North Rural
Water Supply Corporation

PO Box 716
3810 North Highway 281
Mineral Wells, TX 76068
(940)327-0700
www.northruralwsc.com

North Rural WSC Tariff

CCN # 10281

PWS # 1820009

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Reviewed and approved by the Board of Director's of the
North Rural Water Supply Corporation on Tuesday, November 7, 2023

SECTION A: RESOLUTION AND AUTHORITY

Resolved by the Board of Directors of North Rural Water Supply Corporation that:

1. This Tariff of North Rural Water Supply Corporation, serving parts of Palo Pinto and Parker Counties, consisting of Sections A through H inclusive, is hereby adopted and enacted as the current regulations which shall supersede all policies passed by the Board of Directors before November 1, 2023, to the extent provided in paragraph 2 hereof.

2. No prior agreement executed by the Board of Directors is repealed by any provision contained herein, save and except as provided in the terms of that agreement.

3. The adoption of the provisions of this Tariff shall not affect any offense or act committed or done, or any contract or vested right established or accruing before the effective date of this Tariff.

4. An official copy of this policy shall be available to the Membership of this Corporation during regular office hours of the Corporation. Requests for copies of this Tariff shall be subject to reproduction charges. The Corporation shall maintain the original copy as approved, and clearly exhibit all additions, deletions, and amendments separately.

5. This Tariff shall take effect immediately upon its approval as provided by law, and according to its terms. Rules and regulations of state and federal agencies having applicable jurisdiction, promulgated under any applicable State or Federal Law, shall supersede and 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 thereby.

Adopted and approved this 7th day of November 2023

_____

Bobby Bazzell, Board President
North Rural Water Supply Corporation

North Rural Water Supply Corporation Seal

SECTION B: STATEMENTS

1. **ORGANIZATION:** The NORTH RURAL WATER SUPPLY CORPORATION is a member-owned, non-profit corporation incorporated pursuant to the provisions of Texas Rev. Civ. Stat. Ann., art. 1434a as supplemented by the Texas Non-Profit Corporation Act, Tex. Rev. Civ. Stat. Ann., art 1396, for the purpose of furnishing a potable water utility service. Corporation operating policies, rates, tariffs, and regulations are formulated and affected by a Board of Directors elected by the Members of the Corporation.

2. **NON-DISCRIMINATION POLICY:** Membership in the Corporation and service of water is provided to all Applicants who comply with the provisions of this Tariff regardless of race, creed, color, national origin, sex, or marital status.

3. **RULES APPLICATION:** The rules and regulations specified herein apply to the water services furnished by NORTH RURAL WATER SUPPLY CORPORATION, also referred to as CORPORATION or NRWSC. Failure on the part of the Member, Consumer, or Applicant to observe these rules and regulations of the Corporation, after due notice of each failure, automatically gives the Corporation the authority to deny or to discontinue the furnishing of service as provided herein and as may be amended from time to time by the Board of Directors of the Corporation.

4. **CORPORATION BYLAWS:** The CORPORATION has adopted bylaws which establish the make-up of the Board of Directors, establish the Membership voting rights, provide for annual and regular meetings, provide for reserve accounts, and establish the rights of the Members and other important regulations of the water system. These bylaws are included by reference herein, as amended from time to time, and are on file for inspection in the CORPORATION'S accounting office.

5. **FIRE PROTECTION RESPONSIBILITY:** Fire hydrants installed within the CORPORATION'S distribution system are provided at the convenience of the Corporation and do not imply any responsibility on the part of the CORPORATION to meet fire flow requirements of local, county, state, or federal governmental agencies. The CORPORATION reserves the right to remove any fire hydrant, due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or compensation to the contributors.

6. **DAMAGE LIABILITY:** The NORTH RURAL WATER SUPPLY CORPORATION is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limit of liability of the NORTH RURAL WATER SUPPLY CORPORATION is the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability.

SECTION C: DEFINITIONS

ACTIVE SERVICE - Service status of any Member receiving authorized water service under the provisions of this Tariff.

APPLICANT - Person, partnership, cooperative corporation, corporation, agency, public or private organization of any character applying for service with the NORTH RURAL WATER SUPPLY CORPORATION.

BOARD OF DIRECTORS - The Board of Directors elected by the Members of the NORTH RURAL WATER SUPPLY CORPORATION.

BYLAWS - The rules pertaining to the governing of the NORTH RURAL WATER SUPPLY CORPORATION adopted by the CORPORATION Members.

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) - The authorization granted under Chapter 13 of the Texas Water Code for NORTH RURAL WATER SUPPLY CORPORATION to provide water utility service within a defined territory. NORTH RURAL WATER SUPPLY CORPORATION has Certificate Number 10281. Territory defined in the CCN shall be the Certificated Service Area.

CORPORATION - The NORTH RURAL WATER SUPPLY CORPORATION

DISCONNECTION OF SERVICE - The locking or removal of a water meter to prevent use of water by a Member/Consumer.

EASEMENT - A private perpetual dedicated right-of-way for the installation of water pipelines and necessary facilities which allows access to property for future maintenance, facility replacement, and/or installation of additional pipelines (if applicable).

FMHA - Abbreviation for Farmers Home Administration, an agency of the U.S. Department of Agriculture, providing loan and grant funds for development of rural water systems serving communities with a population of less than ten thousand (10,000) people.

FINAL PLAT - A complete and exact plan for the subdivision of a tract of land into lots for marketing which has been approved by all regulatory agencies having jurisdiction over approval of the design, planning, and specifications of the facilities of such subdivision. The NORTH RURAL WATER SUPPLY CORPORATION shall determine if a plat submitted for the purposes of this Tariff shall qualify as a final plat.

FRONT-END CAPITAL CONTRIBUTION - A fee assessed of new Applicants for water service for the purpose of acquiring capital to defray the costs of expanding the system facilities in order to meet the customer growth needs of the CORPORATION. This fee is charged for each meter equivalent or a lot/tap for which service has been requested.

HAZARDOUS CONDITION - A condition which jeopardizes the health and welfare of the Member/Consumers of the CORPORATION as determined by the CORPORATION or regulatory authority

LIQUIDATED MEMBERSHIP - A Membership which has been cancelled due to delinquent charges exceeding the Membership Fee or for other reasons as specified in this Tariff. Service shall not be provided to any person whose Membership Fee has been liquidated until a new Membership Fee has been paid and all other applicable requirements for service as provided in this Tariff have been satisfied.

MEMBERSHIP CERTIFICATE - A stock certificate purchased from the CORPORATION evidencing a Member's interest in the CORPORATION.

MINIMUM MONTHLY CHARGE - The term Minimum Monthly Charge (proper name) is used to define the monthly charge assessed each Member of the CORPORATION utilizing service or each Member who has the opportunity to utilize service via a metering device installed by the CORPORATION. In the text of this Tariff, minimum monthly charge or base rate may be used generically to describe Minimum Monthly Charge; the monthly charges assessed each Member entitled to service. See definition of Reserved Service Charge.

INDICATION OF INTEREST FEE - a fee paid by a potential Member of the CORPORATION for the purpose of aiding the FmHA and CORPORATION officials in 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. Upon such conversion, the Applicant may then further qualify as a Member and shall become a Member of the CORPORATION upon receipt of a Membership Certificate.

