

Lake Livingston Water Supply Corporation Tariff

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Updated September 25, 2025



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SECTION A. **RESOLUTION**

THE BOARD OF DIRECTORS OF LAKE LIVINGSTON WATER SUPPLY CORPORATION ESTABLISHES THAT:

1. This Tariff of the Lake Livingston Water Supply Corporation, serving in the counties of Hardin, Liberty, Polk, San Jacinto, Trinity, and Walker consisting of Sections A. through H. and forms inclusive, is adopted, and enacted as the current regulations and policies effective as of September 26, 2024.
2. Only those preexisting written contracts or agreements executed by the present or previous Board of Directors shall remain in effect unless the contract or agreement requires compliance with changes of the tariff from time to time.
3. The 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. The Secretary of the Corporation shall maintain the original copy as approved and all previous copies for exhibit.
5. The rules and regulations of state or federal agencies having jurisdiction shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, work, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected.
6. This revised tariff has been adopted in compliance with the Open Meeting Act, Chapter 551 of the Texas Government Code.

PASSED and APPROVED, this 25th day of September, 2025.

LAKE LIVINGSTON WATER SUPPLY CORPORATION

By: John N. Sexton

Name: John Sexton, President

ATTEST:

By: Christi Allen

Name: Christi Allen, Secretary

SECTION B. **STATEMENTS**

1. ***Organization.*** The Lake Livingston Water Supply Corporation is a member-owned, non-profit corporation incorporated pursuant to the Texas Water Code, Chapter 67, Nonprofit Water Supply or Sewer Service Corporations, and as supplemented by the Texas Business Organizations Code, Chapter 22, Nonprofit Corporations, for the purpose of furnishing potable water 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 Lake Livingston Water Supply Corporation, also referred to as Corporation or LLWSC. Failure on the part of a Member or an Applicant or other consumer to observe these policies, rules and regulations gives the Corporation the authority to deny or discontinue service according to the terms of this Tariff as amended from time to time by the Board of Directors of the Corporation.
4. ***Corporation Bylaws.*** The Corporation Members have adopted bylaws (see Section 22.102 of the Texas Business Organizations Code) which establish the make-up of the Board of Directors and other important regulations of the Corporation. The bylaws are on file at the Corporation's office.
5. ***Fire Protection Responsibility.*** The Corporation does not provide nor imply that fire protection is available on any of the distribution system. All hydrants or flush valves are for the operation and maintenance of the system and may be used for refill only by authorized fire departments. The Corporation reserves the right to remove any hydrant, due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or compensation to the contributors unless such hydrants are installed pursuant to the terms of a Non-Standard Service Contract as provided for in Section F, in which event the terms and conditions of the Contract shall apply.
6. ***Damage Liability.*** The 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 Corporation is the extent of the cost of the service provided. By acceptance of Membership, Member consents to waiver of such liability.
7. ***Information Disclosure.*** The records of the Corporation shall be kept in the Corporation office located at 1930 North Washington Avenue, Livingston, Texas 77351. 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. An individual customer may request in writing that his or her address, telephone number, account records, or social security number be kept confidential. Such confidentiality does not prohibit the utility from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the Corporation acting in connection with the employee's duties. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each Member on a list to be made available to the Corporation's voting Members, or their agents or attorneys, in connection with a meeting of the

Corporation's Members. The Corporation shall give its Applicants/Members and customers notice of rights to confidentiality under this policy and all prevailing associated fees for such request.

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

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

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

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

11. ***Submetering Responsibility.*** Submetering by Master Metered Accounts is not allowed unless such has been approved in writing by the Corporation. The Corporation will verify that the entity applying for approval of a submetering arrangement has complied with Subchapter M of Chapter 13 of the Texas Water Code. If the application is approved and the Corporation allows the submetering, the submetered tenants of the Master Metered Customer will not be considered customers of the Corporation. Any interruption or impairment of water service to the tenants is the sole responsibility of the Master Metered Account Customer. Any complaints regarding submetering should be directed to the Public Utility Commission of Texas.

SECTION C. **DEFINITIONS**

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 Lake Livingston Water Supply Corporation.

Board of Directors – The governing body elected by the Members of the Corporation.

Bylaws – The rules pertaining to the governing of the Corporation adopted by the Corporation Members

Certificate of Convenience and Necessity (CCN) – The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for the Corporation to provide water utility service within a defined territory. The Corporation has been issued Certificate Number 10147. Territory defined in the CCN shall be the Certificated Service Area. (See Section D. Certificated Service Area Map.)

Corporation – The Lake Livingston Water Supply Corporation.

Developer – Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who subdivides land or requests more than two (2) water service connections on a single contiguous tract of land.

Disconnection of Service – The discontinuance of water service by the Corporation to a Member.

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

Equity Buy-In Fee – Each Applicant shall be required to achieve parity with existing Members. This fee shall be assessed prior to providing or reserving service on a per-service unit basis for each tap/lot and shall be assigned and restricted to the tap/lot for which the service was originally requested. (Section G. 5., also see Miscellaneous.)

Final Plat – A complete plan for the subdivision of a tract of land approved by the commissioner's court of the county in which the subdivision is located. The Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat.

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

Indication of Interest Fee – A fee paid by a potential Member of the Corporation for the purpose of determining the feasibility of a construction and/or expansion project. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. This also applies to applicants applying for, or receiving, Temporary Service.

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

Member – Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who holds a membership in the Corporation and that has qualified for service and been certified as a member in accordance with the Corporation's Tariff.

Membership – A non-interest-bearing stock purchased from the Corporation evidencing a Member's interest in the Corporation. (See Tariff Section E. 7 b.)

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.

Proof of Ownership/Right of Occupancy – For the purpose of this tariff, Applicants for service and membership shall provide proof of ownership by deed of trust, warranty deed, or other recordable documentation of fee simple title to real estate to be served, or proof that the applicant has the right to possess and occupy the real estate.

Public Utility Commission of Texas (PUC) – State regulatory agency having jurisdiction of water service utilities and appellate jurisdiction over the rates and fees charged by Non-Profit Water and Sewer Service Corporations.

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

Renter – A consumer who rents or leases property from a Member or who may otherwise be termed a tenant.

Re-Service – Providing service to an Applicant at a location for which service previously existed. Costs of re-service shall be based upon the actual costs incurred by the Corporation for returning service to the location including turning on or activating a meter or reconnecting a line as necessary. (See Tariff Section E. 3. b., E. 4. b., and Miscellaneous.)

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

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.

Service Unit – The base unit of service used in facilities design and rate making. For the purpose of this Tariff, a service unit is a 5/8" X 3/4" water meter.

Subdivide – To divide the surface area of land into lots or tracts. (See Texas Local Government Code Chapter 232.)

Subdivider – An individual, firm, corporation, or other legal entity that owns any interest in land and that directly or indirectly subdivides land into lots as a part of a common promotional plan in the ordinary course of business. (See Texas Local Government Code Chapter 232.)

Subdivision – An area of land that has been subdivided into lots or tracts. (See Texas Local Government Code Chapter 232.)

Tap Fee – A Tap Fee shall be the fee charged for establishing a water service at a physical location where no service has existed before.

Tariff – These operating policies, service rules, service extension policy, service rates, rationing 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 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 service for uses other than permanent, such as agricultural, road construction, drilling, livestock, etc. The Board will set the length of time associated with this classification. This classification will change to permanent service after requirements in Section E. 1, E. 2, E. 3, and E. 5 are met. Applicant must have paid an Indication of Interest Fee.

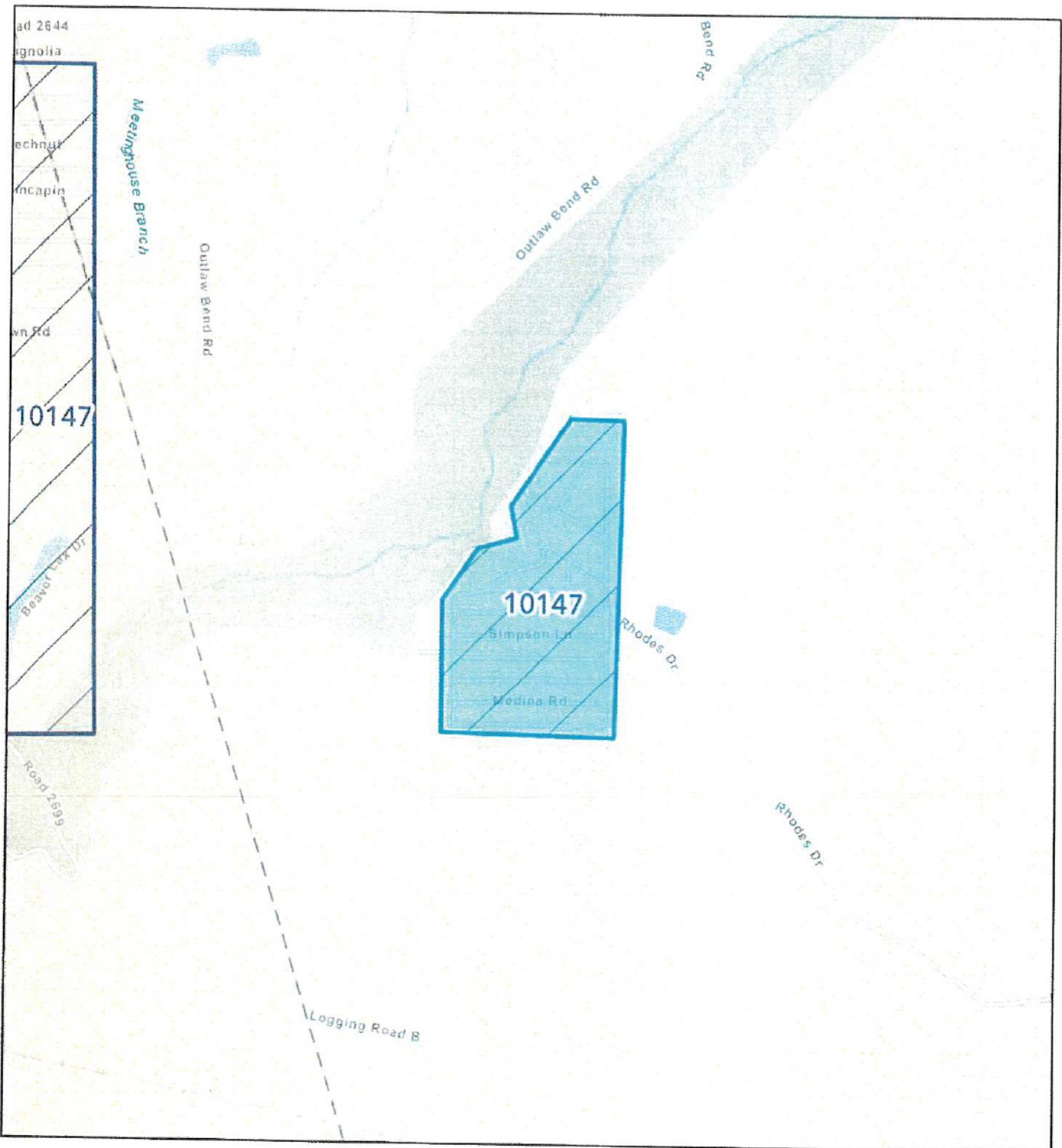
Transferee – An Applicant receiving a Lake Livingston Water Supply Corporation Membership by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity. (See Tariff Section E. 7 c., Miscellaneous Transaction Forms.)

