

TARIFF

**CORPORATION OPERATING POLICIES,
RATES, FEES, RULES AND REGULATIONS**

**LEROY-TOURS-GERALD WATER SUPPLY CORPORATION
CERTIFICATE OF CONVENIENCE AND NECESSITY NUMBER 10025**

P. O. BOX 22

LEROY, TEXAS

254-822-1343

REVISED, AMENDED AND READOPTED BY THE BOARD OF DIRECTORS

ON AUGUST 12, 2004

TO BECOME EFFECTIVE ON AUGUST 12, 2004

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SECTION A.

RESOLUTION AND AUTHORITY

RESOLVED BY THE BOARD OF DIRECTORS OF THE LEROY-TOURS-GERALD WATER SUPPLY CORPORATION THAT:

1. The original Tariff of the Leroy-Tours-Gerald Water Supply Corporation, hereinafter called the "Corporation", was adopted on January 11, 1990, and became effective on March 1, 1990. Since adoption, the 1990 Tariff has been amended a number of times.
2. Numerous non substantive changes are needed throughout the 1990 Tariff to correct grammar, spelling, punctuation, terminology and to improve its readability and understandability. Also, it is deemed necessary to amend the hereinafter described portions of the 1990 Tariff by deleting the following portions or subsections: Section C – Membership Certificate and Reservice, Subsection E.4.b., Subsection E. 6. c.(3)(d), Subsection E. 6. c.(3)(f), Subsection E. 6. g. and Subsection G. 14; and by revising the following subsections to read as set forth in the revised Tariff: Subsection E. 6. b., Subsection E. 6. d., Subsection E. 23. c., Subsection F. 8. d., Subsection F. 10. c., Subsection G. 1. a., Subsection G. 2. and Subsection G. 9.
3. This revised Tariff of the Corporation, consisting of Sections A through I inclusive, as amended, is hereby readopted and reenacted as the current and enacted regulations that shall supersede all policies passed by the Board of Directors before the effective date hereof, to the extent provided in Section 4., below.
4. No prior agreement executed by the Board of Directors is repealed by any provision contained herein, save and except, as provided in the terms of that particular agreement.
5. The adoption of the provisions of this revised Tariff shall not affect any offense or act committed or done, or any penalty of forfeiture incurred, or any contract or vested right established or accruing before the effective date of this revised Tariff.

6. An official copy of this policy shall be made available to the Membership of this Corporation, during regular office hours of the Corporation. Requests for copies of this Tariff shall be subject to reproduction charges. The Secretary of the Corporation shall maintain the original copy, as approved, and shall clearly exhibit all future additions, deletions and amendments separately.
7. This revised Tariff shall take effect on October 9, 2003, as provided by law, and according to its terms. All rules and regulations of any State and Federal agencies having applicable jurisdiction, promulgated under any applicable State or Federal Law, shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, word or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected thereby.

PASSED AND APPROVED this the 12th day of August, 2004.

EFFECTIVE DATE: August 12, 2004.

Richard Kusler, President of the Corporation

SEAL:

ATTEST:

Jack Anthony, Secretary of the Corporation

SECTION B.
STATEMENTS

1. Organization. The Leroy-Tours-Gerald Water Supply Corporation is a member-owned, nonprofit corporation incorporated pursuant to the provisions of Tex. Rev. Civ. Stat. Ann., art. 1434a as supplemented by the Texas Nonprofit Corporation Act, Tex. Rev. Civ. Stat. Ann., art 1396, for the purpose of furnishing a potable water utility service. The Corporation's operating policies, rates, tariffs, and regulations are formulated and effected by a Board of Directors elected by the Members of the Corporation.
2. Nondiscrimination Policy. Membership in the Corporation and service of water is provided to all Applicants who comply with the provisions of this Tariff, regardless of race, creed, color, national origin, sex, or marital status.
3. Rules Application. The rules and regulations specified herein apply to the water services furnished by the Leroy-Tours-Gerald Water Supply Corporation, hereinafter referred to as the "Corporation", or "LTG WSC". Failure on the part of the Member, Consumer or Applicant to observe these rules and regulations of the Corporation, after due notice of such failure, automatically gives the Corporation the authority to deny or to discontinue the furnishing of service, as provided herein and as may be amended from time-to-time by the Board of Directors of the Corporation.
4. Corporation Bylaws. The Corporation has adopted Bylaws which establish the make-up of the Board of Directors, establish the Membership's voting rights, provide for annual and regular meetings, provide for reserve accounts, and establish the rights of the Members and other important regulations of the water system. These Bylaws are included by reference herein, as amended from time-to-time, and are on file for inspection in the Corporation's office.
5. Fire Protection Responsibility. Fire hydrants installed within the Corporation's distribution system are provided at the convenience of the Corporation and do not imply any responsibility on the part of the Corporation to meet fire flow requirements of local, county, state or federal governmental agencies. Fire hydrants paid for by individuals or groups of individuals and donated to the Corporation for county volunteer fire department use shall remain in place for such use as "refill only" of fire trucks. The Corporation reserves the right to remove any fire hydrant, due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or compensation to the contributors.
6. Damage Liability. The 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 service provided. By acceptance of Membership, each Member consents to the waiver of such liability.