PERSON - Any natural person, partnership, cooperative corporation, association, private corporation, agency or public or private organization of any character

RENTER - A consumer who rents property from a Member and may otherwise be termed a lessee or tenant

RE-SERVICE - Providing service to an Applicant at a location for which service previously existed, but where Membership has been liquidated and now requires the fitting of a metering device into an existing setting and possibly requiring modifications to the setting in order to restore service. Costs of such re-servicing shall be based on justifiable and reasonable costs to the CORPORATION for restoration of service.

RESERVED SERVICE CHARGE - a MINIMUM MONTHLY CHARGE ASSESSED EACH Member who has applied for service with the CORPORATION but has delayed the installation of meter(s) on the lot or property for which service has been requested. The purpose of this fee is to reserve service capacity as a desired location pending a decision on the part of the Member of where to locate the meter. This fee is paid monthly in lieu of the Minimum Monthly Charge until such time as a lot may be sold and a metered service connection provided as requested. The Reserved Service Charge shall be cost-based to defray actual costs of service to the property for which service has been requested.

SERVICE CLASSIFICATION - A type of service which warrants a specific charge for service based on specific criteria such as usage, meter size, demand, type application, etc. as determined by the CORPORATION upon evaluation of the service requirements of the Applicant or Member.

SERVICE APPLICATION AND AGREEMENT - A written agreement between the Member/Applicant and the CORPORATION outlining the responsibilities of each party regarding the service of water

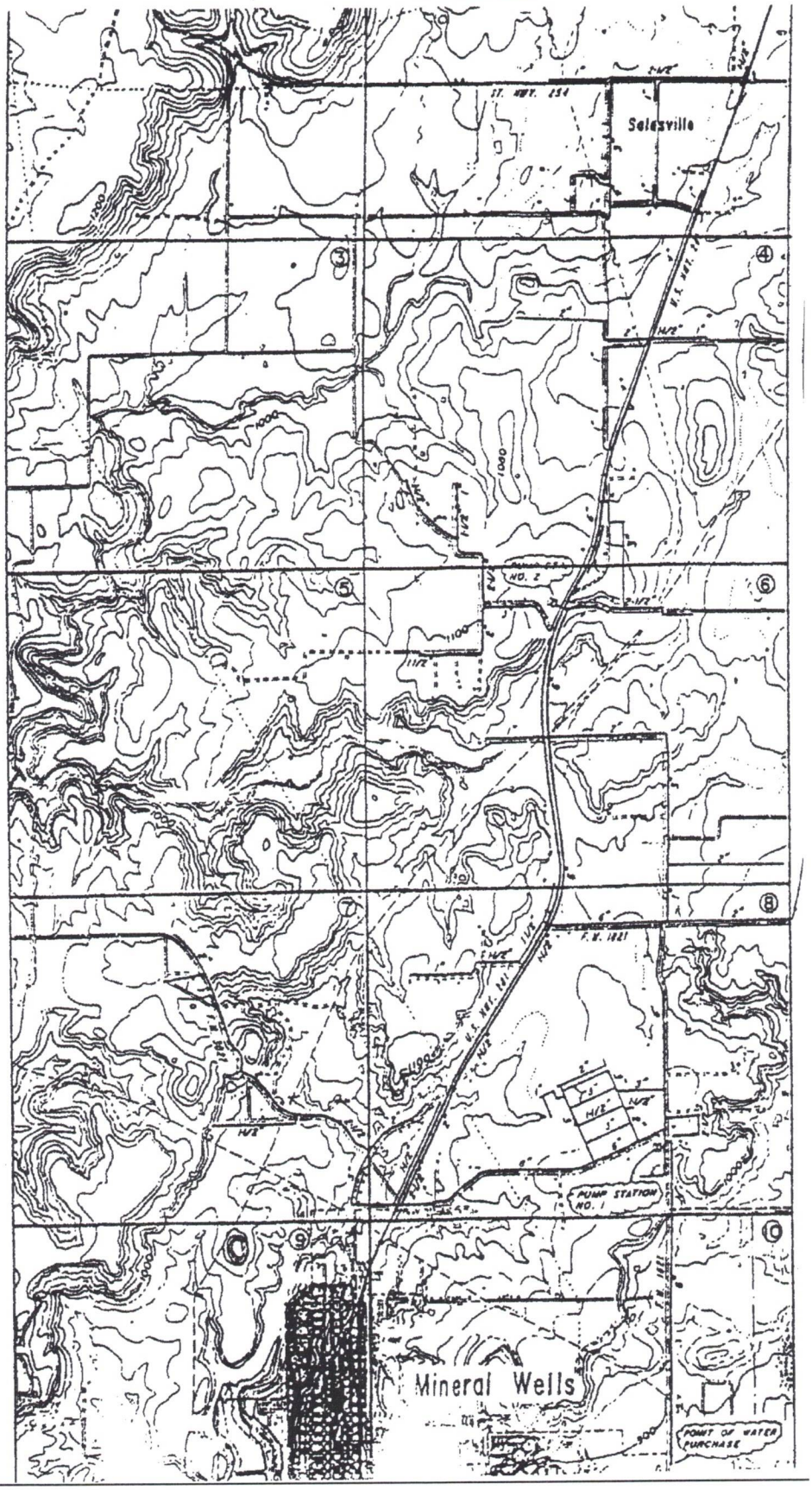
SURRENDERED MEMBERSHIP - A Membership in which service has been discontinued upon request of the Member and all indebtedness due the CORPORATION has been paid in full

TARIFF - The CORPORATION'S published rates, fees, and conditions of service

TRANSFEREE - An Applicant receiving a NORTH RURAL WATER SUPPLY CORPORATION MEMBERSHIP by legal means from a person or entity desiring to forfeit and transfer current rights to Membership to another person or entity.