Transferor – A Member who transfers Membership by legal means to another person or entity desiring to qualify for service at a property for which the Membership is currently issued or to the Corporation.

Water Conservation Penalty – A penalty that may be assessed under Section H of this tariff to enforce Customer/Member water conservation practices during drought contingency or emergency water demand circumstances.

**SECTION D.
GEOGRAPHIC AREA SERVED**

ArcGIS Web Map



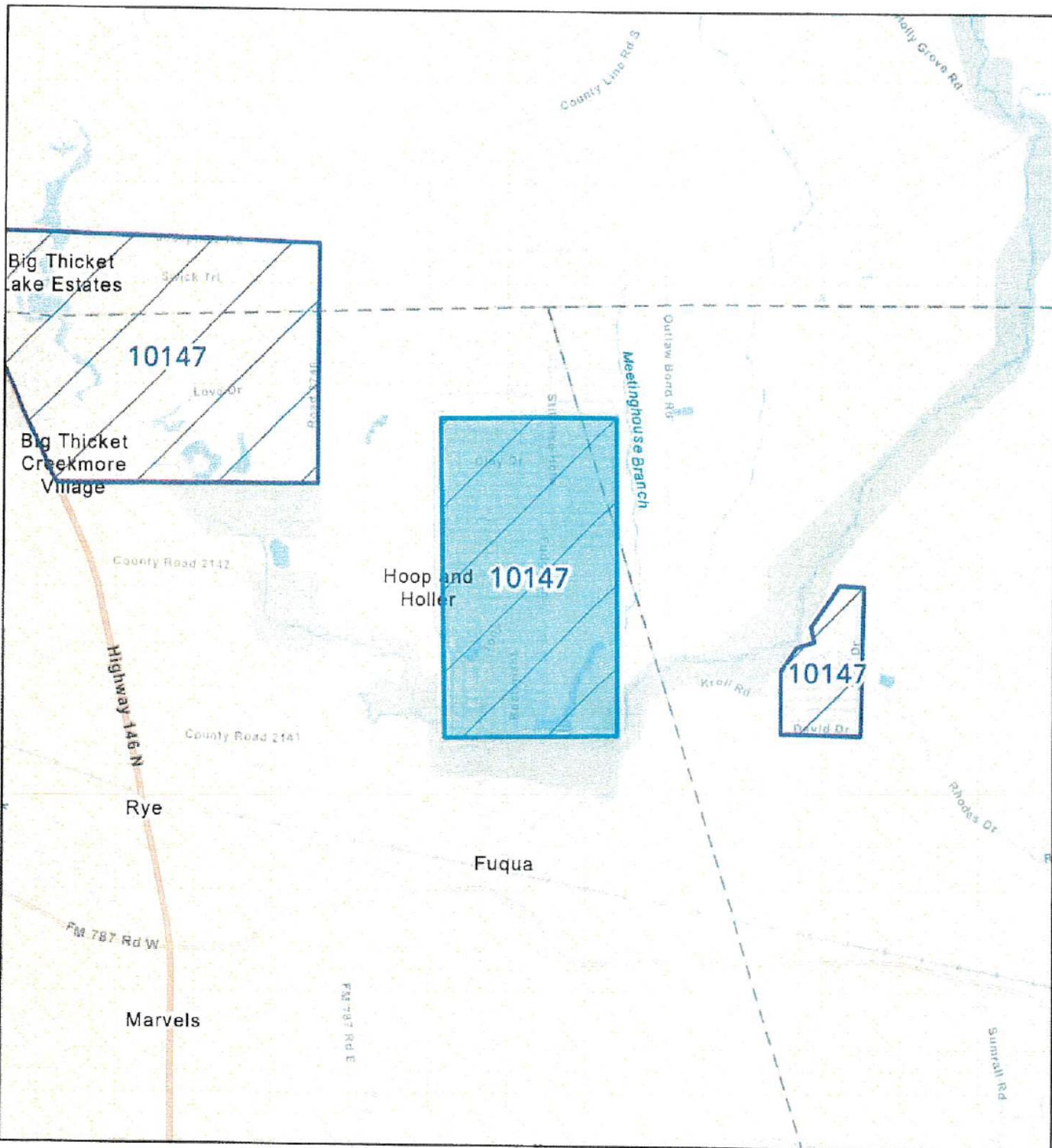
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 Water CCN Service Areas

1:25,996
0 0.17 0.35 0.7 mi
0 0.3 0.6 1.2 km

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

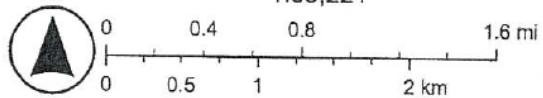
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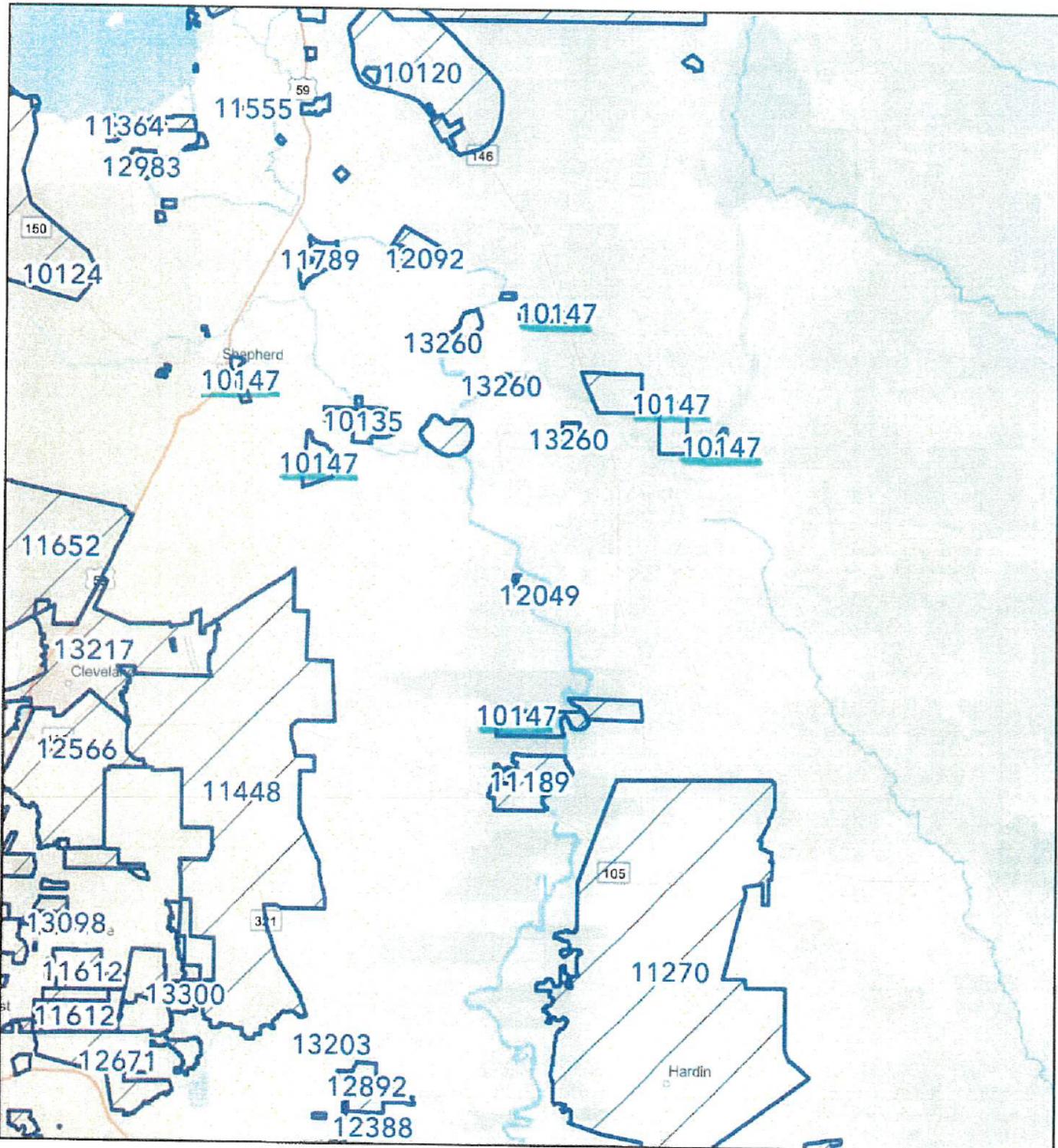
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 Water CCN Service Areas