7. Information Disclosure. The records of the Corporation shall be kept in the Corporation's office in Leroy, Texas. These records may, upon request, be examined by any Member of the Corporation. The records may not be removed from the Corporation's office and the Corporation's staff reserves the right to require reasonable notice of requests for information and the opportunity to consult its governing body and/or legal counsel prior to disclosure. A reasonable charge may be assessed anyone requesting copies of records.

8. Customer Notice Provisions. The Corporation shall give written notice of monthly water rate changes by mail or hand delivery to all affected Members and/or consumers at least thirty (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 the Board's 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 interest under the policies of this Tariff in becoming a Member of the Corporation shall have an opportunity to voice concerns or grievances the Corporation by the following means and procedures:
 - a. By presentation of concerns to the Corporation's manager or authorized staff member for discussion and resolution. If not resolved to the satisfaction of the aggrieved party then;
 - b. By presenting a letter of request for a hearing before the Board of Directors. The letter shall state the individual's desired business before the Board and the desired result.
 - c. The President of the Board of Directors shall review the request and determine the best means by which the complaint shall be resolved.
 - d. The President shall further determine a reasonable time and place of all hearings, but not more than forty-five (45) days from the date of receipt of the letter of complaint.
 - e. The Board of Directors, or committee thereof, and/or legal counsel shall hear the complaint, as directed by the Board.
 - f. Any hearings by committees or staff delegated to hear complaints shall report its recommendation to the full Board for a decision by the Board.
 - g. The Board of Directors shall act upon the information available and direct the President or other representative to respond to the complaint by communicating the Board's decision in writing.
 - h. Any charges or fees contested as a part of the complaint being reviewed by the Corporation under this policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors. The Board's decision shall be final.

SECTION C.

DEFINITIONS

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

APPLICANT – Person, partnership, cooperative corporation, corporation, agency, public or private organization of any character applying for service with the Leroy-Tours-Gerald Water Supply Corporation.

BOARD OF DIRECTORS – The Board of Directors elected by the members of the Leroy-Tours-Gerald Water Supply Corporation.

BYLAWS – The rules pertaining to the governing of the Leroy-Tours-Gerald Water Supply Corporation, adopted by the Corporation Members.

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) – The authorization granted under Chapter 13 of the Texas Water Code for the Leroy-Tours-Gerald Water Supply Corporation to provide water service within a defined territory. The Corporation has Certificate Number 10025. The territory defined in the CCN shall be the Certificated Service Area.

CORPORATION – The Leroy-Tours-Gerald Water Supply Corporation, also referred to as the “Corporation” and “LTGWSC” in this Tariff.

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

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

FINAL PLAT – A complete and exact plan for the subdivision of a tract of land into lots for marketing, which has been approved by all regulatory agencies having jurisdiction over approval of the design, planning, and specifications of the facilities of such subdivision.

The Corporation shall determine if a plat submitted for the purposes of this Tariff shall qualify as a final plat.

FRONT-END CAPITAL CONTRIBUTION – A fee assessed all new Applicants for water service for the purpose of acquiring capital to defray the costs of expanding the system facilities in order to meet

the customer growth needs of the Corporation. This fee is charged for each meter equivalent or the lot/tap for which service has been requested.

HAZARDOUS CONDITION – A condition which jeopardizes the health and welfare of the Members /Consumers of the Corporation, as determined by the Corporation or regulatory authority.

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

MEMBER – An Applicant whose Membership has been approved by the Board of Directors and who is receiving water service from the Corporation by paying all appropriate monthly charges, in accordance with the terms and conditions of the Member’s approved Service Application and Agreement.