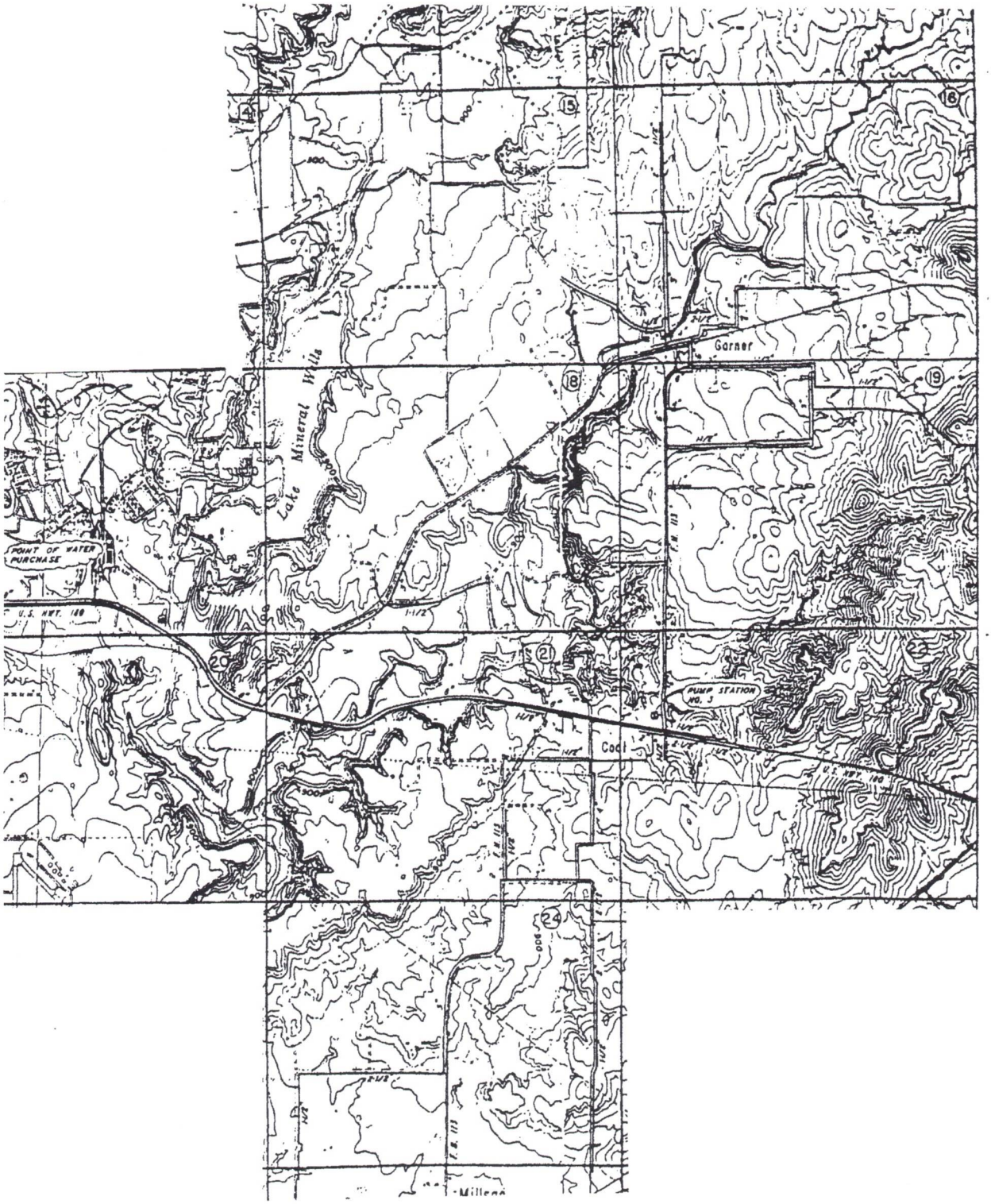
TRANSFEROR - A Member who transfers Membership by legal means to another person or entity desiring to qualify for service to a property for which the Membership is currently issued or to the CORPORATION.

SECTION D: GEOGRAPHIC AREA SERVED



North of Mineral Wells, TX

East of Mineral Wells, TX (Cool, Garner & Millsap)



SECTION E: SERVICE RULES AND REGULATIONS

1. SERVICE ENTITLEMENT:

An Applicant shall be considered fully qualified and entitled to water 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 described by this Tariff.

2. APPLICATION PROCEDURES AND REQUIREMENTS:

For the purposes of this Tariff, service requested by an Applicant and provided by the Corporation shall be divided into the following two (2) classes:

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

b. Non-Standard Service is defined as any service applied for which is not Standard Service. In addition to the following requirements for service, service requirements as prescribed by Section F of this Tariff shall be required of the Non-Standard Service Applicant prior to extension of such pipelines, and/or service facilities.

c. Requirements for Standard and Non-Standard Service:

(1) The CORPORATION'S Service Application and Agreement Form shall be completed in full and signed by the Applicant.

(2) A Right-of-Way Easement Form, if required, approved by the CORPORATION must be completed by the Applicant for the purpose of allowing future extensions or facility additions to improve or provide service to future Applicants.
NOTE: This requirement may be delayed for Non-Standard Service requests.

(3) The Applicant shall provide proof of ownership or title to property for which service has been requested in a manner acceptable to the CORPORATION.

(4) The Applicant shall provide proof that application has been made to the proper regulatory authority for approval and installation of on-site sewage disposal facilities as authorized under the Texas Sanitation and Health Protection Law, Texas Civil Statutes, Article 4477-1, for all services requiring such installations.

(5) All Service Applications approved and cost of service fees quoted by the CORPORATION shall be presented to the Applicant in writing and shall stand approved at quoted costs for a period not to exceed thirty (30) days. After thirty (30) days, each Applicant shall re-apply for service under the terms of this Tariff.

(6) If the water main has been located in the public right-of-way and is adjacent to the Applicant's property due to the current or previous landowner's refusal to grant easement to the CORPORATION for the purposes of installing the water main and appurtenances, and the CORPORATION has documentation of such refusal on file, the Applicant, prior to receiving the requested service, shall grant easement to the CORPORATION. In addition to such sums as are necessary for the removal of the water main from the public right-of-way and for relocation onto the Applicant's property pursuant to such easement.

3. ACTIVATION OF STANDARD SERVICE:

a. New Tap - The CORPORATION shall charge a non-refundable service installation fee as required under Section G of this Tariff. The service installation fee shall be quoted in writing to the Applicant. All other fees shall be paid in advance of installation or in advance of reservations of service capacity including, as applicable, the Membership Fee, any Easement Fees, and the Front-end Capital Contributions as required under Section G of this Tariff unless otherwise authorized by the Board of Directors.

b. Re-Service - In the event an application is made for service on property where service previously existed, and for which an in-active account exists, the CORPORATION shall charge the Membership Fee, reconnection fee and administrative fee to restore service. A re-service applies when a meter is currently on the property but not in service for any reason (i.e. surrendered membership, property foreclosure, account closure for non-payment, etc.).

c. Performance of Work - After all applicable fees are paid and approval is granted by proper authorities, all tap and equipment installations specified by the CORPORATION shall be completed by the CORPORATION staff or the CORPORATION'S designated representative. The tap shall be completed within ten (10) working days after receipt of payment of quoted installation fees.

4. ACTIVATION OF NON-STANDARD SERVICE:

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

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

5. CHANGES IN SERVICE CLASSIFICATION:

If at any time the CORPORATION determines that the customer service needs change from those needs 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/Members 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 Disconnect with Notice Provisions of this Tariff, Sub-Section 15.a.

6. MEMBERSHIP:

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

b. Membership Certificates - Upon qualification for service, qualification for Membership, and payment of the required fees, the CORPORATION shall issue a Membership Certificate to the Applicant. The Membership Certificate provides proof of Membership in the CORPORATION and shall entitle the Applicant/Member to one (1) connection to the CORPORATION'S water main and one (1) share of CORPORATION stock. The Membership Certificate also entitles the Member to one (1) vote in the conducting of the affairs of any Annual or Special Membership Meeting of the CORPORATION as prescribed by the CORPORATION Bylaws. An original or a copy of each Membership Certificate shall be held on file in the CORPORATION'S accounting office. Ownership of more than one (1) Membership Certificate shall not authorize the Member to cast more than one (1) vote at any annual or special meeting.

Each Membership Certificate and stock thereby represented shall be assigned to the specified parcel of land originally designated to receive service at the time of application.