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

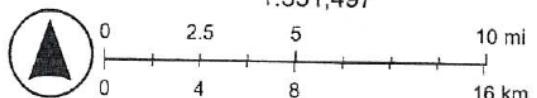
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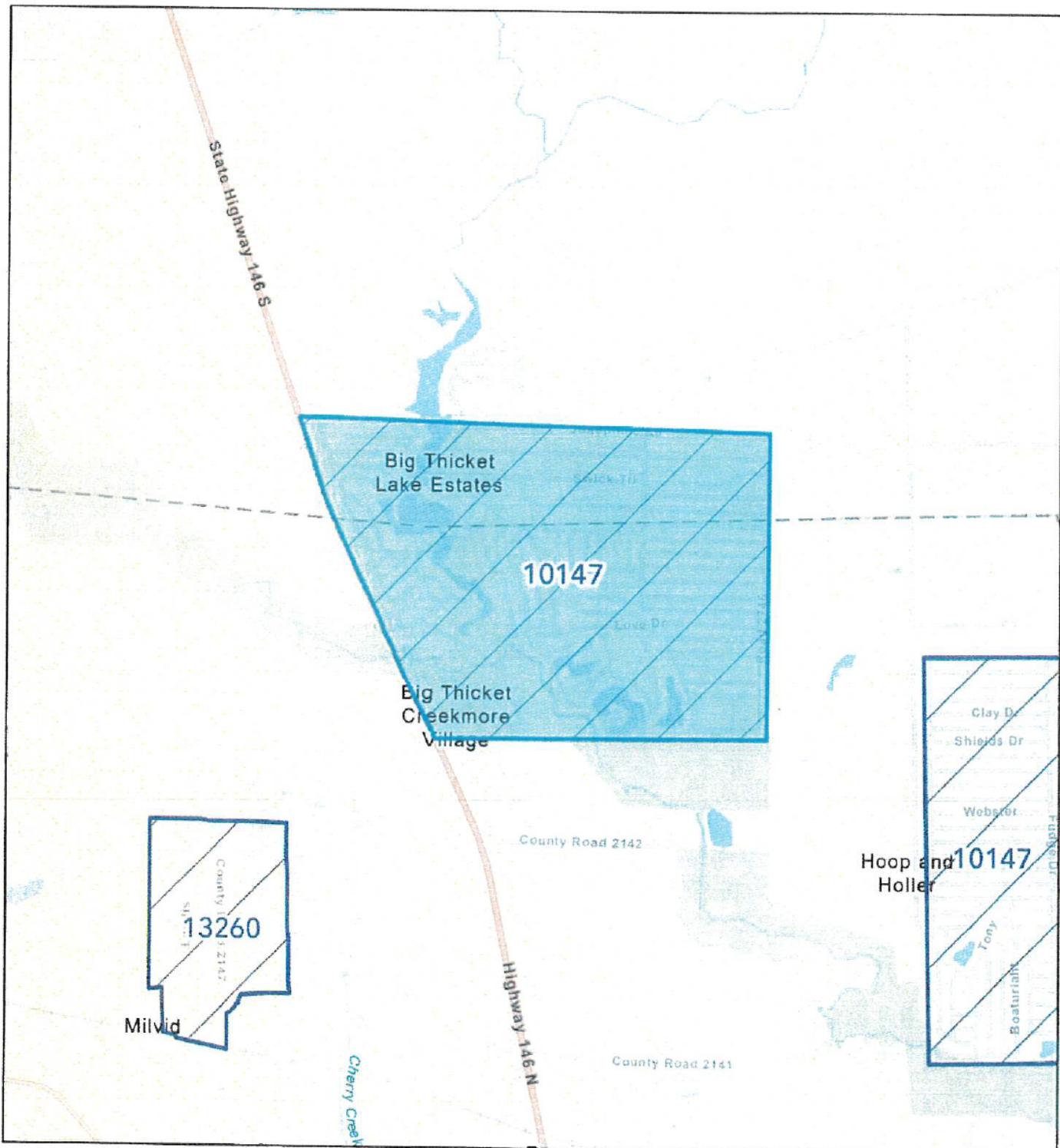
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 Water CCN Service Areas



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

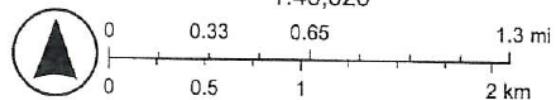
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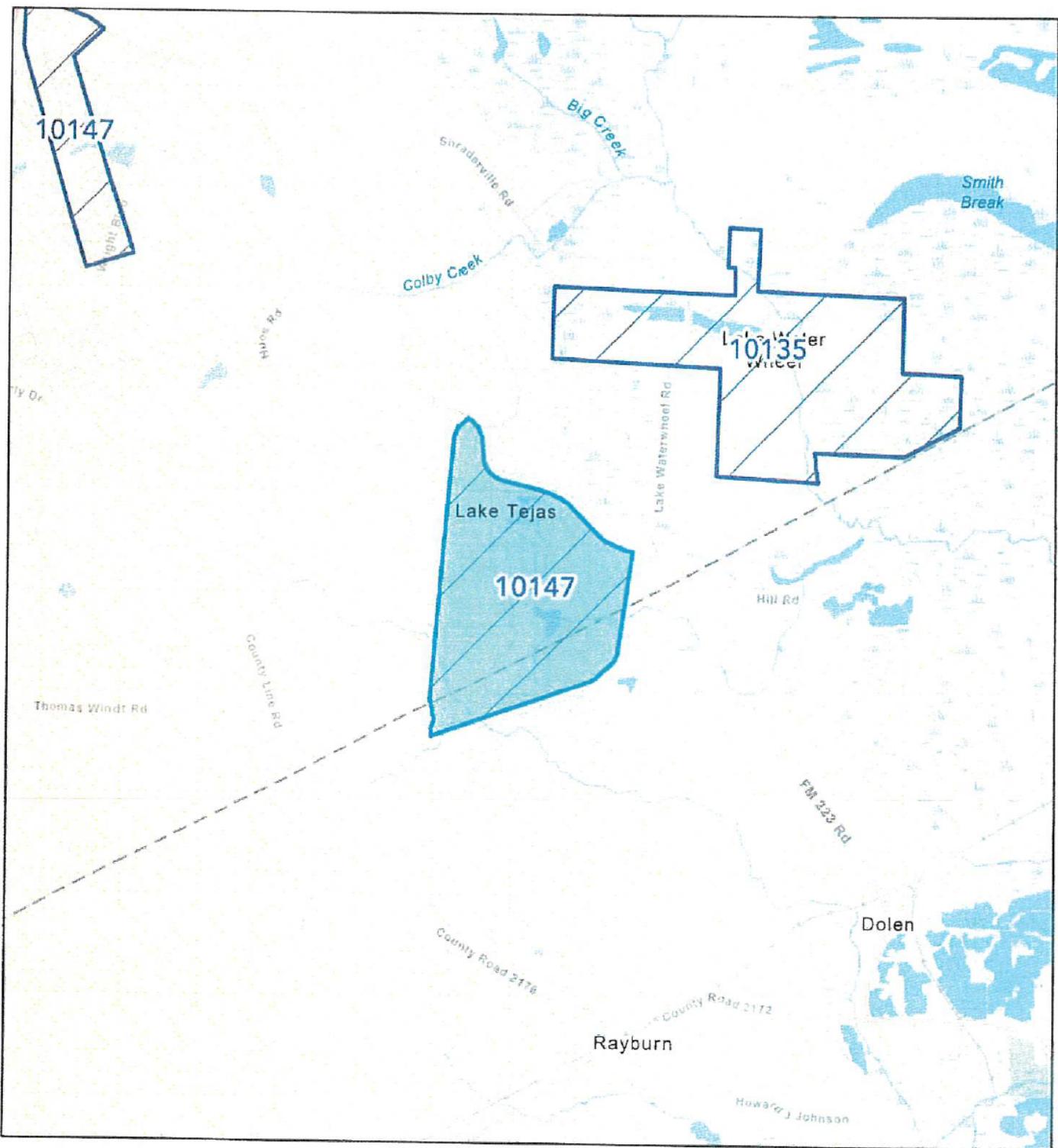
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Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