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

INDICATION OF INTEREST FEE – A fee paid by a potential Member of the Corporation for the purpose of aiding the Rural Development and Corporation officials in determining the feasibility of a construction and/or expansion project. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. Upon such conversion, the Applicant may then further qualify as a Member and shall become a Member of the Corporation, upon full compliance with all applicable provisions of this Tariff.

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

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

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

RURAL DEVELOPMENT - An agency of the U. S. Department of Agriculture, providing loan and grant funds for the development or expansion of certain rural water systems.

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

SERVICE APPLICATION AND AGREEMENT– A written agreement between the Member/Applicant and the Corporation, outlining the responsibilities of each party regarding the service of water.

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

TARIFF – The Corporation’s published rates, fees, and conditions of service.

TRANSFEEE – An Applicant receiving a Corporation Membership by legal means from a person or entity desiring to assign and transfer the current rights of Membership to another person or entity.

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

SECTION D.
GEOGRAPHIC AREA SERVED

Map of Certificated Service Area Certificate of Convenience and Necessity No. 10025.

SECTION E.

SERVICE RULES AND REGULATIONS

1. Service Entitlement. An Applicant shall be considered fully qualified and entitled to water service when proper application has been made, all terms and conditions of service and membership have been met and continue to be met, and all fees have been paid, as prescribed by this Tariff.
2. Application Procedures and Requirements. For the purposes of this Tariff, service requested by an Applicant and provided by the Corporation shall be divided into the following two (2) classes:
 - a. Standard Service is defined as service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include only 5/8" x 3/4" to 3/4" sized meter services set on existing pipelines.
 - b. Nonstandard Service is defined as any service applied for which does not conform to Standard Service terms. In addition to the following requirements for service, the service requirements, as prescribed by Section F of this Tariff, shall be required of the Nonstandard Service Applicant, prior to extension of such pipelines and/or service facilities.
 - c. Requirements for Standard and Nonstandard Service.
 - (1) The Corporation's Service Application and Agreement form shall be completed in full and signed by the Applicant. (See Section I.)
 - (2) A Right-of-Way Easement form, approved by the Corporation, must be completed by the Applicant for the purpose of allowing future extensions or facility additions to improve or provide service to future Applicants. (See Section I.) NOTE: This requirement may be delayed for Nonstandard Service requests.
 - (3) The Applicant shall provide proof of ownership or title to property for which service has been requested, in a manner that is acceptable to the Corporation.
 - (4) The Applicant shall provide proof that application has been made to the proper regulatory authority for approval and installation of their on-site sewage disposal facilities, as authorized under Title 30, Texas Administrative Code, Chapter 285, administered by the Texas Commission on Environmental Quality, for all services requiring such installations.
 - (5) All approved Service Applications and Agreements and the cost-of-service fees quoted by the Corporation shall be presented to the Applicant in writing and shall stand approved at quoted costs

for a period not to exceed thirty (30) days. After thirty (30) days, each Applicant may be required to reapply for service under the terms of this Tariff.

(6) If the water main has been located in the public right-of-way and is adjacent to the Applicant's property due to the Applicant's refusal to grant an easement to the Corporation for the purposes of installing the water main and appurtenances, and the Corporation has documentation of such refusal on file, the Applicant, prior to receiving the requested service, shall grant an easement to the Corporation. In addition to the normally required fees for service, the Applicant may be required to pay such sums as are necessary for the removal of the water main from the public right-of-way and for its relocation onto the Applicant's property pursuant to such easement, if the Corporation feels such relocation is necessary or desirable.

3. Activation of Standard Service.

a. New Tap – The Corporation shall charge a nonrefundable service installation fee, as required under Section G of this Tariff. The service installation fee shall be quoted in writing to the Applicant. All other fees shall be paid in advance of installation or in advance of reservation of service capacity, including, as applicable, the Membership Fee, any Easement Fees, and the Front-end Capital Contributions, as required under Section G of this Tariff.

b. Prior Service. - In the event an application is made for service on property where service previously existed and the former Membership has been surrendered or liquidated, the Applicant shall comply with the terms and provisions of Subsection 3.a. of the Activation of Standard Service in Section E. of this Tariff.

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

4. Activation of Nonstandard Service. Activation of Nonstandard Service shall be conducted as prescribed by the terms of Section F. of this Tariff.

