnect service without notice as set forth in <u>Subsection E.11.b.</u> and charge the person who committed the Tampering the total actual loss to the Corporation, including the cost of repairs, replacement of damaged facilities, and lost water revenues.
- c. A person who otherwise destroys, defaces, damages, or interferes with Corporation property will be charged the total actual loss to the Corporation, including but not limited to the cost of repairs, replacement of damaged facilities, and lost water revenues. The Corporation also will prosecute the offending party to the extent allowed under law pursuant to <u>Texas Water Code Section 49.228</u> and other applicable laws.
- d. In addition to actual damages charged under subsection (b), the Corporation may assess a penalty against the offending party. The penalty shall not exceed six (6) times the Base Rate.

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

23. Ownership of equipment. All water meters and equipment and materials required to provide water service to the point of customer connection; water meter or service tap is the property of the Corporation upon installation, and shall be maintained by the water system only.

24. Prohibition of Multiple Connections to A Single Tap.

a. No more than one (1) residential, commercial, or industrial service connection is allowed per meter or tap. 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 or tap (See Subsection E. 17.). If the Corporation has sufficient reason to believe a Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with Notice provisions of this Tariff for a first violation and for subsequent violations, service will be disconnected without notice in accordance with Paragraph E. 11. b. (30 TAC 290.44; See Sample Application Packet

<u>RUS-TX Bulletin 1780-9</u> (Rev. 05/17)).

b. For purposes of this section, the following definitions shall apply:

1) A "multiple connection" is the connection to any portion of a member's water system that is connected to a primary delivery point already servicing one residence, one commercial or industrial facility, or a water line serving another residence or commercial or industrial facility. Water lines to outbuildings, barns, or other accessory structures shall not be considered a multiple connection if (i) those structures are located on the same tract as the primary delivery point and (ii) such structures are not used as a residence or as a commercial or industrial facility.

- 2) A "primary delivery point" shall mean the physical location of a meter tap that is installed in accordance with this Tariff and applicable law, which provides water service to the residence or commercial or industrial facility of a member.
- 3) "Residential" or "residence" shall mean any structure that is being used for human habitation, which may include kitchen and bathroom facilities or other evidence of habitation as defined by the Corporation. Which would include; tiny homes, portable buildings, and RV's (outside of an RV Park) used as a residence or other structures that may have been modified for residency.
- 4) "Commercial" facility shall mean any structure or combination of structures at which any business, trade, occupation, profession, or other commercial activity is conducted. A business conducted within a member's residence or property that does not require water in addition to that provided to the member's residence shall not be considered a separate commercial facility.
- 5) "Industrial" facility shall mean any structure or combination of structures at which the manufacture or processing of any product, commodity, or article is performed. An industrial activity conducted within a member's residence or property that does not require water in addition to that provided to the member's residence shall not be considered a separate industrial facility.
- c. The Corporation agrees to allow members in good standing to share water usage with a visitor on their property with a recreation vehicle (RV) or travel trailer for a period of no longer than three months. If the recreation vehicle/travel trailer is being used for a permanent residence, this Tariff requires that an additional membership be secured and a separate meter installed. If the member routinely has more than one visitor at a time with recreation vehicles or travel trailers or has multiple visitors throughout the year, the corporation may require that a second or additional meter(s) be purchased. The member must submit a written request to the corporation's business office at least five (5) business days prior to sharing corporation water with a visitor. The corporation has the right to refuse or deny the shared usage for any reason. The corporation also has the right to inspect the premises for any potential cross-contamination issues as outlined in the Customer Service Inspection requirements and to ensure that the meter is properly sized for the additional usage at the time of total peak water demand. These

requirements pertain to visitors ONLY. No commercial usage where fees for water are charged is allowed. If a member is found to violate these conditions, the member will be sent a letter of notice stating that the water service will be cut off in ten days if the situation is not corrected.

- **25.** Service Entitlement. The Applicant(s) shall be considered qualified and entitled to water utility service when proper application has been made, terms and conditions of Service and Membership have been met and continue to be met, and all fees have been paid as prescribed. (16 TAC 24.161(a))
- **26.** Service Location and Classification. For the purposes of this Tariff, service requested by the Applicant(s) shall be for real estate designated to receive the service at each service connection provided by the Corporation. Service shall be through a meter tap located on that designated real estate unless otherwise approved by the board. Service shall be divided into the following two classes:
 - a. Standard Service is defined as service on a specific property designated to receive service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" sized water meter services set on existing pipelines, and pressure collection facilities installed or connected to collection lines no more than five feet in depth.
 - b. Nonstandard Service is defined as any service request which requires a larger meter service, service to a Master Metered Account (see <u>E. 2.</u> of this section), or an addition to the supply, storage, and/or distribution/collection system. The service requirements as prescribed by <u>Section F.</u> of this Tariff shall be required of the Nonstandard Service Applicant prior to providing service.
- 27. Service Requirements. The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant(s). Where applicable, in addition to the applicant, any other person sharing an ownership interest in and receiving service at that property shall sign the Service Application and Agreement Form; however, even if the spouse or other person sharing an ownership interest does not sign the Service Application and Agreement Form; however, even if the spouse or other person sharing an ownership interest does not sign the Service Application and Agreement Form; they are still responsible for all terms set forth therein, and for any debt obligation related to this or any other account the applicant(s) may have used in the past or currently. (See Sample Application <u>RUS-TX Bulletin 1780-9</u> (Rev. 05/17))
 - a. A Right-of-Way Easement Form, Sanitary Control Easement, or other such easement form, required by the Corporation, must be completed by the Applicant for the purpose of allowing future facility additions. (See Sample Application <u>RUS-TX Bulletin 1780-9</u> (Rev. 05/17), <u>30</u> <u>TAC 290.47 Appendix B.</u>)
 - **b.** The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the Corporation. Proof of ownership shall consist of warranty deed, deed of trust, or other recordable documentation of title to the real estate designated to receive service. (Texas Water Code Sections 67.016 (d), and 13.002 (11) See also Uniform Partition of Heirs Property Act, Property Code Chapter 23A).

Section E.