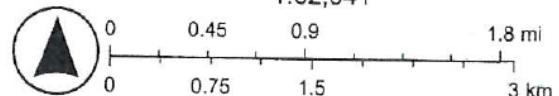
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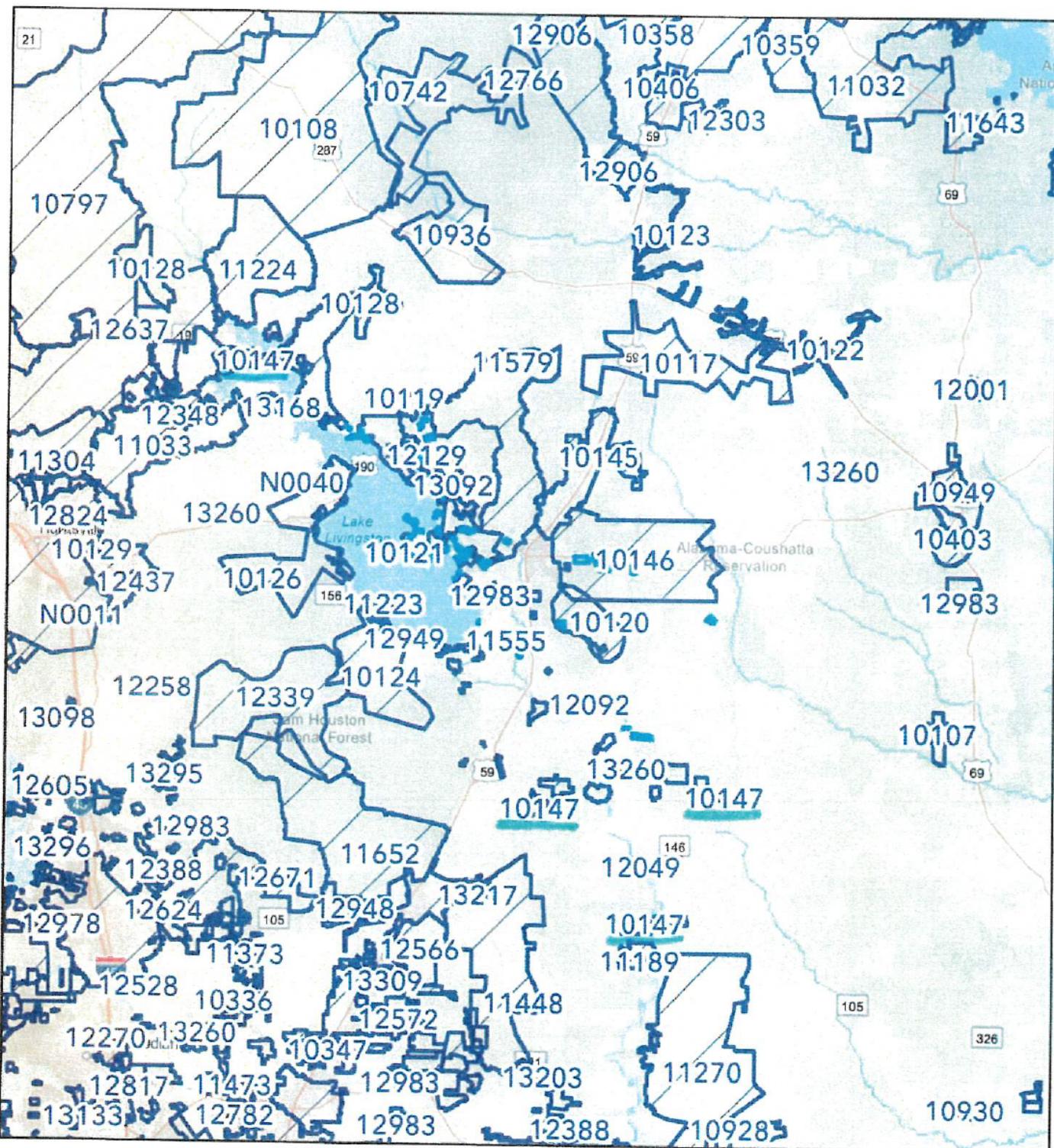
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 Water CCN Service Areas



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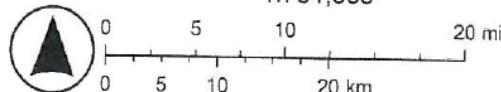
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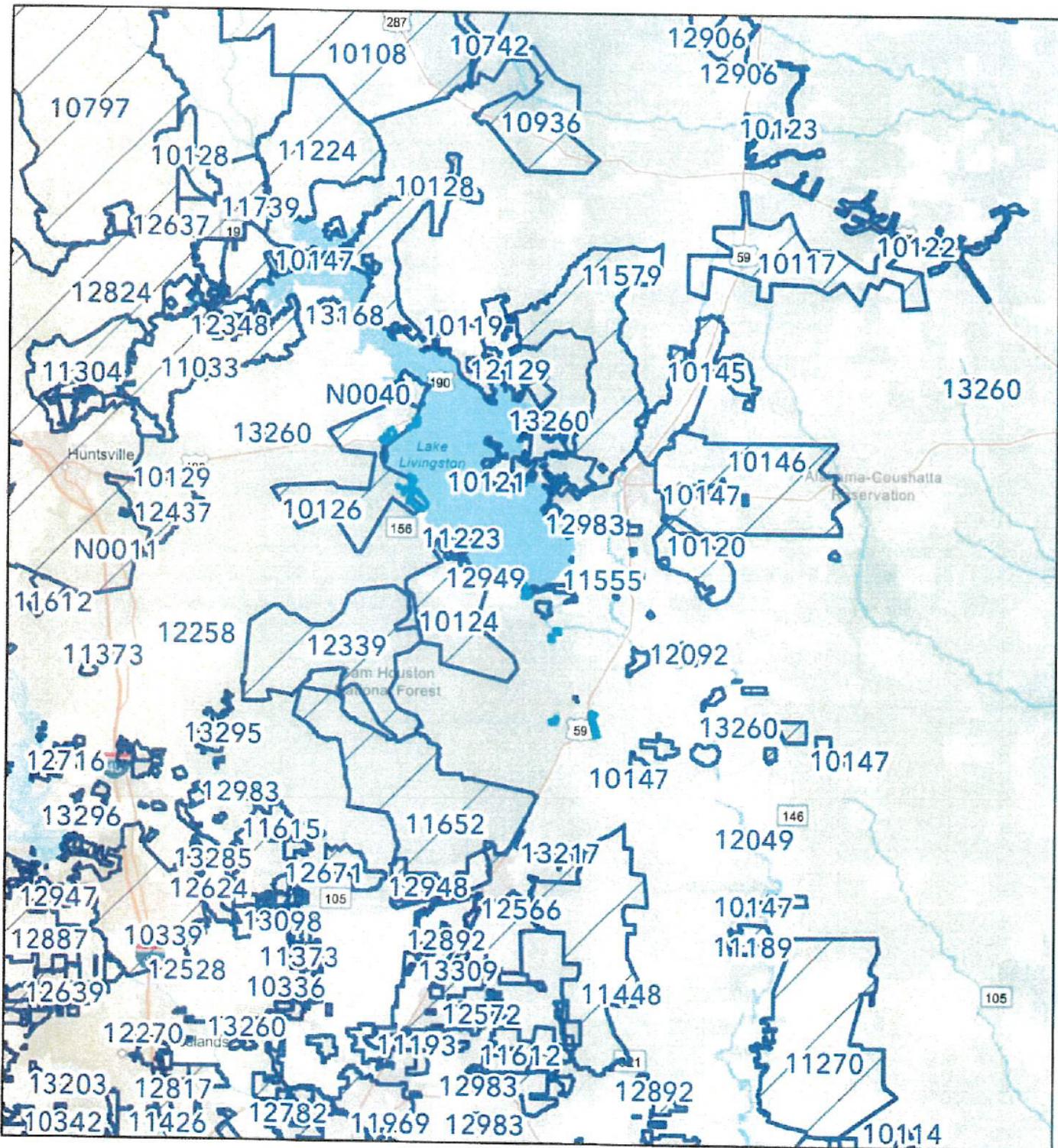
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Water CCN Service Areas



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, OpenStreetMap contributors, and the GIS User Community

ArcGIS Web Map



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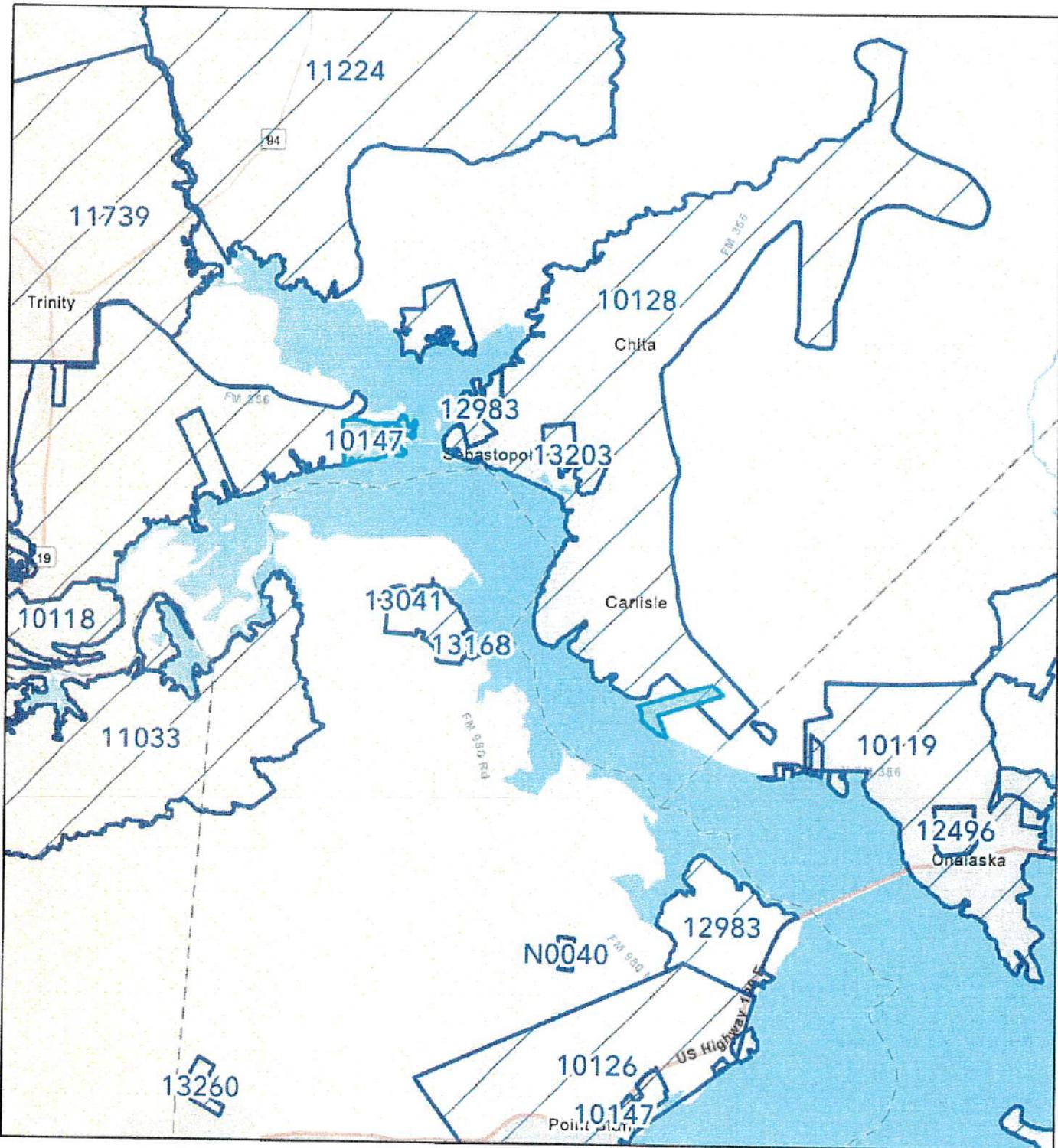
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 Water CCN Service Areas