5. Changes in Service Classification. If at any time the Corporation determines that a customer's service needs change from those needs originally applied for to a different service classification and the Corporation thereafter determines that additional or different facilities are necessary to provide adequate service, the Corporation shall require the Applicant/Member to reapply for service under the terms and conditions of this Tariff. Applicant/Members failing to comply with these provisions shall be subject to the Disconnection With Notice provisions of Subsection 14.a. hereof.

6. Membership.

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

b. Membership Roll – Upon qualification for service, qualification for Membership, and payment of the required fees, the Corporation shall place the Applicant on the roll of active Members, as proof of Membership in the Corporation and shall entitle the Applicant/Member to one (1) connection to the Corporation’s water main and one (1) share of Corporation stock. Membership also entitles the Member to one (1) vote in conducting the business affairs of any Annual or Special Membership Meeting of the Corporation, as prescribed by the Corporation’s 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 Membership Meeting.

Each active Membership and the stock thereby represented shall be assigned to the specified parcel of land originally designated to receive service at the time of application. NOTE: In the event that the Corporation is conducting a potential Members survey for indications of interest in future water service for the purpose of determining the feasibility of an initial construction or expansion project under Rural Development guidelines, regular application procedures may be modified. An Indication of Interest Fee may be required prior to qualifications for receipt of service by the Applicant, but shall only be used or applied as a Membership Fee for Membership purposes if water service is ultimately received or reserved by the Applicant as a result of the planned project facilities. If service is not provided within the scope of this project, the appropriate Indication of Interest Fees shall be refunded, less expenses, within sixty (60) days of the loan closing with Rural Development.

c. Transfers of Membership.

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

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

(b) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or

(c) The Membership is transferred without compensation by surrendering it 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 a Membership is transferred pursuant to the provisions of Subsection 6.c.(1), above, 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 Subsection 6.c.(3), below.

(3) Qualifications for water service upon transfer of Membership as set forth in Subsection 6.c.(1) and 6.c.(2), above, 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 Service Application and Agreement and has submitted all required documents;

(c) All indebtedness due the Corporation has been paid;

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

d. Cancellation of Membership - To keep a Membership in good standing, a minimum 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 shall give rise to liquidation of the Membership. A Member may be relieved of the obligation to pay through surrendering the Membership by giving written notice of surrender to the Corporation. The Member shall also complete a Service Discontinuance Request form, prior to the termination of service. (See Misc. Transaction Forms.) However, a Member is not relieved of any obligations incurred prior to the date of giving the Corporation written notice of surrender of their Membership, prior to the termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of Subsection 3.a., Activation of Service, in Section E. of this Tariff.

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

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

g. Mortgaging of Memberships – Nothing herein shall preclude a Member from mortgaging their Memberships. However, notification to the known holder of any security interest (mortgagee/lienholder) of the account status of Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage

Agreement (See Misc. Transaction Forms). Prior to the cancellation of any Membership, as provided under Subsection 6.d. hereof (Cancellation of Membership), the Corporation will notify the holder of any known security interest in the Membership. The holder of the security interest also must hold a security interest in the real property for which water service is provided under the Membership. The Corporation may transfer the Membership to the holder of such security interest in lieu of cancellation, provided the holder of the security interest pays in full all delinquent and unpaid obligations and provided further that the holder of the security interest has secured title to the real property from which the Membership arose. The Corporation may withhold cancellation of a Membership pending the resolution of any foreclosure proceedings or similar legal proceedings by the holder of the security interest.

7. Owners and Renters. Each Member of the Corporation who rents or leases property to other parties is responsible for all charges due the Corporation in the event a renter or lessee leaves the Corporation with any unpaid bills. The Corporation will bill the renter or lessee for water service as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The Member shall be required to sign an Alternate Billing Agreement. (See Misc. Transaction Forms.) The Member shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The Corporation may notify the Member of the renter's past due payment status, subject to service charges.
8. Denial Of Service. The Corporation may deny service for the following reasons:
 - a. Failure of the Applicant or Transferee to complete all required forms and pay all required fees and charges;
 - b. Failure of the Applicant or Transferee to comply with all rules, regulations, policies, and Bylaws of the Corporation;
 - c. Existence of a hazardous condition on the Applicant's property that would jeopardize the welfare of the Members/Users of the Corporation upon connection;
 - d. Failure of the Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property for which water service has been requested when there is reason to believe that a hazardous condition may exist and for which access is necessary to verify such condition;
 - e. Failure of the Applicant or Transferee to comply with all governmental rules and regulations of the Corporation on file with the State regulatory agency governing the service applied for by the Applicant;
 - f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which the tap has been requested; e.g., a copy of the conveyance document;
 - g. The Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided; and/or