- c. On the request by the property owner or owner's authorized agent, the Corporation shall install individual meters owned by the Corporation in an apartment house, manufactured home rental community, multiple-use facility, or condominium on which construction begins after January 1, 2003, unless the Corporation determines that installation of individual meters is not feasible. If the Corporation determines that installation of individual meters is not feasible, the property owner or manager shall install a plumbing system that is compatible with the installation of master meters. The Corporation shall be entitled to the payment of costs, including the costs of master meter installations, as provided in Section G. The cost of master meter installation shall be prepaid by the property owner, as well as the cost of any additional facilities or supply occasioned by the total water service demand represented by full occupancy of the property, as determined under applicable provisions of Section F. It shall be the responsibility of the property owner to obtain the memberships required for each individual meter or meter units.
- d. Notice of application approval and costs of service determined by the Corporation shall be presented to the Applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time, the Applicant must re-apply for service. (<u>16 TAC 24.153 (a)(1)</u>).
- e. If the water main has been located in the public right-of-way and is adjacent to Applicant's property due to the current or previous landowner's refusal to grant easement to the Corporation for the purpose of installing the water main and appurtenances, and the Corporation has documentation of such refusal, the Applicant, prior to receiving the requested service, shall grant the easement(s) required under this Tariff and in addition to the normally required fees for new customer service, shall pay such sums as are reasonably necessary to cap the existing line in the ROW and construct the appropriate line or lines within that easement or easements for the Corporation's system-wide service. (See <u>Miscellaneous Transaction Forms.</u>)
- f. The Corporation shall post on its website or provide to each service applicant or transferee a copy of the Disclosure of Personal Information Request Form. See <u>Section J</u>, Miscellaneous Transaction Forms. See also <u>Texas Utilities Code Section 182.052(c)</u>.

SECTION F. DEVELOPER, SUBDIVISION, AND NONSTANDARD SERVICE REQUIREMENTS

Part I. General Requirements. This section details the requirements for all types of nonstandard service requests.

1. *Purpose*. It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions and other kinds of Nonstandard Service are determined, including the Nonstandard Service Applicant's and the Corporation's respective costs.

For purposes of the Section, the term "Applicant" shall refer to the individual or entity that desires to secure Nonstandard Service from the Corporation. The Applicant must be the same person or entity that is authorized to enter into a contract with the Corporation setting forth the terms and conditions pursuant to which Nonstandard Service will be furnished to the property. In most cases, the Applicant shall be the owner of real property for which Nonstandard Service is sought. In the event that the Applicant is other than the owner of real property, the Applicant must furnish evidence to the Corporation that it is authorized to request Nonstandard Service on behalf of such owner or that it otherwise has authority to request Nonstandard Service for the real property.

2. Application of Rules. This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required for a single tract of property. Examples of nonstandard services for a single tract of land can include, but are not limited to, road bores, extensions to the distribution system, service lines exceeding 1" diameter, and service lines exceeding 20 feet. Nonresidential or residential service applications requiring a larger sized meter typically will be considered nonstandard. For the purposes of this Tariff, Applications subject to this Section shall be defined as Nonstandard. This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation or their designee shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.

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

- 3. *Nonstandard Service Application.* The Applicant shall meet the following requirements prior to the initiation of a Nonstandard Service Contract by the Corporation:
 - a. The Applicant shall provide the Corporation a completed Nonstandard Service Application (See <u>Section I.</u> this Tariff). The Applicant shall specify any Special Service Needs, such as large meter size, size of subdivision, or multi-use facility. When subdividing property, the Corporation will require a plat with restrictions defined on said plat and approved by the county the property resides in.

- b. A final plat (See <u>Section C.</u>) 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, including endangered species information. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements. **NOTE:** It is the responsibility of the Applicant to secure all necessary approvals of the subdivision once an Agreement is in place between the Corporation and the Applicant.
- c. A Nonstandard Service Investigation Fee shall be paid in advance to the Corporation in accordance with the requirements of <u>Section G</u>. for purposes of paying initial administrative, legal, and engineering fees. The Corporation shall refund any balance that may remain after it has completed its service investigation and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all expenses incurred by the Corporation, the Applicant shall pay to the Corporation upon the Corporation's request all additional expenses that have been or will be incurred by the Corporation, and Corporation shall have no obligation to complete processing of the Application until all remaining expenses have been paid.
- d. If, after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property located, in whole or in part, outside the area described in the Corporation's Certificate of Convenience and Necessity (CCN), service may be extended provided that:
 - 1) The service location is not in an area receiving similar service from another retail Corporation;
 - 2) The service location is not within another retail Corporation's CCN and
 - 3) The Corporation's CCN shall be amended to include the entirety of Applicant's property for which service is requested. Applicant shall pay all costs incurred by Corporation in amending its CCN, including but not limited to engineering and professional fees. If the service location is contiguous to or within one-fourth (1/4) mile of Corporation's CCN, Corporation may extend service prior to completing the amendment to its CCN, but will do so only upon Applicant's legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including administrative, legal, surveying and engineering fees incurred by Corporation in securing the amendment).
- 4. *Design.* The Corporation shall approve the design requirements of the Applicant's required facilities prior to initiation of a Nonstandard Service Contract in accordance with the following schedule:
 - a. The Corporation's engineer shall design, or review, and approve plans for all on-site and off-site service facilities for the Applicant's requested service within the Corporation's specifications, incorporating any applicable municipal or other governmental codes and specifications.
 - b. The engineer's fees shall be paid out of the Nonstandard Service Investigation Fee under <u>Section</u> <u>F. 3.</u>

- c. The engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.
- d. The Corporation's engineer shall ensure that all facilities for any Applicant meet the demand for service as platted and/or requested in the plans or plat submitted in the application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands provided; however, the Corporation shall pay the expense of such upgrading in excess of that which is reasonably allocable to the level and manner of service requested by the Applicant.
- e. The Corporation's engineer will determine the fire flow design for any nonstandard service request, including new subdivisions, based on density, type of structure, and other factors.
- 5. Nonstandard Service Contract. Applicants requesting Nonstandard Service may be required to execute a written contract drawn up by the Corporation's Attorney (See Section I. Sample Forms) in addition to submitting the Corporation's Nonstandard Service Application. Said contract shall define the terms of service prior to construction of required service facilities. The service contract may include, but is not limited to:
 - a. All costs associated with required administration, design, supplies, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid prior to construction.
 - b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
 - c. Terms by which service capacity shall be reserved for the Applicant and duration of reserved service with respect to the demand which the level and manner of the service will have upon the Corporation's system facilities.
 - d. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Capital Recovery Fees.
 - e. 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 Contract;
 - (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.
 - f. Terms by which the Applicant shall indemnify the Corporation from all third-party claims or lawsuits in connection with the project.
 - g. Terms by which the Applicant shall dedicate, assign, and convey to the Corporation all constructed facilities and related rights (including contracts, easements, rights-of-way, deeds, warranties, and so forth) by which the Corporation shall assume operation and maintenance

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

- h. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.
- 6. Construction of Facilities by Applicant Prior to Execution of Service Contract. The Corporation and the Applicant must execute a Nonstandard Service Contract prior to the purchase of supplies and materials or initiation of construction of facilities by the Applicant. In the event that the Applicant commences construction of any such facilities prior to execution of a Contract with the Corporation, then the Corporation may refuse to provide service to the Applicant or, in a subdivision, to any person purchasing a lot or home from the Applicant. Alternatively, the Corporation may require full costs of replacing/repairing any facilities constructed without prior execution of a contract from any person buying a lot or home from Applicant. At a minimum, the Corporation will require that all facilities be uncovered by the Applicant for inspection by the Corporation, require that any facilities not approved by the Corporation be replaced, and take any other lawful action determined appropriate by the Board of Directors of the Corporation.