NOTE: In the event that the CORPORATION is conducting a potential Members survey for the indications of interest in future water service for the purpose of determining the feasibility of an initial construction or expansion project under FmHA guidelines, regular application procedures may be modified. An Indication of Interest Fee may be required prior to qualifications for receipt of service by the Applicant but shall only be used or applied as a Membership Fee for Membership purposes (upon issuance of a Membership Certificate) if water service is ultimately received or reserved by the Applicant as a result of the planned project facilities. If service is not provided within the scope of this project, Indication of Interest Fees shall be refunded, less expense, within sixty (60) days of the loan closing with FmHA.

c. Transfers of Membership:

As of March 1, 2013, memberships are refundable; if a property with active service is sold the seller will be refunded the membership fee minus their final bill. The buyer of the property will be responsible for meeting the following criteria and paying a new membership fee; there are no additional fees for transferring a membership. It will be the seller's responsibility to provide the CORPORATION with an accurate forwarding address for the refund. Any membership forfeited or transferred before March 1, 2013, is not eligible to receive a refund of the membership fee. If a membership is forfeited and service is cancelled at the member's request the member will receive a refund of the membership fee minus their final bill.

(1) A Member is entitled to transfer Membership in the CORPORATION without the prior approval of the CORPORATION only under the following circumstances:

(a) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or

(b) The Membership is transferred without compensation to a person related to the Transferor within the second degree 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) The Membership is transferred pursuant to the provisions of Sub-Section 6.c.(1), such transfer shall not be completed or recorded on the books and records of the CORPORATION until such time as the transferor has provided satisfactory evidence to the CORPORATION of such transfer. A transfer of Membership shall not be binding on the CORPORATION until such transfer has been approved by Sub-Section 6.c. (3).

(3) Qualifications for water service upon transfer of Membership set forth in Sub-Section 6.c.(1) and 6.c.(2) shall be subject to approval of the CORPORATION and shall be recorded on the books and records of the CORPORATION only upon the following terms and conditions:

(a) A Transfer Authorization form has been completed by the Transferor and Transferee;

(b) The Transferee has completed the required Application Packet;

(c) All indebtedness due the CORPORATION has been paid; if not, the final bill and any past due balances will be deducted from the refunded membership fee;

(d) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.

(e) A new membership must be paid by the Transferee before service will begin

d. Cancellation of Membership - To keep a Membership in good standing, a minimum charge (the Minimum Monthly Charge or 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. A Member may be relieved of this obligation to pay by completing a Membership Cancellation Form to the CORPORATION. However, a Member is not relieved of any obligations incurred prior to the date of the Cancellation Form or prior to termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Service Sub-Section 3.a. of this Tariff. Once a membership is cancelled and all required documents have been

received, the member will be eligible to receive a refund of the membership fee minus their final bill and any other debts.

e. Liquidation of Membership Due to Delinquency - When the amount of the delinquent minimum monthly charges, gallon charges, penalties, and service fees owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated, and the Membership cancelled and transferred back to the CORPORATION. In the event the Member leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership Certificate, the CORPORATION may liquidate as many of the Member Guarantor's Membership Fees as necessary to satisfy the balance due the CORPORATION. The CORPORATION shall collect any remaining account balances through appropriate means. Reinstatement of service shall be subject to the terms of the Activation of Service Sub-Section 3.a. of this Tariff.

f. Cancellation Due to Policy Non-Compliance - The CORPORATION may cancel a Membership anytime a Member fails to comply with the 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.

g. Re-Assignment of Cancelled Membership - The CORPORATION, upon cancellation of Membership under provisions of this Tariff, may reassign the Membership rights thereby granted to any person who satisfactorily demonstrates eligibility for Membership, including but not limited to proof of ownership of the property from which the Membership arose; rules and guidelines of Transfers of Memberships also apply.

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

7. <u>OWNERS & RENTERS:</u>

Any NORTH RURAL WATER SUPPLY CORPORATION Member renting or leasing property to other parties is responsible for all charges due to the CORPORATION in the event a renter or lessee leaves the CORPORATION with any unpaid bills. The CORPORATION will bill the renter or lessee for water service as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The Member shall take full 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 balance when the water service is scheduled to be disconnected for nonpayment. The CORPORATION suggests that Rental Property Owners require a utility deposit from their renter/lessee as the owner is responsible for any balance left unpaid by a renter or lessee.

8. <u>DENIAL OF SERVICE:</u>

The CORPORATION may deny service for the following reasons:

a. Failure of the Applicant or Transferee to complete all required forms and pay all required fees and charges;

b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the CORPORATION;

c. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the

Members/Users of the CORPORATION upon connection;
d. Failure of Applicant or Transferee to provide representatives or employees of the CORPORATION reasonable access to property for which water service has been requested when there is reason to believe that a hazardous condition may exist for which access is necessary to verify;
e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the CORPORATION on file with the state regulatory agency governing the service applied for by the Applicant;
f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the CORPORATION, of property for which the tap has been requested and/or;
g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.

9. APPLICANT'S OR TRANSFEREE'S RECOURSE:

In the event the CORPORATION refuses to serve an Applicant under the provisions of these rules, the CORPORATION must notify the Applicant, in writing, of the basis of its refusal, and the Applicant may file for an appeal, in writing, with the Board of Directors of the CORPORATION.

10. INSUFFICIENT GROUNDS FOR REFUSAL OF SERVICE:

The following shall not constitute sufficient cause for the refusal of service to an Applicant:
a. Failure to pay a bill to correct previous under-billing due to misapplication of rates more than six (6) months prior to the date of application;
b. Violation of CORPORATION'S rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, or other services such as communication services, unless the Member has first been notified and been afforded reasonable opportunity to comply with said rules;
c. Failure to pay a bill of another Member as guarantor thereof unless the guarantee was made in writing to the CORPORATION as a condition precedent to service;
d. Delinquency in payment for service by a previous occupant of the premises to be served.
e. Failure to pay for materials or charges for non-utility service provided by the CORPORATION

11. DEFERRED PAYMENT AGREEMENT:

The CORPORATION may offer a deferred payment plan to a Member who cannot pay an outstanding balance in full and who 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. In order for a customer to request a deferred payment agreement the Member/customer must attend a regular Board Meeting or present the request in writing to the Corporation office. Deferred agreements can only be requested within thirty (30) days of the issuance of the bill or invoice that the Member is requesting the agreement on. Members may not request deferred agreements on balances exceeding 31+ days past due in order to avoid service disconnection for nonpayment.

12. CHARGE DISTRIBUTION AND PAYMENT APPLICATION:

a. The Minimum Monthly Charge or the Reserved Service Charge is applied from the first day of the month to the last day of the month. Charges shall be prorated for meter installations and service terminations falling during the calendar month. Billings for this amount shall be mailed on or about the last day of the month for which the charge is due. All services shall be subject to this charge whether or not the service is in use by the Member.

b. Gallon Charge, defined as water usage, shall be billed at the rate specified in Section G, and shall be billed in one hundred (100) gallon increments. Water charges are based on actual 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(s).
c. Posting of Payments - - All payments shall be posted against previous balances prior to posting against current billings.

13. DUE DATES, DELINQUENT BILLS, AND SERVICE DISCONNECTION DATE:

The CORPORATION shall mail all bills on or by the 1st of the month. All bills shall be due on the 15th of each month, as indicated on the bill (allowing approximately fifteen days to pay), after which time a penalty shall be applied as described in Section G. A bill is delinquent, if not paid by the due date. Payments made by mail will be considered late if postmarked after the 15th. Payments made online must be made by 11:59pm on the due date to be considered on time. If the 15th falls on a weekend or a reserved holiday, the due date for payment purposes shall be the next day the CORPORATION accounting office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each payment will determine if a late fee applies for mailed payments and the time stamp on the online/by phone credit or debit card payment will determine on time or late status.