 0 5 10 20 km

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

ArcGIS Web Map



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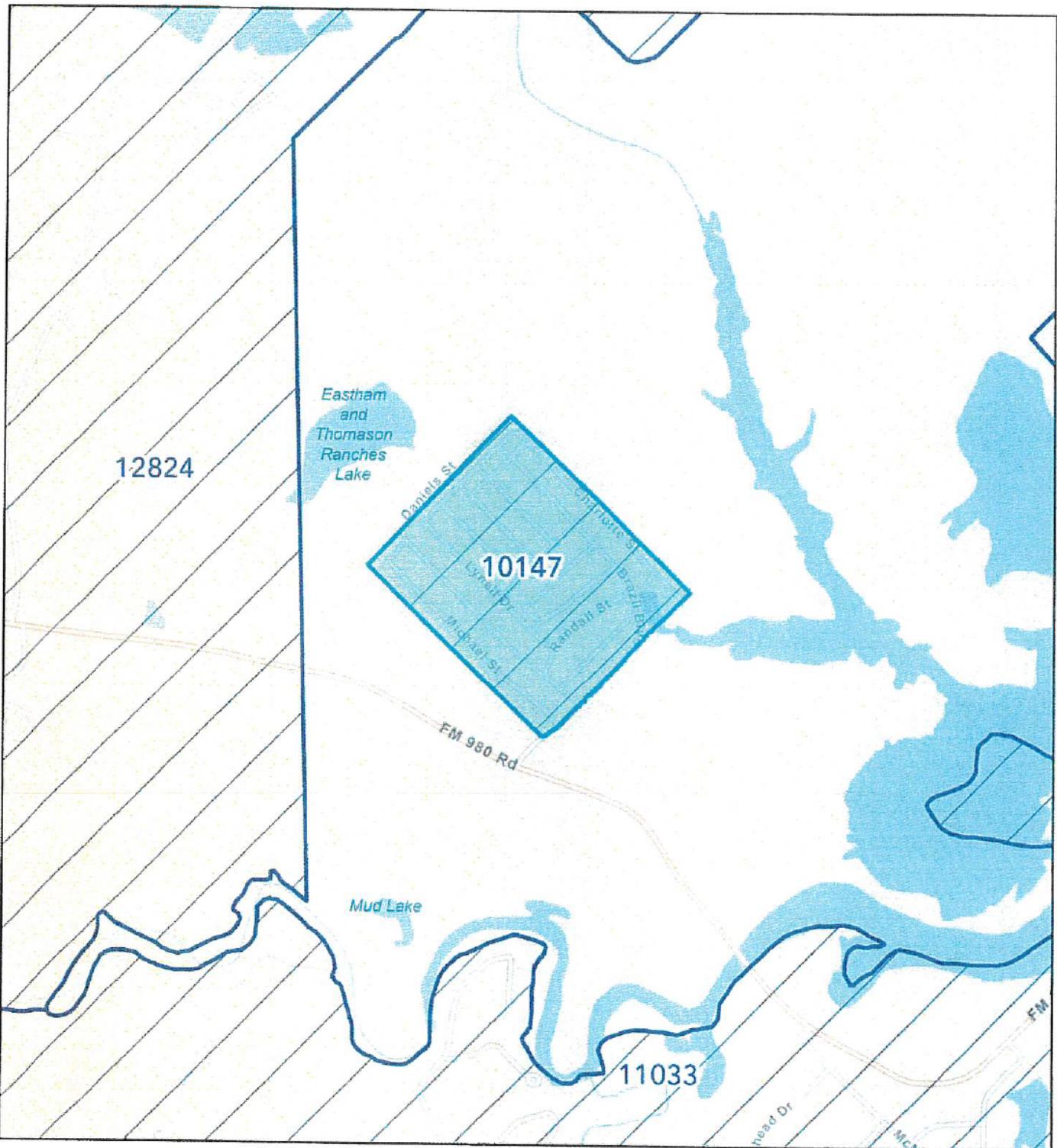
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 Water CCN Service Areas

0 1.25 2.5 5 mi
0 2 4 8 km

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS. © OpenStreetMap contributors, and the GIS User Community

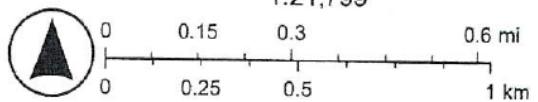
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 Water CCN Service Areas



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SECTION E. **SERVICE RULES AND REGULATIONS**

1. ***Service Entitlement.*** The Applicant(s) shall be considered 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 prescribed.
2. ***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 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 an existing pipeline where pipeline or service facility extensions are not required, and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines.
 - b. **Non-Standard Service** is defined as any service request which requires a larger meter service, service to a Master Metered Account, or an addition to the supply, storage and/or distribution/collection system. The service requirements as prescribed by Section F of this Tariff shall be required of the Non-Standard Service Applicant prior to providing service.
3. ***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, such as the Applicant's spouse, shall sign the Service Application and Agreement Form.
 - 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.
 - b. The Applicant shall provide proof of ownership or proof of right of occupancy/possession with regard to the 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 fee simple title to the real estate designated to receive service. Proof of right of occupancy may be in the form of a lease or other written document acceptable to the Corporation.
 - c. On the request by the property owner or occupant or the owner or occupant'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 meters is not feasible, the property owner or manager shall install a plumbing system that is compatible with the installation of submeters or individual meters. The Corporation shall be entitled to the payment of costs, including the costs of individual meter installations, as provided in Section F.4. The cost of individual 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-The Corporation shall consider master metering and/or non-standard service to apartments, condos, trailer/RV parks, or business centers and other similar type enterprises at an

Applicant's request provided the total number of units to be served are all:

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

- 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.
- 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 easement 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 for the Corporation's system-wide service.

4. *Activation of Standard Service.*

- a. **New Tap** – The Corporation shall charge a non-refundable Tap Fee as required under Section G of this tariff. The Tap Fee shall be quoted in writing to the Applicant. All fees shall be paid in advance of installation.
- b. **Re-Service** – On property where service previously existed, the Corporation shall charge the Membership Fee (where the Membership Fee has been liquidated or refunded), reconnection costs, 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 application requirements have been met. The tap for a standard service request shall be completed within ten (10) working days whenever practicable, but not later than 20 working days. This time may be extended for installation of equipment for Non- Standard Service Request. (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, and maintain any approved backflow prevention device required by the Corporation and provide documentation of such to the Corporation.

5. *Activation of Non-Standard Service.*

- a. **Activation of Non-Standard Service** shall be conducted as prescribed by terms of Section F of this Tariff.
- b. **Re-Service** - The same terms which apply under the Activation of Standard Service Sub-Section on Re-Servicing shall be applied to Non-Standard Re-Service requests. (Section E. 3. b)

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

7. ***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, and payment of the required fees, 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.
- c. **Transfers of Membership.**
 - 1) A Member is entitled to transfer Membership in the Corporation only under the following circumstances:
 - (a) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
 - (b) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
 - (c) The Membership is transferred without compensation or by sale to the Corporation; or
 - (d) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.
 - 2) In the event that Membership is transferred pursuant to the provisions of Sub-Section 7.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 as provided by Sub-Section 7.c. (3).
 - 3) Qualifications for service upon transfer of Membership set forth in Sub-Section 7.c.(1) and 7c.(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, and

(d) The Transferee demonstrates satisfactory evidence of ownership of the property or the right to occupy 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 ten (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 directions of the manager or board.

d. **Cancellation of Membership** – To keep a Membership in good standing, a Service Availability Charge must be paid monthly to the Corporation, whether or not water is used. Failure to pay 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 Sub-Section E.3.a. of this Tariff.

e. **Liquidation Due to Delinquency** – When a Member has a balance that is delinquent for more than thirty (30) days, 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 15.1a. (4)). The Corporation shall collect any remaining account balances by initiation of legal action. Re-instatement of service shall be subject to the terms of the Activation of Service Sub-Section E. 3. of this Tariff.

f. **Cancellation Due to Policy Non-Compliance** – The Corporation may cancel a Membership anytime a Member fails to comply with policies of the Corporation, including but not limited to Member's failure to provide proof of ownership or proof of the right of occupancy of the property from which the Membership arose.

g. **Mortgaging of Memberships** – Nothing herein shall preclude a Member from mortgaging his/her Membership. However, notification to the holder of any security interest (mortgagee/lienholder) of account status of Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage Agreement. See Miscellaneous Transaction Forms). Prior to the cancellation of any Membership as provided under Sub-Section E. 7d. (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.

b. **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 Section E(15)(a) of this tariff, with a copy of the notice to the bankruptcy Trustee.