7. Dedication of Water System Extension/Improvements to Corporation.

- a. Upon proper completion of construction of all on-site and off-site service facilities (the "Facilities") to meet the level and manner of service requested by the Applicant, the Facilities shall become the property of the WSC. The Facilities shall thereafter be owned and maintained by WSC subject to the warranties required of Applicant under Subsection b. Any connection of individual customers to the Facilities shall be made by the WSC.
- b. Upon transfer of ownership of the Facilities, Applicant shall warrant materials and performance of the Facilities constructed by Applicant for twelve (12) months following the date of the transfer.
- 8. Property and Right-of-Way Acquisition. With regard to construction of facilities, the Corporation shall require private right-of-way easements or purchase of private property as per the following conditions:
 - a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Applicant shall secure easements or else title to facility sites on behalf of the Corporation. All right-of-way easements and property titles shall be researched, validated, and filed by the Corporation at the expense of the Applicant. (See <u>Sample Application Packet</u>)
 - b. No facilities shall be constructed in the public right-of-way without prior written consent of the Corporation. All additional costs associated with facilities that must be installed in public rights-of-way on behalf of the Applicant, if authorized by the Corporation, due to the inability of the Applicant to secure private right-of-way easements, such as road bores and TxDOT approvals shall be paid by the Applicant. Alternatively, Applicant shall pay all costs, including administrative, legal, and other professional fees and the condemnation award in the event Corporation secures such private easements or facility sites through eminent domain proceedings or agreements between property owners or Corporation.

- c. The Corporation shall require an exclusive dedicated right-of-way easement on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to the property required for other on-site and off-site facilities.
- d. Easements and facilities sites shall be prepared for the construction of the Corporation's pipelines and facility installations in accordance with the Corporation's requirements at the expense of the Applicant.
- 9. Bids for Construction. The Corporation's consulting engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge (as per Engineer's determination), to prospective bidders. Although the Corporation reserves the right to reject any bid or contractor, the Corporation shall generally award the contract to the lowest or most qualified bidder in accordance with the following criteria:
 - a. The Applicant shall execute the Service Contract evidencing willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
 - b. The Contractor shall provide an adequate bid bond under terms acceptable to the Corporation;
 - c. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation;
 - d. The Contractor shall supply favorable references acceptable to the Corporation;
 - e. The Contractor shall qualify with the Corporation as competent to complete the work (including but not limited to current water license, OSHA competent person training, and other licenses/certificates as required to complete the project) and
 - f. The Contractor shall provide adequate certificates of insurance as required by the Corporation.
- 10. *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 Nonstandard Service Contract.

11. Construction.

- a. All roadwork pursuant to state, county, and/or municipal standards (as applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, approved road sleeves/casings may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.
- b. The Corporation shall, at the expense of the Applicant, inspect the facilities to ensure compliance with Corporation standards.

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

PART II. Request for Service to Subdivided Property

This section contains additional requirements for applicants that are developers as defined in Section C Definitions.

- 1. *Sufficient Information.* Applicants shall provide the corporation with sufficient information describing the level and manner of services needed along with the requested timeline for initiation of this service. The following is the minimum information needed for an engineering evaluation of the requested service to the property described in the application.
 - a. Completion of requirements described in <u>Section F. Part I.</u>, including completing the Nonstandard Service Application.
 - b. Applicant shall provide the Corporation with details concerning access to the property during evaluation of application.
 - c. Applicant shall be notified in writing by the Corporation or designated representative the timeframe within which the requested service can be provided and the costs for which the applicant will be responsible, in accordance with the details described on the Applicant's request for service.
- 2. Service within Subdivisions. The Corporation's obligation to provide service to any customer located within a subdivision governed by this Section is strictly limited to the level and manner of the nonstandard service specified by the Applicant. The Applicant is responsible for paying for all costs necessary for nonstandard service to a subdivision as determined by the Corporation under the provisions of this Tariff and specifically the provisions of this Section. If the Applicant fails to pay these costs, the Corporation has the right to require payment of these costs by any one or more of the persons purchasing lots or homes within such subdivision before the Corporation may elect to pursue any remedies provided by the Nonstandard Service Contract if one has been executed. Applicant is advised that purchasers of lots also may have legal recourse against the Applicant under Texas law, including but not limited to Texas Water Code Section 13.257 and the Texas Business and Commerce Code Chapter 17, Subchapter E Deceptive Trade Practices & Consumer Protection Act.
 - a. The Applicant must provide the following in addition to all other information otherwise required by this Section:
 - (1) Map and legal description of the area to be served using map criteria in <u>16 TAC 24.233(a)</u> (2) (A-G)).
 - (2) Time frame for:
 - (a) Initiation of service

- (b) Service to each additional or projected phase following the initial service
- (3) Detailed description of the nature and scope of the project/development for:
 - (a) Initial needs
 - (b) Phased and final needs, including a map showing each phase and the projected land uses that support the requested level of service for each phase.
- (4) Any additional information requested by the Corporation necessary to determine the capacity and the costs for providing the requested service.
- (5) Copies of all required approvals, reports, and studies done by or for the Applicant to support the viability of the proposed development.
- (6) Endangered species restrictions and permitting will be the responsibility of the Applicant.
- b. Applicant must provide reasonably sufficient information, in writing, to allow the Corporation to determine whether the level and manner of service specified by the Applicant can be provided within the time frame specified by the Applicant and to generally determine what capital improvements, including expansion of capacity of the Corporation's production, treatment and/or storage facilities and/or general transmission facilities properly allocable directly to the service request are needed. If the Applicant proposes development in phases, the Applicant should specify the level and manner of service and the estimated time frame within which that service must be provided for each phase, and the Applicant must depict the currently estimated location of each phase on the maps required under <u>16 TAC Section</u> <u>24.233(a)(2)(A-G)</u>. It is important that the Applicant's written request be complete. A complete service application by the Applicant should include:
 - (1) The proposed improvements to be constructed by the Applicant;
 - (2) A map or plat signed and sealed by a licensed surveyor or registered professional engineer;
 - (3) The intended land use of the development, including detailed information concerning the types of land uses proposed;
 - (4) The projected water demand of the development when fully built out and occupied, the anticipated water demands for each type of land use, and a projected schedule of build-out;
 - (5) A schedule of events leading up to the anticipated date upon which service from the CCN holder will first be needed and
 - (6) A proposed calendar of events, including design, plat approval, construction phasing, and initial occupancy.
- c. Applicant must establish that current and projected service demands justify the level and manner of service being requested. In making his/her written request for service, the Applicant must advise the Corporation that he/she may request expedited decertification from the PUC.
- d. Upon payment of the required fees, the Corporation shall review Applicant's service request. If no additional information is required from Applicant, the Corporation will prepare a written