14. RULES FOR DISCONNECTION OF SERVICE:

The following describes the rules and conditions for disconnection of service:

a. Disconnection with Notice - water utility service may be disconnected for any of the following reasons after proper notification has been given:

(1) Returned Checks - In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the CORPORATION for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the CORPORATION shall mail, via the 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 accounting office. Redemption of the returned instrument shall be made by cash, money order, certified check or credit/debit MasterCard/Visa or Discover. Failure to meet these terms shall initiate disconnection of service;

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

(3) Violation of the CORPORATION'S rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment if a reasonable attempt has been made to notify the Member 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, Bylaws, or Special Contract provided that the CORPORATION has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification;

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

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

(7) Failure of Member to meet requirements of the regulatory authority for construction or maintenance of on-site sewage facilities as authorized by the Texas Sanitation and Health Protection Law, TCS, Article 447-1.

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

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

(1) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a violation of the Texas Sanitation and Health Protection Law 4477-1, or where reason to believe a dangerous or hazardous condition exists and the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition;

(2) Service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for non-payment; and
(3) In instances of tampering with the CORPORATION'S meter or equipment, by-passing the meter or equipment, or other diversion of service.

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

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

(1) Failure of the Member to pay for merchandise or charges for non-utility service provided by the CORPORATION, unless an agreement exists between the Applicant and the CORPORATION whereby the Member guarantees payment of non-utility service as a condition of service;
(2) Failure of the Member to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
(3) Failure of the Member to pay charges arising from an under-billing occurring due to any misapplication of rates more than six (6) months prior to the current billing;
(4) Failure of the Member to pay the account of another Member as guarantor thereof, unless the CORPORATION has in writing the guarantee as a condition precedent to service;
(5) Failure of the Member to pay charges arising from an under-billing due to any faulty metering, unless the meter has been tampered with or unless such under-billing charges due under the inoperative meter Sub-Section E.16 of this Tariff.
(6) Failure of the Member to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the CORPORATION is unable to read the meter due to circumstances beyond its control;
(7) In response to a request for disconnection by an Owner/Member of rental property where the renter is billed directly by the CORPORATION as authorized by the owner, and renter's account is not scheduled for disconnection under the Rules for Disconnection of Service in this Tariff

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

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

f. Disconnection for Ill and Disabled - The CORPORATION may not discontinue service to a delinquent residential Member permanently residing in an individually metered dwelling unit when that Member establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a Member seeks to avoid termination of service under this Sub-Section, the Member must have the attending physician call or contact the CORPORATION within sixteen (16) days of issuance of the bill. A written statement must be received by the CORPORATION from the physician within twenty-six (26) days of the issuance of the utility bill. The prohibition against service termination shall last sixty-three (63) days from the issuance of the utility bill or such lesser period as may be agreed upon by the CORPORATION and Member's physician. The Member shall enter into a Deferred Payment Agreement.

g. Disconnection of Master-Metered 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 six

days if payment is not rendered before that time.

(2) At least six (6) days after providing notice to the Member and at least four (4) days prior to disconnection, the CORPORATION shall post at least five (5) notices 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 to avert disconnection or to reconnect service to the complex.

15. BILLING CYCLE CHANGES:

The CORPORATION reserves the right to change its billing cycle if the workload requires such practice. After a billing period has been changed, the billings shall be sent on the new date unless otherwise determined by the CORPORATION.

16. BACK-BILLING:

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

17. DISPUTED BILLS:

In the event of a dispute between the Member and the CORPORATION regarding any bill, the CORPORATION shall forthwith make and conduct an investigation as shall be required by the particular case, and report the results in writing, thereof to the Member. All disputes under this Subsection must be submitted to the CORPORATION, in writing, prior to the due date posted on said bill except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h.

18. INOPERATIVE METERS:

Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless by-passed or tampered with, the CORPORATION shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

19. BILL ADJUSTMENT DUE TO METER ERROR

The CORPORATION shall test any Member's meter upon written request of the Member. In the event the meter tests within the accuracy standards of the American Water Works Association, a test fee as prescribed in Section G of this Tariff shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months but not extending beyond current Membership except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h. the billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test.

20. BILL ADJUSTMENT DUE TO WATER LEAK

As a courtesy, and at the discretion of the Board, the CORPORATION shall consider one (1) member requested bill adjustment per twelve (12) month period to a Member in the event of a leak on the Member's side of the service connection. In the event that one (1) leak was divided between two (2) billing cycles, or the leak lasted two or more billing cycles, only one (1) month with the highest charge will be adjusted. Any leak adjustments are subject to Board review and approval and may be denied for any reason. In order for a Member to qualify for leak adjustment consideration all of the following criteria must be met:

a. the leak must be repaired,
b. the usage must be 10,000 gallons in excess of the Member's current twelve (12) month average,
c. paid receipts for plumbing parts or repairs and/or paid invoice from a plumber must accompany the request,
d. the Member must attend a regularly scheduled board meeting and request an adjustment in person before the board,
e. the request must be made no later than 60 days after the water leak, and
f. the Member's account must be in good standing with no past due or delinquent balances due to the CORPORATION,

Leak adjustments are not to exceed $1,000.00, regardless of the balance. For leaks exceeding the $1,000 maximum adjustment, a consideration will be made to adjust the remaining overage to your previous 12-month average usage rate (i.e. a customer with an average of 24,000 gallons would be charged the current rate code for 20,100-30,000 gallons for the remaining balance after the $1,000 adjustment).

Members will be allowed, if needed, to payout the bill adjustment without incurring a late charge penalty. The payout is not to exceed six (6) months and the Member must request the extended payout at the time of the original leak adjustment request and complete the payment arrangement form (will be provided to Member at the meeting). Payout Requests may only exceed 6 months if the adjusted balance exceeds $1,000.00. Leak adjustments for Members with low income and/or elderly Members will be considered on a case-by-case basis by the Board.

** If the Member's water meter is equipped with a "Smart Meter" they will not be eligible for a leak adjustment.

21. METER TAMPERING AND DIVERSION:

For purposes of these Sections, meter-tampering, by-passing, or diversion shall all be defined as tampering with the CORPORATION'S meter or equipment, by-passing the same, or other instances of diversion, such as removing a locking or shut-off devise used by the CORPORATION to discontinue service, physically disorienting the meter, attaching objects to the meter to divert service or to by-pass, insetting objects into the meter, and other electrical and mechanical means of tampering with, by-passing, or diverting service. The burden of proof of meter tampering, by-passing, or diversion is on the CORPORATION. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the CORPORATION'S staff when any action regarding meter-tampering as provided for in these Sections in initiated. A court finding of meter-tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the CORPORATION shall be prosecuted to the full extent allowed by law.

22. METER RELOCATION:

Relocation of meters/taps shall be allowed by the CORPORATION provided that:

a. No transfer of Membership is involved;
b. An easement for the proposed location has been granted to the CORPORATION;
c. The property of the new location requested is owned by the current Member of the meter to be moved;
d. The existing tap location is contiguous to the proposed tap location; and
e. The Member pays the actual cost of relocation plus administrative fees.