8. **Owners and Renters.** The Owner shall be responsible for charges at a rental property as allowed by 16 TAC 24.84 (e).

9. **Denial of Service.** The Corporation may deny service for the following reasons:

- a. Failure of the Applicant or Transferee to complete all required easements, forms and pay all required fees and charges.
- b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, bylaws, and this Tarriff 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 applicable state and other governmental rules.
- f. Failure of Applicant or Transferee to provide proof of ownership or proof of right of occupancy, to the satisfaction of the Corporation, of property for which the tap has been requested, and/or
- g. The applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.

10. **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.

11. **Insufficient Grounds for Refusal of Service.** The following shall not constitute sufficient cause for the refusal of service to an Applicant or Member:

- a. Delinquency in payment for service by a previous occupant of the premises to be served.
- b. Failure to pay for the restoration of a tap removed by the utility at its option or removed as the result of tampering or delinquency in payment by a previous customer.
- c. Violation of the Corporation's rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, unless the

Applicant/Member has first been notified and been afforded reasonable opportunity to comply with said rules.

- d. Failure to pay a bill of another customer as guarantor thereof, unless the guarantee was made in writing to the Corporation as a condition precedent to service.
- e. Failure to pay the bill of another customer at the same address except where a change of customer identity is made to avoid or evade payment of a utility bill.
- f. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations; or
- g. The Applicant/Member chooses to use a type of backflow prevention assembly approved under §290.44(h) of Title 30 of the Texas Administrative Code even if the assembly is not the one preferred by the Corporation.

12. ***Deferred Payment Agreement.*** The Corporation may offer a deferred payment plan to a Member who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the Corporation, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement.

13. ***Charge Distribution and Payment Application.***

- a. **The Service Availability Charge** is for the billing period from the first day of the month to the last day of the month. Charges shall be prorated for meter installations and service termination's falling during the billing period. Billings for this amount shall be mailed on or about the 28th 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 Section G and billing shall be calculated in one thousand (1000) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.
- c. **Posting of Payments** – All payments shall be posted against previous balances prior to posting against current billings.

14. ***Due Dates, Delinquent Bills, and Service Disconnection Date.*** All bills are considered the responsibility of each person signing the Service Application and Agreement Form. The Corporation shall mail all bills on or about the 28th day of the month and all bills are due no later than the 16th day of the following month. If a bill is not paid by the 16th day of the month that the bill is due, then a penalty shall be applied as described in Section G. A bill is delinquent if not paid on or before the past due date. A ten (10) day grace period may then be allowed for delayed payments prior to mailing of final notices. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is 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.

- Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15-day payment period for a total of no more than 25 days from the date the bill is issued. The request may

specify extension of the late payment periods for current and subsequent billings.

15. **Rules for Disconnection of Service.** The following describes the rules and conditions for disconnection of service. For the purposes of disconnecting sewer service under these policies, water service will be terminated in lieu of disconnecting sewer service. In instances of nonpayment of sewer service or other violations by a Member who is not a water customer, the Corporation has the option to disconnect the sewer 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.
 - 1) Returned Checks – The Corporation shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the Corporation office. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service. (See Miscellaneous Transaction Forms.) Any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period shall be considered evidence of bad credit risk by the Corporation. The Member/Customer in violation shall be placed on a "cash-only" basis for a period of 12 months. "Cash only" means certified check, money order, or cash.
 - 2) Failure to pay a delinquent account for utility service, failure to timely provide a deposit, 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 (including, where appropriate, Section H), Bylaws, or Special Contract provided that the Corporation has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification.
 - 5) Failure to provide access to the meter under the terms of this Tariff or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify.
 - 6) Misrepresentation by any Applicant or Transferee of any fact on any form, document, or other agreement required to be executed by the Corporation.
 - 7) Failure of Member to re-apply for service upon notification by the Corporation that Member no longer meets the terms of the service classification originally applied for under the original service application.
 - 8) Cancellation of membership by Member on an account that the Member holds for water/sewer service to the Member's renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement. (Note: The cancellation of membership must be in writing and signed by the Member. A copy of the cancellation shall be provided to the tenant of any affected property.) THE 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/LEESSEES.)

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 related to the type of service provided exists. Service may remain disconnected for as long as the condition exists, including, but not limited to, a violation of Chapter 341 of the Texas Health and Safety Code.
- 2) There is reason to believe a dangerous or hazardous condition exists and the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition.
- 3) Service is connected without having an active account for water service or has been reconnected without reestablishing an account following termination of service; or
- 4) In instances of tampering with the Corporation's meter or equipment, by-passing the meter or equipment, or other diversion of service.

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

- 1) Failure of the Member to pay for merchandise or charges for non-utility service provided by the Corporation.
- 2) Failure of the Member to pay for utility services provided to a previous occupant of the premises.
- 3) Failure of the Member to pay for a different type or class of utility service unless the fee for such service is included on the same bill.
- 4) Failure of the Member to pay charges arising from an underbilling due to any misapplication of rates more than six (6) months prior to the current billing.
- 5) Failure of the Member to pay the account of another Member as guarantor thereof, unless the Corporation has in writing the guarantee as a condition precedent to service.
- 6) Failure of the Member to pay 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 subsection E. 19. of this tariff.
- 7) 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.
- 8) Failure of the Member to comply with regulations or rules regarding anything other than the type of service being provided.
- 9) Refusal of a current Member to sign a service agreement; or
- 10) Failure to pay standby fees.

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 Ill and Disabled** – The Corporation may not discontinue service to a delinquent residential Member when that Member establishes that some person residing at that residence will become 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 prior to the

stated date of disconnection 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. Service may be disconnected in accordance with subsection a. of this Section 15 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 customer enters into a Installment Payment Agreement.

- g. **Disconnection Upon Member Request** – The Corporation shall disconnect service no later than the end of the next working day after receiving a written request from the Member.
- h. **Disconnection of Master-Metered Accounts and Non-Standard Sewer 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 should 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 at notices, stating "Termination Notice" in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.
 - 3) The tenants may pay the Corporation for any delinquent bill on behalf of the owner to avert disconnection or to reconnect service to the complex.
- i. **Disconnection of Temporary Service** – When an Applicant with a Temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this Tariff, service may be terminated with notice.

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

17. ***Back-billing.*** The Corporation may back-bill a Member for up to forty-eight (48) months for meter error, misapplied meter multiplier, incorrect meter readings, illegal connection (a connection made without an active account in good standing), or error in a Member's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service.

18. ***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.

19. ***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.

20. ***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. 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 Miscellaneous Transaction Forms.)

21. ***Leak Loss Adjustment.*** The corporation recognizes that an unforeseen catastrophic water leak can have considerable financial impact on its Members. The purpose of this Leak Loss Adjustment is to provide the Member with some relief from abnormally high bills resulting from a verified leak on the Member's side at the point of service. A water leak adjustment will be applied to one (1) billing cycle only and is limited to one (1) per account per year.

- a. Water usage must be at least five (5) times above the average consumption for the prior twelve (12) months.
- b. A written request from the Member for the Leak Loss Adjustment along with the payment contract signed by the Member.

1) The leak loss calculation is as follows:

Monthly minimum base rate plus the usage will be billed at the lowest tiered rate.

If the Member who qualifies for a Leak Loss Adjustment is unable to pay the balance owed by the due date, the Member must sign a Deferred Payment Agreement and will have the option to pay the balance within six (6) months.

22. ***Meter Tampering and Diversion.*** Meter-tampering, by-passing, or diversion shall include, but not limited to:

- a. removing a locking or shut-off devise used by the Corporation to discontinue service,
- b. physically disorienting the meter,
- c. attaching objects to the meter to divert water service or to by-pass the meter,
- d. inserting objects into the meter, and
- e. using electrical and mechanical means of tampering with by-passing or diverting water service.

Unauthorized users of water service may be prosecuted under Texas Penal Code Section 28.03.

23. ***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.
- c. The Member pays the actual cost of relocation plus administrative fees, and
- d. Service capacity is available at the proposed location.

24. ***Prohibition of Multiple Connections to A Single Tap.*** No more than one (1) residential, commercial, or industrial service connection is allowed per meter. The Corporation may consider allowing an apartment building or mobile home/RV park to apply as a "Master Metered Account" and have a single meter. Any unauthorized submetering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. If the Corporation has sufficient reason to believe a

Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with Notice provisions of this Tariff. (See Sample Application Packet RUS-TX Bulletin 1780-9 (Rev. 5/99).)

25. ***Member's Responsibility.***

- a. The Member shall provide access to the meter 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.
- 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.
 - 1) 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.
 - 2) The use of pipe and pipe fittings that contain more than 0.2% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant.
- 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 Service Application and Agreement executed by the Member.
- d. The Corporation's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the Corporation shall be subject to charges as determined by the Corporation's Tariff as amended from time to time by the Board of Directors.
- e. The Corporation shall require each Member to have a cut-off valve on the Member's side of the meter for purposes of isolating the Member's service pipeline and plumbing facilities from the Corporation's water pressure. The valve shall meet AWWA standards (a ball valve is preferred). The Member's use of the Corporation's curb stops 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 may be installed as a part of the original meter installation by the Corporation.)