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

- e. In the event the Corporation's initial review of the Applicant's service shows that additional information is needed, the Corporation will notify Applicant of the need for such additional information. Notice of the need for additional information will be made in writing within thirty
 (30) days of the date the Corporation receives the Applicant payment of the required fees Applicant shall respond to the Corporation's request for additional information within fifteen (15) days of receipt of the Corporation's written request. The Corporation will provide the written report, including any final approval by the Corporation's Board (if applicable), within ninety (90) days from the date of the initial written application and payment of all required fees.
- f. By mutual written agreement, the Corporation and the Applicant may extend the time for review beyond the 90 days provided for expedited petitions to the PUC.
- 3. *Final approval*. Upon final approval by the Corporation and acceptance of proposal for service by the Applicant, a nonstandard service contract will be executed, and the Corporation shall provide service according to the conditions contained in the Nonstandard Service Contract.

SECTION G. RATES AND SERVICE FEES

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

- 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 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 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. *Bulk Water*. The taking of bulk water is allowed only from designated flush vales during normal business hours; bulk water cannot be used on Weekends and Holidays. The ability to obtain Bulk Water will be based on:
 - 1) Drought Conditions
 - 2) Emergency Issues
 - 3) System Construction
 - 4) System Demands

The Corporation's personnel will determine where the bulk meter will have to be installed and the rate of flow. Below is the rate structure as of January 1, 2024. This rate structure is subject to change.

Non-Refundable Payment Prior to Service: \$500.00 Groundwater Production Fee: \$0.15 per 1,000 gallons Regulatory Assessment Fee: \$0.05 per 1,000 gallons Bulk Water Monthly Minimum: \$50.00 Bulk Water Rate: \$7.05 per 1,000 gallons

4. Capital Recovery Fee. In addition to the Membership Fee, each applicant will be required to pay a Capital Recovery Fee on a per meter unit or per living unit basis. This fee will be assessed prior to providing service and is restricted to the tap for which the service was originally requested. (Tariff Section G. 5). Capital Recovery Fees are a source of capital improvement financing and are used to help the Corporation recover the investment in capacity allocated to new customers. Capital Recovery Fees paid to the Corporation are used specifically to offset the capacity-related costs for growth from past and future projects. The implementation of the fees will not eliminate normal, periodic water rate increases to account for inflation, material cost increases, increased operations and maintenance expenses, and ongoing repair and replacement of aging infrastructure.

- 5. *Customer History Report Fee.* A fee of \$10.00 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.
- 6. *Customer Service Inspection Fee.* A fee of \$50.00 will be assessed to each Applicant before permanent continuous service is provided to new construction.
- 7. 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 on 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 fces and expenses necessary to attempt to secure such right-of-way and/or facilities sites on behalf of the Applicant.

8. Equipment Damage Fee.

- a. If the Corporation's facilities or equipment have been damaged by tampering, bypassing, 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, 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.
- b. If the Corporation's facilities or equipment have been damaged in any respect due to excavation, digging, or any other activity that damages Corporation water lines and facilities, a fee shall be charged equal to the actual costs for all labor, water loss, materials, and equipment necessary for repair or replacement of the Corporation's water lines and facilities. In addition to the fee for the costs of all labor, materials, and equipment, an automatic penalty of six (6) times the then-applicable base rate shall also be assessed and shall apply upon each occurrence of a violation of this section. A penalty under this section is in addition to any other penalty or remedy provided by the laws of the State of Texas or this Tariff. A penalty under this section is concurrent with and in addition to a penalty or fee incurred under any other provision in this Tariff.
- 9. *Export Fees.* An additional fee of \$0.05 per thousand gallons used by the Customer outside the Lost Pines Groundwater Conservation District boundaries, and it will be based on actual usage.
- 10. Groundwater District Production Fee. A fee of \$0.15 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 Lost Pines Groundwater Conservation District based on the amount of water pumped from the Corporation's wells located within the boundaries of the District.

- 11. 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 <u>Texas Government</u> Code Section 552.261 et. seq.
- 12. 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 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 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. Nonstandard Service shall include:

- 1) Facility improvement costs including, but not limited to, tanks, piping, main lines, flush valves, 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 fees;
- 3) administrative costs including, but not limited to, contract administration costs, processing invoices, disbursement of checks to contractors;
- 4) legal fees, including but not limited to contract development, easements, water rights, permits, and CCN amendments for the area;
- 5) engineering fees, and
- 6) any additional site-specific equipment or appurtenances necessary to provide water service as determined by the Corporation under the terms of Section F. of this Tariff (including tap fees).

c. Standard and Nonstandard Service Installations shall include all costs of any pipeline relocations as per <u>Section E. 28. e.</u> of this Tariff. *Standard Meter Service.*

А.	3/4" X 5/8" Meter Membership (1) Unit	\$ 250.00
	Tap Fee & Supplies	1,480.00
	Capital Recovery Fee	5,420.00
		\$7,150.00
B.	1" Meter Membership (2) Units	\$ 625.00
	Tap Fee, RPZ & Supplies	2,670.00
	Capital Recovery Fee	13,550.00
		\$16,845.00
C.	1 1/2" Meter Membership (5) Units	\$1,250.00
0.	Tap Fee, RPZ & Supplies	4,838.00
	Capital Recovery Fee	\$ 27,100.00
	cupitul recordi y rec	\$33,188.00
		\$55,100.00

D. 2" Meter Membership (8) Units	\$2,000.00
Tap Fee, RPZ & Supplies	4,959.00
Capital Recovery Fee	43,360.00
	\$50,319.00

The same formula applies for larger size meters as requested.

- 13. Late Payment Fee. Once per billing period, a penalty of \$10.00 shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing period but shall be applied to any unpaid balance during the current billing period.
- 14. Line Extension Reimbursement Fee. Within the first twelve (12) months after completed construction, 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.
- 15. *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 \$250.00 for each service unit.
 - b. Membership fee for oversized or Master Metered Accounts shall be based on multiples of meter size equivalence. (See Chart in Subsection 16 below.)
- 16. *Meter Relocate Fee.* A Meter relocate fee of \$850.00 is defined as a meter being moved from one location inside the Corporation's water system to another location where a water line currently exists on a specific property that the meter can be installed. Fees consist of the cost of material, labor, and mileage to and from the locations, which will be adjusted on an annual basis as needed. If a relocation consists of any other type of construction other than a straight meter set it would call for a new meter plus construction. Note: The existing tap will either be considered a new tap at the time of reserving minus fees, or the Corporation will pull the tap.
- 17. *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 <u>Section E. 22</u>. 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 and is assessed in addition to the actual cost of the damages and repairs. A penalty under this section is concurrent and in addition to a penalty or fee incurred under any other provision in this Tariff.