23. PROHIBITION OF MULTIPLE CONNECTIONS TO A SINGLE TAP:

In order that the CORPORATION may maintain adequate records of the actual number of users on its system to assure compliance with Texas Department of Health Rules and Regulations on minimum service standards, to ensure that charges are received for each user on the system, and to ensure that the CORPORATION'S metering device is adequately sized for proper flow and accurate measurement of water used, all connections of any dwelling, household, business, and/or water-consuming establishment currently receiving or planning to receive service, shall individually apply for service under the rules of this

Tariff. Any unauthorized sub-metering of service shall be considered a Multiple Connection and subject to disconnection of service. If the CORPORATION has sufficient reason to believe a Multiple Connection exists, the CORPORATION shall discontinue service under the Disconnection with Notice provisions of this Tariff.

24. MEMBER'S RESPONSIBILITY:

1. The Member shall provide access to the meter at all reasonable times for the purpose of reading, installing, checking, repairing, or replacing the meter. Member shall provide a key or code to locked gates. If the gate to the Member's premises is locked, preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month; and a notice shall be sent to the effect that entrance could not be gained and that a key should be furnished, or the gate unlocked for each reading period. Should the gate remain locked for three (3) consecutive months after proper notification to the Member, then service shall be discontinued, and the meter removed with no further notice.
2. The Member shall see that all plumbing connections shall be made to comply with the Texas Department of Health Rules and Regulations.

a. All connections shall be designed to ensure against back-flow or siphonage into the CORPORATION'S water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough.

b. The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the CORPORATION'S facilities.

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

3. A Member owning more than one (1) Membership Certificate shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable as per Service Application and Agreement executed by the Member.

4. The CORPORATION'S ownership and maintenance responsibility of water supply and metering equipment shall end at the point where the Member connects to the equipment provided by the CORPORATION during the installation of the metering equipment. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and provided by the CORPORATION shall be subject to charges as determined by the CORPORATION'S Tariff as amended from time to time by the Board of Directors.

5. The CORPORATION shall require each Member to provide a cut-off valve on the Member's side of the meter for purposes of isolating the Member's service pipeline and plumbing facilities from the CORPORATION'S water pressure. The Member's use of the CORPORATION'S curb stop or other similar valve for such purposes is prohibited. Any damage to the CORPORATION'S equipment shall be subject to service charges.

SECTION F: NON-STANDARD SERVICE REQUIREMENTS

1. **CORPORATION'S LIMITATIONS:**
   All Applicants shall recognize that the CORPORATION must comply with local, state, and federal rules and regulations as promulgated from time to time, and by covenants of current indebtedness.
2. **PURPOSE:**
   The purpose of this Section is to govern agreements and service procedures for subdivisions, additions to subdivisions, or developments where service to more than one tract is necessary; and/or additional piping, service facilities, etc. are required to accommodate individual, multiple, commercial, or industrial Applicants. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard.

3. **APPLICATION OF RULES:**
   This Section may be altered or suspended when applied to planned facility expansions for which the CORPORATION extends its indebtedness. The Board of Directors of the CORPORATION shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.

4. **NON-STANDARD SERVICE APPLICATION:**
   The Applicant shall meet the following requirements prior to the initiation of a Service Contract by the CORPORATION:

   a. The Applicant shall provide the CORPORATION a completed Service Application and Agreement giving special attention to the item on SPECIAL SERVICE NEEDS OF THE APPLICANT.

   b. A final plat approved by the CORPORATION must accompany the Application showing the Applicant's requested service area. The plat must be approved by all regulatory authorities having jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such regulatory authorities shall be submitted with the plat. Applicants for single taps involving extension or up-sizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.

   c. At the time the Applicant tenders the Application, a Non-Standard Service Investigation fee (See Section G) to cover initial administrative, legal and engineering fees shall be paid to the CORPORATION. The balance of actual expenses shall be refundable to the Applicant and any additional expenses incurred as a result of efforts by the CORPORATION to study service requirements of the Applicant shall be paid by the Applicant.

   d. If after the service investigation has been completed, the CORPORATION determines that the Applicant's service request is for property outside the CORPORATION'S Certificated Service Area of public Convenience and Necessity;

   (1) The service location is contiguous to or within one-fourth (1/4) mile of the CORPORATION'S Certificated Service Area of Public Convenience and Necessity;

   (2) The service location is not in an area receiving similar service from another utility; and

   (3) The service location is not within the Area of Public convenience and necessity of another similar utility.

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

a. The CORPORATION'S Consulting Engineer shall design all service facilities for the Applicant's requested service within the CORPORATION'S specifications or within certain codes and specifications of neighboring municipalities for all Non-Standard Service Applications which lie within a five (5) mile margin around the boundaries of municipalities having jurisdiction over such design criteria (municipalities having a population greater than five thousand (5,000).

b. The Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee, provided however, that the actual costs of the Engineer's services do not exceed the amount of the Non-Standard Service Investigation Fee allotted for engineering services. If the Applicant's services exceed the allotted fee, the Applicant shall pay the balance of engineering fees prior to commencing with the service investigation.

c. The Consulting Engineer shall submit to the CORPORATION a set of detailed plans, specifications, and cost estimates for the project.

d. If no local authority imposes other design criteria on the Applicant's service request, the CORPORATION'S Engineer shall design all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in Application for Service. The CORPORATION reserves the right to upgrade the design of service facilities to meet future demands provided however, that the CORPORATION pays the expense of such upgrading above the Applicant's requirements.

6. <u>NON-STANDARD SERVICE CONTRACT:</u>

All Applicants requesting or requiring Non-Standard Service shall enter into a written contract, drawn by the CORPORATION'S Attorney, in addition to submitting the CORPORATION'S Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to:

a. Definition of all costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid.

b. Definition of procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.

c. Definition of Front-end Capital Contributions required by the CORPORATION in addition to the other costs required under this Section.

d. Definition of monthly Reserved Service Charges as applicable to the service request.

e. Definition of terms by which reserved service shall be provided to the Applicant and duration of reserved service with respect to the impact the Applicant's service request will have upon the CORPORATION'S system capability to meet other service requests.

f. Definition of terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Front-end Capital Contributions.

g. Definition of terms by which the CORPORATION shall administer the Applicant's project with respect to:

(1) Design of the Applicant's service facilities;
(2) Securing and qualifying bids;
(3) Execution of the Service Agreement;
(4) Selection of a qualified bidder for construction;
(5) Dispensing advanced funds for construction of facilities required for the Applicant's service;
(6) Inspecting construction of facilities; and

(7) Testing facilities and closing the project.

h. Definition of terms by which the Applicant shall indemnify the CORPORATION from all third-party claims or lawsuits in connection with the project contemplated.

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

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

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

7. PROPERTY AND RIGHT-OF-WAY ACQUISITION:

With regard to construction of facilities, the CORPORATION shall require private right-of-way easements or private property as per the following conditions:

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

b. All facilities required to be installed in public right-of-ways on behalf of the Applicant, due to inability to secure private right-of-way easements, shall be subject to costs equal to the original cost of facility installation for those facilities in public right-of-ways, plus the estimated cost of future relocation to private right-of-ways or subject to the cost of installation under state condemnation procedures, whichever is most desired by the Applicant.

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

d. Easements and facilities sites shall be prepared for the construction of the CORPORATION'S pipeline and facility installations in accordance with the CORPORATION'S requirements and at the expense of the Applicant.