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

1. ***Corporation's Limitations.*** All Applicants shall recognize that the Corporation must comply with local, state, and federal rules and regulations as promulgated from time to time, and with covenants of current indebtedness. The Corporation is not required to extend retail utility service to an Applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this policy. Section 13.2502 of the Texas Water Code requires that notice be given herein or by publication or by alternative means to the Developers/Applicants. (Also see Section F. 11.)
2. ***Purpose.*** It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions and other kinds of Non-Standard Service are determined, including the Non-Standard 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 Non-Standard 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 Non-Standard Service will be furnished to the property. In most cases, the Applicant shall be the owner of real property for which Non-Standard 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 Non-Standard Service on behalf of such owner, or that it otherwise has authority to request Non-Standard Service for the real property.

3. ***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 non-standard 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 200 feet. Non-residential service applications typically will be considered non-standard. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard. This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.

This Section sets forth the general terms and conditions pursuant to which the Corporation will process Non-Standard Service Application. The specific terms and conditions pursuant to which the Corporation will provide non-standard 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.

4. ***Non-Standard Service Application.*** The Applicant shall meet the following requirements prior to the initiation of a Non-Standard Service Contract by the Corporation:

- a. The Applicant shall provide the Corporation a completed Service Application and Agreement giving special attention to the item(s) on SPECIAL SERVICE NEEDS OF THE APPLICANT.
- b. A final plat approved by the Corporation must accompany the Application showing the Applicant's requested service area. The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
- c. A Non-Standard Service Investigation Fee shall be paid to the Corporation in accordance with the requirements of Section G for purposes of paying initial administrative, legal, and engineering fees. The Corporation shall refund any balance that remains 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 all remaining expenses that have been, or will be incurred by the Corporation and Corporation shall have no obligation to complete processing of the request 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, service may be extended provided that:
 - 1) The service location is not in an area receiving similar service from another retail utility.
 - 2) The service location is not within another retail utility's Certificate of Convenience and Necessity; and
 - 3) The Corporation's Certificate of Convenience and Necessity shall be amended to include the entirety of the 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 Certificate of Convenience and Necessity, 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 legal, surveying and engineering fees incurred by Corporation in securing the amendment).

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

- a. The Corporation's Consulting 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 Consulting Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee under Section 4.
- c. The Consulting Engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.

d. The Corporation's Engineer shall ensure all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in an application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands provided however, that the Corporation shall pay the expense of such upgrading in excess of the Applicant's facility requirements.

6. ***Non-Standard Service Contract.*** Applicants requesting or requiring Non-Standard Service may be required to execute a written contract, drawn up by the Corporation's Attorney, in addition to submitting the Corporation's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. The service contract may include, but is not limited to:

- a. All costs associated with required administration, design, construction, and inspection of facilities for water/sewer service to the Applicant's service area and terms by which these costs are to be paid.
- b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
- c. Equity Buy-In Fee (Front-end Capital Contributions) required by the Corporation in addition to the other costs required under this Section.
- d. Monthly Reserved Service Charges as applicable to the service request.
- e. Terms by which service capacity shall be reserved for the Applicant and duration of reserved service with respect to the impact the Applicant's service demand will have upon the Corporation's system capability to meet other service requests.
- f. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Equity Buy-In Fees.
- g. Terms by which the Corporation shall administer the Applicant's project with respect to:
 - 1) Design of the Applicant's service facilities.
 - 2) Securing and qualifying bids.
 - 3) Execution of the Service Agreement.
 - 4) Selection of a qualified bidder for construction.
 - 5) Dispensing advanced funds for construction of facilities required for the Applicant's service.
 - 6) Inspecting construction of facilities; and
 - 7) Testing facilities and closing the project.
- h. Terms by which the Applicant shall indemnify the Corporation from all third-party claims or lawsuits in connection with the project.
- i. 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.
- j. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

The Corporation and the Applicant must execute a Non-Standard Service Contract prior to the 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 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), 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, or take any other lawful action determined appropriate by the Board of Directors of the Corporation.

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 Applicant shall secure easements or title to facility sites in behalf of the Corporation. All right-of-way easements and property titles shall be researched, validated, and filed by the Corporation at the expense of the Applicant.
- b. All costs associated with facilities that must be installed in public rights-of-way on behalf of the Applicant, due to the inability of the Applicant to secure private right-of-way easements, shall be paid by the Applicant. Alternatively, Applicant shall pay all costs, including legal and other professional fees, and the condemnation award in the event Corporation secures such private easements or facility sites through eminent domain proceedings.
- c. The Corporation shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to property required for other on-site facilities.
- d. Easements and facilities sites shall be prepared for the construction of the Corporation's pipeline and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.

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

- a. The Applicant shall sign the Service Contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project.
- b. The Contractor shall provide an adequate bid bond under terms acceptable to the Corporation.
- c. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation.
- d. The Contractor shall supply favorable references acceptable to the Corporation.
- e. The Contractor shall qualify with the Corporation as competent to complete the work; and
- f. The Contractor shall provide adequate certificates of insurance as required by the Corporation.

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

10. *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, 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 compliance with Corporation standards.
- 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 construction or operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

11. ***Service within Subdivisions*** – The Corporation's objective is to provide service to any customer located within a subdivision governed by this section is strictly limited to the nonstandard service specified by the Applicant. The Applicant is responsible for paying for all costs necessary for non-standard 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 within such subdivision before the Corporation is obligated to provide water/sewer service. In addition, the Corporation may elect to pursue any remedies provided by the Non-Standard Service Contract. Applicant is advised that purchasers of lots also may have legal recourse to the Applicant under Texas law.

SECTION G. **RATES AND SERVICE FEES**

Unless specifically defined in this Tariff, all fees, rates, and charges as 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, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted, and the results reported under the following terms:

- a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application. (See Section G. 4. a., below.)
- b. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant to;
 - (1) provide cost estimates of the project,
 - (2) to present detailed plans and specifications as per final plat,
 - (3) to advertise and accept bids for the project,
 - (4) to present a Non-Standard Service Contract to the Applicant, and
 - (5) to provide other services as required by the Corporation for such an 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 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.

- a. The Membership Fee for water service is \$100.00 for each service unit.

3. ***Easement Fee.*** When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites on behalf of the Applicant. (See Section F. 7. a.)

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, customer service inspection, and administrative costs necessary to provide individual metered water or wastewater 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, inspection, administration, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.

- c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations or other system improvements.

5. **Equity Buy-In Fee.** In addition to the Membership Fee, each Applicant shall be required to achieve parity with Members. This fee shall be assessed immediately prior to providing or reserving service on a per-service unit basis for each tap/lot and shall be assigned and restricted to the tap/lot for which the service was originally requested. The fee charged shall be \$700.00.

6. **Monthly Charges.**

a. **Service Availability Charge**

(1) Water Service – The monthly charge for metered water service, which may or may not include allowable gallonage, 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 Service Availability Charge and allowable gallonage. Rates and equivalents are as follows:

RESIDENTIAL

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$54.00

COMMERCIAL

1"	2.5	\$131.25
1 1/2"	5.0	\$262.50
2"	8.0	\$420.00
3" CMPD	16.0	\$619.52
4" CMPD.	25.0	\$968.00
6" CMPD.	50.0	\$1936.00

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

(1) Water – is charged as follows:

Base Rate	Water Rate	Step
\$54.00	5/8 x 3/4	
	\$5.50	0 to 1,000 gallons
	\$8.75	1,001 to 4,000 gallons
	\$11.50	4,001 to 7,000 gallons
	\$13.75	7,001 to 10,000 gallons
	\$16.00	10,001 to 13,000 gallons
	\$18.25	13,001 and up

(2) The Corporation shall, as required by Section 5.235, Water Code of the State of Texas, 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 Section

G.6. Monthly Charges of this tariff.

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

7. ***Late Payment Fee.*** Once per billing period, a penalty of \$5.00 or 10%, whichever is larger, shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing but shall be applied to any unpaid balance during the current billing period. NOTE: For Political Subdivisions and state agencies the above late payment fee does not apply. Instead, a late penalty of 1% shall be assessed for any amount unpaid on the 46th day after the bill is received by the state agency or political subdivision and an additional 1% shall be assessed for each month thereafter that the bill remains unpaid.

8. ***Returned Check Fee.*** In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$35.00.

9. ***Reconnect Fee.*** The Corporation shall charge a fee of \$50.00 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 Section E.4.b. Re-Service.

10. ***Service Trip Fee.*** The Corporation shall charge a trip fee of \$200.00 for any service call or trip to the Member's tap as a result of a request by the Member or resident (unless the service call is in response to damage of the Corporation's or another Member's facilities) or for the purpose of disconnecting.

11. ***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, 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. If the Corporation's facilities or equipment have been damaged due to negligence or unauthorized use of the Corporation's equipment, right-of-way, or meter shut-off valve, or due to other acts for which the Corporation incurs losses or damages, the Member shall be liable for all labor and material charges incurred as a result of said acts or negligence.

12. ***Customer History Report Fee.*** A fee of \$25.00 shall be charged to provide a copy of the Members record of past water purchases in response to a Member's request for such a record.

13. ***Meter Test Fee.*** The Corporation shall test a Member's meter upon written request of the Member.

Under the terms of Section E of this Tariff, a charge of \$100.00 shall be imposed on the affected account.

14. *Transfer Fee.* An Applicant for service who is a Transferee shall complete all required application forms, etc.

15. *Information Disclosure Fee.* All public information except that which has been individually requested as confidential shall be available to the public for a fee to be determined by the Corporation based on the level of service and costs to provide such information, but not to be inconsistent with the terms of the Texas Publication Information Act: Chapter 552, Texas Government Code.

16. *Franchise Fee Assessment.* A fee for water service as required by City Ordinance is not applicable at this time.