18. 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 nonstandard meters in accordance with the following chart based on American Water Works Association maximum continuous flow specifications;

Meter Size	5/8" x 3/4" Meter Equivalents	Monthly Rate
5/8" x 3/4"	1.0	\$ 36.00
3/4"	1.5	\$ 54.00
1"	2.5	\$ 90.00
1 1/2"	5.0	\$180.00
2"	8.0	\$288.00
3" DISP	9.0	\$324.00
3" CMPD	16.0	\$576.00
3" TURB	17.5	\$630.00
4" CMPD	25.0	\$900.00
4" TURB	30.0	\$1,080.00
6" CMPD	50.0	\$1,800.00
6" TURB	62.5	\$2,250.00
8" CMPD	80.0	\$2,880.00

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:

- \$3.50 per 1,000 gallons for 0 to 3,000 gallons
- \$ 4.50 per 1,000 gallons for 3,001 gallons to 10,000 gallons
- \$ 5.65 per 1,000 gallons for 10,001 gallons to 20,000 gallons
- \$7.05 per 1,000 gallons for 20,001 gallons and over
- 2) The Corporation shall, as required by <u>Texas Water Code Section 5.701</u>, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to <u>Section G. 16</u>. Monthly Charges of this Tariff. <u>30 TAC 291.76(d)</u>)
- 3) The Corporation shall, as required by <u>Texas Water Code Section 5.701</u>, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to <u>Section G. 16</u>. Monthly Charges of this Tariff. <u>30 TAC 291.76(d)</u>)
- 19. Mortgagee/Guarantor Notification Fee. The Corporation shall assess a fee of \$10.00 for each notification to a Membership lien-holder under agreement prior to Membership cancellation. (See <u>Miscellaneous Transaction Forms</u>.)
- 20. 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 <u>Section E</u>. of this Tariff, a charge of \$200.00 shall be imposed on the affected account.
- 21. 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.

- 22. Owner Notification Fee. The Corporation shall assess a fee of \$10.00 per notification to a Member of a renter/lessee delinquent account status prior to disconnection of service. (See <u>Miscellaneous</u> <u>Transaction Forms.</u>)
- **23.** *Reconnect Fee.* The Corporation shall charge a fee of \$635.00 for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in this Tariff except for activation of service under <u>Section E. 1. b.</u> Re-Service.
- 24. *Re-service Fee.* The Corporation shall charge a fee of \$125.00 to re-service a meter which is out of service and locked due to a prior discontinuance of service.
- **25.** *Regulatory Assessment.* A fee of 0.5% of the amount billed for water service will be assessed to each customer; this assessment is required under Texas law and TCEQ regulations.
- 26. Returned Check Fee. In the event that 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 nonnegotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$35.00. (See Miscellaneous Transaction Forms)
- 27. 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 Nonstandard. 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 Nonstandard 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 Nonstandard Service Contract to the Applicant; and
 - (5) to provide other services as required by the Corporation for such investigation. A

Nonstandard 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.)

28. 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 \$40.00 per employee per hour for each additional hour required.

- **29.** Temporary Home Inspection Meter Application- This is for the preparation of a home or building that has a disconnected service for that specific facility. The length of time for this service is fourteen (14) days maximum and the cost is \$125.00 non-refundable connection cost. A \$35.00 minimum, all water usage fees, as well as regulatory and groundwater fees. Note: Anything over the fourteen (14) days would be considered a Re-Service or Reconnect, and those fees would then apply.
- 30. Transfer Fee. A Fee of \$10.00 shall be assessed for the transfer of any membership.

Drought Contingency Plan for the Lee County Water Supply Corporation

Revised December 21, 2023

TCEQ-20191

DROUGHT CONTINGENCY PLAN FOR

LEE COUNTY WATER SUPPLY CORPORATION

P.O. Box 8 / 1598 S. Leon St., Giddings, Texas 78942

CCN# 10310

PWS # 1440005

December 21, 2023

Section 1 Declaration of Policy, Purpose, and Intent

In cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit nonessential water usage. The purpose of the Drought Contingency Plan (Plan) is to encourage customer conservation in order to maintain supply, storage, or pressure or to comply with the requirements of a court, government agency, or other authority.

Please note: Water restriction is not a legitimate alternative if a water system does not meet the Texas Commission on Environmental Quality (TCEQ) capacity requirements under normal conditions or if the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

Section 2 Public Involvement

The opportunity for the public to provide input into the preparation of the Plan was provided by Wade B. Dane, General Manager, and the Board of Directors.

Scheduling and providing public notice of a public meeting to accept input on the Plan

The meeting took place at:

Date: December 21, 2023 Time: 6:30 p.m. Location: 1598 S. Leon Street, Giddings, Texas 78942

Section 3 Public Education

The Lee County Water Supply Corporation (LCWSC) 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.

Drought plan information will be provided by: Public Meeting Web site: www.leecountywater.com

Section 4 Coordination with Regional Water Planning Groups (RWPG)

The service area of the LCWSC is located within the Regional Water Planning Group.

LCWSC has mailed a copy of this Plan to the RWPG.

Section 5 Notice Requirements

Notice will be provided to each customer **prior to the implementation or termination of each stage of the water restriction program** via our website, bills, and local media to each customer 72 hours before the start of the water restriction. If notice is hand-delivered, the utility cannot enforce the plan's provisions for 24 hours after notice is provided. The written notice to customers will contain the following information:

- 1. The date restrictions will begin;
- 2. The circumstances that triggered the restrictions;
- 3. The stages of response and explanation of the restrictions to be implemented and
- 4. An explanation of the consequences for violations.

The utility must notify the TCEQ by telephone at (512) 239-4691 or by electronic mail at wcp@tceq.texas.gov prior to implementing Stage III and <u>must notify in writing the Texas Commission</u> on Environmental Quality Resource Protection Team, MC-160 P.O. Box 13087, Austin, Texas 78711-<u>3087 within five (5) working days</u> of implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions (i.e., Stages III and IV).

Section 6 Violations

- 1. First violation The customer will be notified by written notice of their specific violation.
- 2. Subsequent violations:
 - a. After written notice, the utility may install a flow-restricting device in the line to limit the amount of water that will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow-restricting device, not exceeding \$75.00.

b. After written notice, the utility may discontinue service at the meter for a period of seven (7) days or until the end of the calendar month, whichever is LESS. The standard Re-Service fee of the utility will apply for the restoration of service.