8. BIDS FOR CONSTRUCTION:

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

a. The Applicant shall sign the Service Contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;

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

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

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

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

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

9. <u>CONSTRUCTION</u>:

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

b. The CORPORATION shall, at the expense of the Applicant, inspect the facilities to ensure that CORPORATION standards are achieved.

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

SECTION G: RATES AND SERVICE FEES

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

1. SERVICE INVESTIGATION FEE:

The CORPORATION shall conduct a service investigation for each service application submitted at the CORPORATION office. An initial determination shall be made by the CORPORATION, as to whether the service request is Standard or Non-Standard, and if a road bore or line extension will be required for the application to obtain service. The CORPORATION must receive a completed Service Request Form with a map of the requested service location attached. The Service Investigation Fee is $150.00. The Service Investigation Fee is nonrefundable. The fee will be applied to the applicant's Installation Fee if the applicant pursues service. An investigation shall then be conducted, and the results reported under the following terms:

a. All Standard Service requests shall be investigated and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of the application.
b. All Non-Standard Service requests shall be subject to a fee, unique 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 provide cost estimates of the project, to present detailed plans and specifications as per final plat, to advertise and accept bids for the project, to present a Non-Standard Service Contract to the Applicant, and to provide other services as required by the CORPORATION for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F)

2. MEMBERSHIP FEE:

At the time the application for service is submitted, a Membership Fee of $300.00 (three hundred dollars) must be paid for each lot/tap or meter equivalent before service shall be provided or reserved for the Applicant by the CORPORATION. This fee applies to any new applicant of standard service (new tap or re-service) and membership transfers.

3. EASEMENT FEE:

A standard one-page easement will be required for each standard service application. A $26.00 easement filing fee will apply to new service, reservice, and membership transfer applications. When the CORPORATION determines that an additional private right-of-way easement and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required 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 fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites on behalf of the Applicant.

4. INSTALLATION FEE:

The CORPORATION shall charge an installation fee for service as follows:

a. Standard Service shall include all current labor, materials, engineering, legal and administrative costs necessary to provide individual metered service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.
b. Non-Standard Service shall include any and all construction, labor, and materials, administration, legal, and engineering fees, as determined by the CORPORATION under rules of Section F of this Tariff.
c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E.1.c (6) of this Tariff.

5. FRONT-END CAPITAL CONTRIBUTIONS/EQUITY BUY IN:

In addition to the Installation Fee and Membership Fee, each Applicant shall be required to contribute capital in an amount projected to defray the cost of up-grading system facilities to meet growth demands created by adding customers. This fee shall be assessed immediately prior to providing service on a per residential

meter equivalent basis for each tap/lot and shall be assigned and restricted to the tap/lot for which the service was originally requested. The formula applied shall be corporation assets minus debt minus depreciation divided by number of taps (the CORPORATION's Capital Contribution fee may be less than the listed formula, but it may not exceed the listed formula). The CORPORATION's Capital Contribution fee will be recalculated each year on the first business day of January following the close of business for the previous fiscal year.

TOTAL CHARGE FOR A **STANDARD INSTALLATION** AS OF February 7, 2023, IS:	
Membership Fee	$300.00
Installation Fee	1200.00
Service Investigation Fee	-150.00
Capital Contribution/Equity Buy-in	1,500.00
Easement Fee	26.00
	$2,876.00

TOTAL CHARGE FOR STANDARD **RE-SERVICE** IS:	
Membership Fee	$300.00
Easement Fee	26.00
Reconnection Fee	90.00
Administration Fee	$100.00
	$516.00

6. MONTHLY CHARGES:

Minimum Monthly Charges - The monthly charge for metered water service is based on demand by meter size. Each charge is assessed based on the number of 5/8" X 3/4" meters (as per American Water Works Association maximum continuous flow specifications) equivalent to the size indicated and is used as a base multiplier for the minimum monthly charge. Minimum monthly charges are applied to each active account/tap regardless of usage or amount of usage and are required in order to keep the account/tap in active status. Meter size, Rates and equivalents are as follows:

Meter Size	5/8" X 3/4" Meter Equivalents	Allowable Gallons	Monthly Rate
5/8" X 3/4"	1.0	0	**$36.00**
1"	2.5	0	$90.00
1 ½"	5	0	$180.00
2"	8	0	$288.00

Gallon Charge - In addition to the Minimum Monthly Charge, a gallon charge shall be as follows for 5/8" x 3/4" meters and larger:

Rate Code	Monthly Usage	Price per 1,000 gallons
1	**100 – 5,000 gallons**	**$23.70**
2	5,100 – 10,000 gallons	$24.20
3	10,100 – 20,000 gallons	$24.70
4	20,100 – 30,000 gallons	$29.70
5	30,100 – 40,000 gallons	$35.70
6	40,100 – 50,000 gallons	$41.70
7	50,100 gallons and over	$47.70

The additional revenue generated from the increased rates (rate codes 2 through 7) for excess usage is separately accounted for and is considered to be contributed capital to provide facilities for maintaining or increasing water supply or distribution capacity.

Reserved Service Charges – The monthly charge for each active account at a specified location for which a meter has not been installed but for which the CORPORATION and the Applicant have entered into an agreement and/or contract for reserved service. This monthly charge shall be based on the CORPORATION's monthly operating costs to service the Applicant's dedicated facilities on a per lot/tap or meter equivalency basis. This charge reserves service to the Applicant's service area. This fee is determined on a case-by-case basis but shall never exceed the Minimum Monthly Charge for metered service.

7. LATE PAYMENT FEE:

A penalty of $20.00 per billing period shall be charged on delinquent bills. This late payment penalty shall be applied to any unpaid balance exceeding the Monthly Minimum or Reserved Service Charge during any one billing period. Payments are due by the 15th of each month or as indicated on the billing statement (should the 15th fall on a weekend or reserved holiday). All mailed payments must be postmarked by the 15th to avoid a late payment fee (regardless of weekends or holidays).

8. RETURNED PAYMENT FEE:

In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the CORPORATION for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a returned payment charge of $25.00.

9. RECONNECT FEE:

The CORPORATION shall charge a fee of $90.00 for reconnecting service after the CORPORATION has previously disconnected the service for any reason provided for in this Tariff. (Applies to Re-Service Applications)

10. EQUIPMENT DAMAGE FEE:

If the CORPORATION'S facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service 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 the service is re-established. If the CORPORATION'S equipment has not been damaged, a fee equal to the actual costs for all labor, materials, equipment, and other actions necessary to correct service diversions, unauthorized taps, or re-connection of a service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Member. If the CORPORATION'S facilities or equipment have been damaged due to negligence or unauthorized use of the CORPORATION'S equipment, right-of-way, or meter shut-off valve or due to other acts for which the CORPORATION incurs losses or damages, the Member shall be liable for all labor and material charges incurred as a result of said acts of negligence.

11. CUSTOMER HISTORY REPORT FEE:

A fee of $25.00 shall be charged to provide a copy of the Member's record of past water purchases in response to a Member's request for such a record.

12. METER RE-READ/CALIBRATION FEE:

The CORPORATION shall re-read a Member's meter upon request of the Member. Under the terms of Section E of this Tariff, a charge of $30.00 shall be imposed on the affected account.