17. *Regulatory Assessment.* A fee of 0.5% of the amount billed for water/sewer service will be assessed each customer; this assessment is required under Texas law and TCEQ regulations. **NOTE: The regulatory assessment is not to be collected from state agencies, wholesale customers, or buyers of non-potable (not drinkable) water. (Ref. TCEQ RG-199 revised Oct. 2002. TCEQ Section 291.76 (c)).**

18. *Additional Assessments.* In the event any federal, state or local government imposes on the Corporation a "per meter" fee, or an assessment based on a percent of water/sewer charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.

19. *Groundwater District Production Fee.* A fee of .05 per thousand gallons of water used by each customer; this fee is collected to pay a portion of the annual fee charged the Corporation by governing Groundwater Conservation District based on the amount of water pumped from the Corporation's wells located within the boundaries of the District.

20. *Deposit/Security Fee.* At the time the application for service is approved, a refundable deposit fee of \$300.00 will be required. This deposit will be refunded upon the Applicant's request after twelve (12) months of service with no more than three (3) late charges or penalties charged to the Applicant's account. Without the Applicant's request, the deposit will be refunded at the time the Applicant's account is closed less any outstanding amounts due the Corporation. The Deposit/Security Fee will be waived with a Letter of Credit from the Applicant's last utility showing the most recent twelve-month (12) period of service without penalties or late charges assessed to their 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 customer or Member shall be charged to the recipient based on the cost of providing such service.

SECTION H.
DROUGHT CONTINGENCY
AND
EMERGENCY WATER DEMAND MANAGEMENT PLAN

1. *INTRODUCTION*

The goal of this plan is to cause a reduction in water use in response to drought or emergency conditions so that the water will be available. Since emergency conditions can occur rapidly, responses must also be enacted quickly. This plan has been prepared in advance considering conditions that will initiate and terminate the Emergency Management program.

A Drought/Emergency Management Committee consisting of two Board Members and the General Manager will monitor usage patterns and public education efforts and will make recommendations to the Board on future conservation efforts, demand management procedures or any changes to this plan. The Committee will develop public awareness notices, bill stuffers, and other methods that will begin and continue as a constant type of reminder that water should be conserved at all times, not just during a drought or emergency. This Committee will also review and evaluate any needed amendments or major changes to this plan that may be needed due to changes in the service area population, distribution system or supply. This review and evaluation will be done at least every five years unless conditions necessitate more frequent amendments. (30 TAC 288.20(c))

The plan will be implemented according to the three (3) drought response stages as determined by the Board. Section 4 describes the conditions that will trigger these stages.

2. *PUBLIC INVOLVEMENT*

Opportunity for the public to provide input into the preparation of the Plan was provided by the Board by scheduling and providing public notice of a public meeting to accept input on the Plan. Notice of the meeting was provided to all customers. In the adoption of this plan, the Board considered all comments from customers.

3. *COORDINATION WITH REGIONAL WATER PLANNING GROUP*

Being located within Region H area and the Region I area, a copy of this Plan has been provided to each Regional Water Planning Group.

4. *TRIGGER CONDITIONS*

The Drought/Emergency Management Committee is responsible for monitoring water supply and demand conditions on a weekly basis (or more frequently if conditions warrant) and shall determine when conditions warrant initiation or termination of each stage of the plan, that is, when the specified triggers are reached. The Committee will monitor monthly operating reports, water supply or storage tank levels and/or rainfall as needed to determine when trigger conditions are reached. The triggering conditions described below take into consideration: the vulnerability of the water source under drought of record conditions; the production, treatment and distribution capacities of the system, and customer usage based upon historical patterns.

All trigger conditions shall be based upon individual Public Water Systems as determined by the systems PWS ID number. In the event that two or more Public Water Systems are interconnected they shall be treated as one Public Water System for trigger conditions.

1. Stage I - Mild Condition: Stage I will be implemented when one or more of the following conditions exist:
 - a. Water consumption has reached eighty percent (80%) of daily maximum supply for five (5) consecutive days.
 - b. Water supply is reduced to a level that is only twenty percent (20%) greater than the average consumption for the previous month.
 - c. There is an extended period (at least eight (8) weeks) of low rainfall and daily use has risen twenty percent (20%) above the use for the same period during the previous year.
2. Stage II - Moderate Conditions: Stage II rationing condition will be implemented when one of the following conditions exist:
 - a. Water consumption has reached ninety percent (90%) of the amount available for five (5) consecutive days.
3. Stage III - Severe Conditions: Stage III rationing will be implemented when one of the following four conditions exist:
 - a. Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of twenty-four (24) hours or longer.
 - b. Water consumption of ninety-five percent (95%) or more of the maximum available for (5) five consecutive days.
 - c. Water consumption of one hundred percent (100%) of the maximum available and the water storage levels in the system drop during one twenty-four (24) hour period.
 - d. Other unforeseen events which could cause imminent health or safety risks to the public.
4. Trigger Conditions for Public Water Systems that have been granted a waiver pursuant to 30 TAC 291.93(3)(C):

Mild Condition – Stage I may be implemented when the following condition exists:

- a. There is an extended period of at least eight (8) weeks with little or no rainfall and daily use has risen twenty percent (20%) above the use of the same period during the previous year.

Moderate Condition – Stage II may be implemented when the following condition exists:

- a. Water consumption has reached ninety-five percent (95%) of the amount available for five (5) consecutive days.

Severe Condition – Stage III may be implemented when the following conditions exists:

- a. Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of twenty-four (24) hours or longer.

- b. Water consumption of one hundred percent (100%) of the maximum available and the water storage levels in the system drop during one twenty-four (24) hour period.
- c. Other unforeseen events which could cause imminent health or safety risks to the public.

5. STAGE OF WATER RATIONING

An appropriate stage of rationing will be placed in effect by the triggers in Section 4. The Corporation shall institute monitoring and enforce penalties for violations of the Rationing Program for each of the Stages listed below. The rationing measures are summarized below:

- 1. Stage I - Mild Conditions
 - a. Alternate day, time of day, or limiting of time restrictions for outside water usage allowed. (Corporation will notify Customers which restriction is in effect.)
 - b. Reduce flushing operations.
 - c. Encourage reduction of water use through the notice on bills or other method.
 - d. Target: These management practices shall remain in effect until sufficient reductions have been achieved so as to bring consumption below trigger levels for three (3) consecutive days.
- 2. Stage II - Moderate Conditions
 - a. All outside water use prohibited (except for a livestock).
 - b. Public service announcements as conditions change via local media (TV, radio, newspapers, etc.).
 - c. Target: These management practices shall remain in effect until sufficient reductions have been achieved so as to bring consumption below trigger levels for three (3) consecutive days.
- 3. Stage III - Severe Conditions
 - a. All outside watering prohibited and livestock watering prohibited.
 - b. Water use restricted to a percentage of each Member's prior month's usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
 - c. Corporation shall continue enforcement and educational efforts.
 - d. Target: These management practices shall remain in effect until sufficient reductions have been achieved so as to bring consumption below trigger levels for three (3) consecutive days.

6. INITIATION AND TERMINATION PROCEDURES

Once a trigger condition occurs, the Corporation, shall, based on recommendation from the Chairperson of the Drought/Emergency Management Committee, decide which, if any, stage of rationing shall be initiated. The initiation may be delayed if there is a reasonable possibility the water system performance will not be compromised by the condition.

Written notice of the proposed stage of water rationing shall be mailed or delivered to each affected customer upon the initiation of each stage. In addition, upon adoption of Stage II or Stage III rationing, a notice will be placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:

- a. The date water rationing shall begin,
- b. The expected duration,
- c. The stage (level) of water rationing to be employed,
- d. Penalty for violations of the water rationing, and
- e. Affected area or areas.

When the trigger condition no longer exists the Corporation may terminate the water rationing. Written notice of the end of rationing shall be given to customers. A rationing period may not exceed sixty (60) days. The Board may extend the period.

7. PENALTIES FOR VIOLATIONS

- a. First Violation – The member will be notified by a written notice of the specific violation and the need to comply with these rules. The notice will show the amount of penalty to be assessed for continued violations.
- b. Termination – The Corporation will terminate service for up to seven (7) days for continuing violations after penalties are assessed under this subsection (b). Service will remain off until any delinquent penalty * or other assessment is fully paid including a charge for the service call to restore service.

These provisions apply to all customers of the Corporation.

8. EXEMPTIONS OR WAIVERS

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

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

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the Drought/Emergency Management Committee within five (5) days after the Plan or a particular drought response stage has been invoked or after a condition justifying the variance first occurs. All petitions for variances shall be reviewed by the Committee and shall include the following:

- Name and address of the petitioner(s).
- Purpose of water use.
- Specific provision(s) of the Plan from which the petitioner is requesting relief.

- Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan.
- Description of the relief requested.
- Period of time for which the variance is sought.
- Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- Other pertinent information, as requested by the Committee.

Variances granted by the Committee shall be subject to the following conditions, unless specifically waived or modified by the Committee or Board of Directors:

- Variances granted shall include a timetable for compliance.
- Variances granted shall expire when the applicable water rationing is no longer in effect, unless the petitioner has failed to meet specified requirements. No variance allowed for a condition requiring water rationing will continue beyond the termination of the applicable Stage I under Sections 4 and 5. Any variance for a subsequent water rationing must be petitioned again. The fact that a variance has been granted in response to a petition will be used in the Committee's decision on any subsequent petition.

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

9. ALTERNATIVE SOURCES

Lake Livingston Water Supply Corporation is currently undertaking several projects that will diversify its portfolio of groundwater sources as well as adding a surface water treatment plant.

10. IMPLEMENTATION

The Board establishes a Drought/Emergency Management Committee by Resolution, the chairperson of which will be the responsible representative to make Drought and Emergency Water Management actions. This Committee will review the procedures in this plan at least annually. Modifications may be required to accommodate system growth, changes in water use demand, available water supply and/or other circumstances.

This Plan was adopted by the Board at a properly noticed meeting held on September 25, 2025.

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