Section 7 Exemptions or Variances

Upon written request, the utility may grant any customer an exemption or variance from the drought contingency plan for good cause. A customer who is refused an exemption or variance may appeal such action of the utility in writing to the Texas Commission on Environmental Quality (TCEQ). The utility will treat all customers equally concerning exemptions and variances.

Section 8 Response Stages

Unless there is an immediate and extreme reduction in water production or other absolute necessity to declare an emergency or severe condition, the utility will initially declare Stage 1 restrictions. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, reduce the risk of outages, or comply with restrictions required by a court, government agency, or other authority, Stage 2 may be implemented with Stage 3 to follow if necessary.

Note: Lee County WSC Tariff (Section C. Pg. 12) Temporary Services will be halted while the Corporation is under Stages 3 through Stages 6.

STAGE 1 - CUSTOMER AWARENESS

Stage 1 will begin:

When water usage reaches 12 percent above highest average daily usage of record (2,500,000 gallons) or 2,800,000 gallons.

Stage 1 will end:

When usage decreases by no less than 12 percent for Thirty (30) days.

Utility Measures:

This announcement will be designed to increase customer awareness of water conservation and encourage the most efficient use of water.

NOTE: "STAGE 1 Water Customers to practice Water Conservation".

Voluntary Water Use Restrictions:

Water customers to practice water conservation.

STAGE 2 - VOLUNTARY WATER CONSERVATION:

Target: Achieve a 10 percent reduction in daily water demand.

The water utility will implement Stage 2 when any one of the selected triggers is reached:

Supply-Based Triggers:

Average 3,125,000 gallons per day for one month

Demand or Capacity-Based Triggers:

25 percent average increase above the highest average daily usage of record

Upon initiation and termination of Stage 2, the utility will notify its customers via bills, website, and local media. No notice to TCEQ is required.

Requirements for Termination:

Stage 2 of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of thirty (30) consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a daily basis. Monthly review of customer use records and follow up on any that have unusually high usage.

Voluntary Water Use Restrictions:

- 1. **Restrictions:** Outside watering will need to be approached in a conservative manner.
- 2. **Restricted Days/Hours:** Water customers are requested to voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems. Customers are requested to limit outdoor water use to Monday through Thursday. Irrigation of landscaped areas is further limited to the hours of 10:00 p.m. until 3:00 a.m. However, irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system. (NO BULK METERING DURING THIS STAGE)
- 3. LCWSC prohibits overwatering during this stage;

Defined as: No puddling of water due to overirrigation of landscape or gardens. No water running or flowing off of landscapes or gardens due to over-watering.

STAGE 3 - MANDATORY WATER USE RESTRICTIONS:

Target: Achieve a 20 percent reduction in Daily water demand.

The water utility will implement Stage 3 when any one of the selected triggers is reached:

Supply-Based Triggers:

There is no decrease in consumption from Stage 2, which increases by 20 percent or 3,750,000 gallons.

Demand or Capacity-Based Triggers:

Total daily demand reaches 60 percent above the daily demand of record.

Upon initiation and termination of Stage 3, the utility will notify customers via bills, website, and local media. Notice to TCEQ required.

Requirements for Termination:

Stage 3 of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of two consecutive weeks. Upon termination of Stage 3, Stage 2 becomes operative.

Utility Measures:

Visually inspect lines and repair leaks and seeps on a daily basis. Reduced flushing is required during this stage.

Mandatory Water Use Restrictions:

The following water use restrictions shall apply to all customers.

- 1. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems **shall be limited to Mondays, Tuesdays, and Thursdays.** Irrigation of landscaped areas is further limited to the hours of 8:00 a.m. to 11:00 a.m. and Midnight to 6 a.m. However, irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucetfilled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- 2. Use of water to wash any motor vehicle, motorbike, boat, trailer, aircraft, or other vehicle is prohibited except on designated watering days between the hours of 8 a.m. and 11:00 a.m. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as emergency vehicles and vehicles used to transport food and perishables.
- 3. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited.
- 4. Operation of any ornamental fountains or ponds 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.

- 5. Use of water from hydrants or flush valves shall be limited to maintaining public health, safety, and welfare. (NO BULK METERING AND TEMPORARY SERVICES DURING THIS STAGE)
- 6. Use of water for the irrigation of golf courses, parks, and green belt areas is prohibited.
- 7. The following uses of water are defined as nonessential and are prohibited:
 - a. washing down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - c. use of water for dust control;
 - d. flushing gutters or permitting water to run or accumulate in any gutter or street;
 - e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
 - f. anything determined by the Corporation to be a waste of water.

STAGE 4 - CRITICAL WATER USE RESTRICTIONS:

Target: Achieve a 15 percent reduction in daily water demand.

The water utility will implement Stage 4 when any one of the selected triggers is reached:

Supply-Based Triggers:

The daily increase of 10 percent above Stage 3 for 30 days or 4,125,000 gallons.

Demand- or Capacity-Based Triggers:

Total daily demand reaches 70 percent of the daily demand of record (2,500,000 gallons).

Upon initiation and termination of Stage IV, the utility will notify customers via bills, website, and local media. Notice to TCEQ required.

Requirements for Termination:

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of thirty (30) consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

Operational Measures:

The utility shall visually inspect lines and repair leaks on a daily basis. Flushing is prohibited except for line maintenance or public health. Emergency interconnects or alternative supply arrangements shall be initiated. Meters shall be data logged as often as necessary to ensure compliance with this program for the benefit of all the customers.

Mandatory Water Use Restrictions:

- 1. Irrigation of landscaped areas is limited to a faucet-filled bucket or watering can of five (5) gallons or less or drip irrigation system. The use of hose-end sprinklers or permanently installed automatic sprinkler systems is prohibited at all times.
- 2. Use of water to wash any motor vehicle, motorbike, boat, trailer, aircraft, or other vehicle is absolutely prohibited unless it is in the interest of public health, safety, and welfare. (NO BULK METERING AND TEMPORARY SERVICES DURING THIS STAGE)
- 3. Suspension of all new service application requests.
- 4. Suspension of all re-service and re-connect application requests.

SYSTEM OUTAGE OR SUPPLY CONTAMINATION

Notify the TCEQ Regional Office immediately.

STAGE 5 - EMERGENCY Water Shortage Conditions:

Target: Achieve a 15 percent reduction in daily water demand.

The water utility will implement Stage 5 when any one of the selected triggers is reached:

Supply-Based Triggers:

The daily increase of 10 percent above Stage 4 for 30 days or 4,537,500 gallons.

Demand- or Capacity-Based Triggers:

Total daily demand reaches 80 percent of daily demand of record (2,500,000 gallons)

Upon initiation and termination of Stage 5, the utility will notify customers via bills, website, and local media. Notice to TCEQ required.