13. CALIBRATION FEE:

The CORPORATION shall calibrate or test a Member's meter upon request of the Member. Under the terms of Section E of this Tariff, a charge of $50.00 shall be imposed on the affected account.

14. MEMBERSHIP CERTIFICATE COPY FEE:

A fee of $10.00 will be charged to provide a duplicate copy of the Membership Certificate.

15. ADMINISTRATION FEE:

A fee of $100.00 will be charged to re-service applicants to offset any engineering, legal and administrative costs necessary to provide individual metered service.

16. DOCUMENT FEE:

Applies only to customer requested documents

- Per copy $0.50 (Mailed information will be charged $0.50 per copy +$5.00 +postage)

SECTION H: EMERGENCY RATIONING PROGRAM

The following water rationing program is adopted for emergency use only during periods of acute water shortage and coincides with the CORPORATION Drought Contingency Plan.

1. DECLARATION OF EMERGENCY:

When a system demand exceeds production or storage capability measured over a twenty-four (24) hour period, and refilling the storage facilities is rendered impossible, OR when the CORPORATION is notified by its wholesale supplier of a cutback in water to be delivered to such an extent that normal use patterns will no longer be possible, the CORPORATION may declare an emergency to exist, and thereafter ration water in the following manner.

2. NOTICE REQUIREMENTS:

Written notice of the proposed rationing shall be mailed or delivered to each affected Member seventy-two (72) hours before the CORPORATION actually starts the program and shall also be placed in a local newspaper. The Member notice shall contain the following information:

a. The date rationing shall begin;
b. The date rationing shall end;
c. The stage (level) of rationing to be employed;
d. A copy of this rationing authority; and
e. Affected area to be rationed.

3. STAGE LEVELS OF RATIONING:

A. Stage I - **Mild** Water Shortage Conditions

1. Goal: Achieve a voluntary 10% reduction in total water use.

2. Supply Management Measures:
   a. Monitor Palo Pinto Reservoir levels.
   b. Release water only for needed treatment.

3. Demand Management Measures
   a. The Utility will contact wholesale water customers to discuss water supply and/or demand conditions and will request that wholesale water customers initiate voluntary measures to reduce water use, and to implement Stage I of the drought contingency plan.
   b. Develop information center and designate an information person.
   c. Advise the public of condition and publicize availability of information from the information center.
   d. Encourage voluntary reduction of water use.
   e. Contact commercial users and explain the necessity for initiation of strict conservation methods.
   f. Implementation of system oversight and make adjustments as required to meet changing conditions.

B. Stage II - **Moderate** Water Shortage Conditions

1. Goal: Achieve an additional 10% reduction in total water use.

2. Supply Management Measures:
   a. Monitor Palo Pinto reservoir levels.
   b. Release water only needed for treatment.

3. Demand Management Measures:

The Utility, on identifying moderate water shortage conditions, shall initiate Stage II curtailment. Listed action is compulsory on users and is intended to prohibit non-essential water use. ("Non-essential Water Use" is defined as washing house windows, siding, eaves, and roof with a hose, and without the use of a bucket; washing driveways, streets, curbs, and gutters; washing vehicles without a cutoff valve and bucket; sprinkling of landscaping, shrubs and grass; draining and filling swimming pools; flushing water system).

   a. Outdoor residential use of water will be permitted on alternate days. Even numbered houses will use water for outdoor residential uses on even days of the month and odd numbered houses on odd days

of the month. Outdoor residential uses consist of washing vehicles, boats, trailers, landscaping sprinkler systems and irrigation, recreational use of sprinklers, outside showers (in parks) and water slides.

b. The Utility will monitor system function and establish hours for outside water use, depending upon system performance. A rate surcharge may be implemented on excessive water users.

c. The Information Center and publicity elements shall keep the public advised of curtailment status.

C. Stage III - **Severe** Water Shortage Conditions

1. Goal: Achieve 25% reduction in total water use.

2. Supply Management Measures:

a. Monitor Palo Pinto reservoir levels.

b. Release water only needed for treatment.

c. Possible use of the Brazos River as an alternate water source.

3. Demand Management Measures:

The Utility shall initiate Stage III curtailment upon existence of severe conditions as determined. The City Manager or his/her designee(s), will ban the use of water for:

a. Vehicle washing, window washing, outside watering (lawns, shrubs, faucet dripping, garden, etc.);

b. Public water uses, which are not essential for health, safety, and sanitary purposes. These non-essential uses include: street washing, fire hydrant flushing, filling swimming pools, water athletic fields and courses, and dust control sprinkling.

c. Commercial uses not listed will be controlled to the extent directed by the Utility.
Businesses requiring water as a basic function of the business, such as nurseries, commercial car washes, Laundromats, high-pressure water cleaning services, etc., will obtain written permission from the Utility for intended water use.
The System Priority for water service shall be made on the following basis:

1.	Hospitals	3. Schools	5. Commercial
2.	Residential	4. Industrial	6. Recreational

4. Amended Stage III

All outdoor water use is prohibited. This would include, but not be limited to: irrigation or watering of vegetation including lawns, shrubs, trees, flower beds, and gardens; washing windows, siding, eaves and roofs of buildings; washing driveways, streets, curbs and gutters; noncommercial vehicle washing; draining, filling or adding water to swimming pools, flushing water systems and watering foundations. The only outdoor exception is water for animals.

D. Stage IV – **Emergency** Water Shortage Conditions

Whenever emergency water shortage conditions exist the utility shall:

1. Assess the severity if the problem and identify the actions needed and time required to solve the problem.
2. If appropriate, notify city, county and/or state emergency response officials for assistance.
3. Undertake necessary actions, including repairs and/or cleanup as needed.
4. Prepare a post-event assessment report on the incident and critique of emergency response procedures and actions.

4. VIOLATION OF EMERGENCY RATIONING RULES:

1. First violation - The customer will be notified by verbal and written notice of their specific violation.

2. Subsequent violations - After written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed $50.00. Members may also be charged a fee for violating water use rules not to exceed $162.00 or 6 times the monthly minimum (in accordance with 30 Texas Administrative Code Section 291.41(j)). Any income generated from

fees related to water use violations will be separately accounted for and restricted for water system improvements.

3. 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 normal reconnect fee of the utility will apply for restoration of service.

5. EXEMPTIONS OR VARIANCES FROM RATIONING RULES:

The Board of Directors may grant any Member and exception or variance from the uniform rationing program, for good cause. The CORPORATION shall treat all Members equally concerning exemptions and variance, and shall not employ discrimination in such grants.

6: RATES:

All existing rate schedules shall remain in effect during the rationing period, and no charges may be levied against a Member which are not contained in the approved Tariff of the CORPORATION.

The purpose of this Emergency Rationing Program is to conserve the total amount of water demanded from the CORPORATION until supply can be restored to normal levels.

The CORPORATION shall follow the Drought Contingency Plan along with any other instructions from the City of Mineral Wells.

North Rural Water Supply Corporation Tariff Approval

I certify that I was present at the Board of Directors meeting on November 7th, 2023, and that the foregoing Tariff was approved and that this copy is true and correct.

Bobby Bazzell, President

Randy Ratto, Vice President

Jack James, Secretary/Treasurer

Kenny Furr, Director

Brannon Zinn, Director

Richard Myers, Director

Dennis Pitt, Director

North Rural Water Supply Corporation Seal