Requirements for Termination:

Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of thirty (30) consecutive days. Upon termination of Stage 5, Stage 4 becomes operative.

Operational Measures:

The utility shall visually inspect lines and repair leaks and seeps on a daily basis. Flushing is prohibited except for line maintenance or public health. Discontinued irrigation of public landscape areas.

Mandatory Water Use Restrictions: All requirements of Stages 2, 3, and 4 shall remain in effect during Stage 5 except:

- Suspend all water use outside the home or business.
 (NO BULK METERING AND TEMPORARY SERVICES DURING THIS STAGE)
- 2. Suspension of all new service application requests.
- 3. Suspension of all re-service and re-connect application requests.

STAGE 6 – WATER ALLOCATION:

Target: Achieve a 15 percent reduction in daily water demand.

The water utility will implement Stage 6 when any one of the selected triggers is reached:

Supply-Based Triggers:

The daily increase of 10 percent above Stage 5 for 30 days or 4,991,250 gallons.

Demand- or Capacity-Based Triggers:

Total daily demand reaches 95 percent of daily demand of record (2,500,000 gallons)

Upon initiation and termination of Stage 5, the utility will notify customers via bills, website, and local media. Notice to TCEQ required.

Requirements for Termination:

Stage 6 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of thirty (30) consecutive days. Upon termination of Stage 6, Stage 5 becomes operative. Customers must comply with the water allocation plan prescribed in this Stage.

Operational Measures:

The utility shall visually inspect lines and repair leaks and seeps on a daily basis. Flushing is prohibited except for line maintenance or public health. Discontinued irrigation of public landscape areas.

Mandatory Water Use Restrictions: All requirements of Stages 2, 3, and 4 shall remain in effect during Stage 5 except:

1. Suspend all water use outside of the home and or business.

(NO BULK METERING AND TEMPRORAY SERVICES DURING THIS STAGE)

- 2. Suspension of all new service application requests.
- 3. Suspension of all re-service and re-connect application requests.

RESIDENTIAL CUSTOMER ALLOCATIONS:

3,000 gallons per household while Stage 6 is in effect.

For every 1,000 gallons used over the allocated amount, there will be an additional charge of \$9.00 per thousand.

COMMERCIAL CUSTOMER ALLOCATIONS

Monthly allocations shall be established by the General Manager or his/her designee for each commercial customer who uses water for processing purposes. Allocations shall start at 75 percent of the commercial customer's usage for the corresponding month from the previous year. If the customer billing history is

shorter than 12 months, the monthly average for the period for which there is a record shall be used for any monthly period for which no history exists.

If a customer does not receive such notice, it shall be the customer's responsibility to contact Lee County Water Supply Corporation to determine the allocation. Upon the customer's request or at the initiative of Lee County Water Supply Corporation, the allocation may be reduced or increased.

Charges for Water that exceeds either the set allocation or agreed upon shall be charged at \$7.05 per thousand gallons plus a \$100 excessive user fee per billing period under Stage 6.

RESOLUTION FOR ADOPTION OF A DROUGHT CONTINGENCY PLAN WATER CONSERVATION PLAN

RESOLUTION NO. 2023

A RESOLUTION OF THE BOARD OF DIRECTORS OF LEE COUNTY WATER SUPPLY CORPORATION ADOPTING A DROUGHT CONTINGENCY PLAN AND WATER CONSERVATION PLAN

WHEREAS, the Board recognizes that the amount of water available to the Lee County Water Supply Corporation and its water utility customers is limited and subject to depletion during periods of extended drought;

WHEREAS, the Board recognizes that natural limitations due to drought conditions and other acts of God cannot guarantee an uninterrupted water supply for all purposes;

WHEREAS, Under Texas Water Code Chapter 11 and Title 30 of the Texas Administrative Code Chapter 288, certain entities are required to submit an updated Drought Contingency Plan (DCP and Water Conservation Plan (WCP) to the Texas Commission on Environmental Quality (TCEQ) every five years.

WHEREAS, as authorized under law and in the best interests of the customers of the Lee County Water Supply Corporation, the Board of Directors deems it expedient and necessary to establish specific rules and policies for the orderly and efficient management of limited water supplies during drought and other water supply emergencies;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE Lee County Water Supply Corporation:

SECTION 1. The Drought Contingency Plan and Water Conservation Plan are attached hereto as Exhibit "A" and made part hereof for all purposes, and the same is hereby adopted as the official policy of the Lee County Water Supply Corporation.

SECTION 2. The General Manager or his designee hereby are directed to implement, administer, and enforce the Drought Contingency Plan and monitor and make periodic revisions to the Water Conservation Plan as needed.

SECTION 3. With this resolution, the Drought Contingency Plan and Water Conservation Plan shall take effect immediately upon its passage.

DULY PASSED BY THE BOARD OF DIRECTORS OF LEE COUNTY WATER SUPPLY CORPORATION, ON THIS 21st day of December 2023.

President, Board of Directors

ATTESTED TO:

Secretary, Board of Directors



WATER CONSERVATION PLAN

REVISED ON: December 21, 2023

Public Water Supply Identification Number: 1440005

1598 South Leon St.

P.O. Box 8

Giddings, TX 78942

979-542-6213

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SECTION 1. Introduction

In accordance with the requirements of the Texas Commission on Environmental Quality (TCEQ), Lee County Water Supply Corporation (LCWSC) developed its Water Conservation Plan (Plan) for adoption by its Board of Directors resolution. The resolution of Lee County Water Supply Corporation adopting the Water Conservation Plan shall authorize the Corporation to implement, enforce, and administer the program.

SECTION 2. Utility Profile

Population and Customer Data

Lee County Water Supply Corporation manages a water distribution service area covering 533.050 square miles and a water service population of over 14,145 residents. The Corporation provides drinking water to its customers through 790 miles of transmission and distribution lines.

Water Production and Delivery System

The Corporation has utilized groundwater for its public water supply since 1972. LCWSC has developed its own water production facilities. The water is treated to meet Safe Drinking Water Act standards before being pumped to storage facilities. The Corporation's water distribution system includes over 790 miles of water pipelines, ten (10) ground storage reservoirs, three (3) elevated storage tanks, four (4) 20,000-gallon hydro tanks, and one (1) 10,000-gallon hydro tank, providing a total storage capacity of 1.159 million gallons of ground storage, 750,000 gallons of elevated storage and 70,000 gallons of hydro pneumatic tanks. The Corporation has a total of nine (9) active water wells, six (6) of which withdraw groundwater from the Carrizo, two (2) from Sparta and one (1) Queen City. Carrizo wells are located in Lexington, Paige, and Giddings areas, Sparta wells are located in the New Dime Box and Giddings areas, and Queen City is located in Serbin. Cooling Tower locations are the Giddings 77 South elevated site, the Country Corner elevated site, and the Cummins Creek Country Club Site.

SECTION 3. Water Conservation Goals

The purpose of this Plan is to reduce long-term demand for limited water resources by encouraging more efficient water use practices in our service area. Its primary goals are to continue and reduce the peaking factor on the water production and delivery system. The peaking factor is defined as the ratio between peak daily water use and average daily water use. A peaking factor of 1.5 or more shows potential for significant water conservation savings, particularly in seasonal water use.

Quantified Five (5) and Ten (10) Year Water Conservation Targets and Goals

- Goal 1: Continue to inform our customers to be water-wise
- Goal 2: Provide information that will assist our customers
- Goal 3: Maintain an annual average of 15% total water loss
- Goal 4: Maintain unaccounted Water Loss at or below 5%

Gallons Per Capita per Day (GPCD) - (description of the per person water use and total water loss

	Historic 5 Year Average	5- Year Goal For year 2028	10-Year Goal For year 2033
Total GPCD	74	77	80
Residential GPCD	61	65	68
Total Water Loss GPCD	13	12	12
Total Water Loss Percentage	17%	15%	15%

The above is an illustration of the Historic information along with future desired goals.

The four goals outlined above are designed to be achieved within five to ten years of the date of adoption of this Plan. LCWSC will periodically evaluate the Plan in accordance with State and Federal regulations to determine the extent, if any, that the Plan needs modification. This Plan will be provided to the Regional Water Planning Groups and the Texas Water Development Board (TWDB).

SECTION 4. Universal Metering, Meter Testing, and Replacement

The ability to meter all water distribution and consumption uses allows LCWSC to closely monitor actual water use and water losses and prevent unauthorized use. All service connections in the corporation are metered. All production wells, pumping stations, interconnections, and parks are metered by the Corporation.

Master meters at water production sites are calibrated and tested annually in accordance with the American Water Works Association (AWWA) standard to provide a minimum accuracy of plus or minus 5%.

The Corporation will continue to provide a preventive maintenance program for its water meters, wherein regular scheduled testing, repairs, and replacement are performed in accordance with AWWA standards. After approximately seven years of usage, mechanical wear on traditional water meters causes them to underreport water usage due to parts rotating slower, resulting in lost revenue. In recent years, the Corporation has replaced the old-style water meters with an Automated Metering Reading (AMR) system with a twenty-year warranty. This results in much more accurate meter readings and the ability to provide customers with detailed water usage data on request.

SECTION 5. Water Loss Control Measures

The water billing software generates a monthly water loss report that compares metered production with billed metered consumption as well as unbilled authorized consumption. This report provides an effective tracking system for water loss.

SECTION 6. Leak Detection and Repair

The Corporation administers a leak detection and repair program for its water distribution system. This program features a work order prioritization system for leaks needing repair and an inventory of equipment and materials required to repair all detected or reported leaks promptly. The Corporation addresses high-volume leaks throughout the entire water distribution system and prepares for upgrades. This program is based on findings of monthly water loss reports and the leak detection program.

SECTION 7. Public Information and Education

The Corporation promotes water conservation issues by informing the public in the following ways:

- Providing water conservation information to all customers upon request
- Offering water conservation audits to all water customers
- Publishing water conservation information on the Web Site
- Provide Water Conservation measures and information at the Corporation's Annual Meeting.

SECTION 8. Non-Promotional Water Rate Structure

The Corporation utilizes an inclining or tiered water rate structure to encourage customers to reduce both peak and overall water usage while fairly allocating the cost of service to each customer class. Under a tiered rate structure, the rate per thousand gallons increases as the amount of water used increases. The Corporation implemented this rate structure in Fiscal Year 2010. The new revision to the rate structure is to go into effect on January 1, 2024.

This rate structure shall be reviewed on a regular basis to ensure that the rates adequately recover the cost of service and meet the goals of this Plan. A third party reviewed the rate structure, and it was approved by the Board of Directors to go into effect on January 1, 2024. (see below)

Current Inclining Rate Structure: Minimum \$36.00/month zero gallons 0-3,000 Gallons= \$3.50/ thousand gallons 3,001- 10,000= \$4.50/ thousand gallons 10,001 - 20,000= \$5.65/ thousand gallons 20,001 and up = \$7.05/ thousand gallons

This rate structure shall be reviewed on a regular basis to ensure that the rates adequately recover the cost of service and meet the goals of this Plan.

SECTION 9 Method for Tracking Effectiveness of Water Conservation Plan

In order to track the effectiveness of the Plan, the Corporation will maintain monthly and annual reports for TCEQ and the Texas Water Development Board (TWDB) to review, which includes the following:

Summary of public information issued in the previous year Report on meter testing program Summary of Water Loss Control Program Evaluation of the status of the Plan and progress toward meeting stated goals

SECTION 10. Means of Implementation and Enforcement

The Corporation's General Manager or Designee will act as the Administrator of this Plan. The Administrator shall oversee the execution and implementation of all elements of this Plan and is responsible for overseeing adequate record keeping for program documentation.

As a means of implementing and enforcing this Plan, all Plan elements discussed in this document were adopted by the Lee County Water Supply Corporation Board of Directors.

SECTION 11. Coordination

This Plan shall work in accordance with the related LCWSC Drought Contingency Plan.

APPENDIX A: Resolution of Lee County Water Supply Corporation Adopting Water Conservation Plan

RESOLUTION NO. WCP- 122123

REVISED 12/21/2023

A RESOLUTION OF LEE COUNTY WATER SUPPLY CORPORATION, GIDDINGS, TEXAS, APPROVE THE WATER CONSERVATION PLAN IS REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ).

WHEREAS, Lee County Water Supply Corporation has adopted a Water Conservation Plan on December 21, 2023, by Resolution No. WCP-122123

WHEREAS, Lee County Water Supply Corporation will maintain a Water Conservation Plan as evidence of its commitment to providing its customers with a reliable and safe water supply and

WHEREAS, Lee County Water Supply Corporation shall update the Water Conservation Plan as appropriate based on an assessment of the previous five ten-year targets and any other new or updated information to keep the Plan current and

WHEREAS, the Water Conservation Plan meets the requirements of TCEQ in regard to its content and water conservation goals; now, therefore

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LEE COUNTY WATER SUPPLY CORPORATION:

PART 1: The Utility Profile of the Water Conservation Plan is updated to reflect the current population figures and water production.

PART 2: Lee County Water Supply Corporation hereby adopts the November 16, 2023, Water Conservation Plan, which is attached to this resolution.

PART 3: That this resolution shall take effect immediately from and after its passage.

ADOPTED this 21st day of December 2023

ATTEST:

Lee County Water Supply Corporation, President

APPROVED:

Lee County Water Supply Corporation, Vice-President