- h. The Applicant or Transferee refuses to make a deposit that is required under the provisions of this Tariff.
9. Applicant's or Transferee's Recourse. In the event the Corporation refuses to serve an Applicant under the provisions of this Tariff, the Corporation must notify the Applicant, in writing, of the basis of its refusal; and the Applicant may file an appeal, in writing, with the Board of Directors of the Corporation.
10. Insufficient Grounds for Refusal of Service. The following shall not constitute sufficient cause for the refusal of service to an Applicant:
- a. Failure to pay a bill to correct a previous under billing, due to the misapplication of rates for more than six (6) months prior to the date of application;
 - b. Violation of the Corporation's rules pertaining to the operation of nonstandard equipment or unauthorized attachments that interfere with the service of others, or other services such as communication services, unless the Member has first been notified and has been afforded a reasonable opportunity to comply with the said rules;
 - c. Failure to pay a bill of another Member as guarantor thereof, unless the guarantee was made in writing to the Corporation as a condition precedent to receiving service;
 - d. Delinquency in the payment for service by a previous occupant of the premises being served;
 - e. Failure to pay for materials or charges for nonutility services provided by the Corporation.
11. Deferred Payment Agreement. The Corporation may offer a deferred payment plan to a Member who cannot pay an outstanding balance in full and 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, as prescribed in the written agreement. (See Misc. Transaction Forms.)
12. Charge Distribution and Payment Application.
- a. The Minimum Monthly Charge or the Reserved Service Charge is applied for the calendar month and billings for this amount shall normally be mailed by the last day of 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, defined as water usage in excess of the water allotment included in the Minimum Monthly Charge, shall be billed at the rate specified in Section G, hereof, and shall be billed in one hundred (100) gallon increments. Water charges for usage are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.

c. Posting of Payments – All payments shall be posted against previous balances, prior to posting against current billings.

13. Due Dates, Delinquent Bills, and Service Disconnection Date. The Corporation shall mail all bills on or about the last day of the month. All bills shall be due by the date indicated on the bill (allowing approximately twenty (20) days to pay). A bill is delinquent if not paid by the due date. Payments made by mail will be considered late if postmarked after the due date. Final notices shall be mailed promptly after passage of the due date, allowing ten (10) days for payment, prior to disconnection. No additional notice will be given by the Corporation. The aforementioned 10-day period shall begin on the day the final notice is deposited with the U. S. Postal Service with sufficient postage. If the due date for the regular or final billing is on a weekend or holiday, the next due date for payment purposes shall be the next day the Corporation's 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.¹

14. Rules for Disconnection of Service. The following sets forth the rules and conditions for disconnection of service:

a. Disconnection With Notice – Water service may be disconnection for any of the following reasons, after proper notification has been given:

(1) Returned Checks – In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or nonnegotiable for any reason, the Corporation shall mail, via the U. S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of such notice, with such redemption to be made in the Corporation's office. Redemption of the returned instrument shall be made by cash, money order, or cashier's check. Failure to meet these terms shall initiate the disconnection of service.

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

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

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

¹ Amended on February 10, 2005

(5) Failure to provide access to the meter under the terms of this Tariff or access 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 such situations.

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

(7) Failure of the Member to meet requirements of the regulatory authority for the construction or maintenance of on-site sewage facilities, as authorized under Title 30, Texas Administrative Code, Chapter 285, administered by the Texas Commission on Environmental Quality.

(8) Failure of the Member to reapply for service upon notification by the Corporation that such Member no longer meets the terms of the service classification that was applied for under the original Service Application and Agreement.

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

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

(2) Service is connected without authority by a person who has not made application for service or who has reconnected service without authority following the termination of service for nonpayment; and

(3) In instances involving tampering with the Corporation's meter or equipment, bypassing the meter or equipment, or other diversion of service.

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

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

(1) Failure of the Member to pay for merchandise or charges for nonutility services provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of nonutility services as a condition of water service;

(2) Failure of the Member to pay for a different type or class of water service, unless a fee for such service is included in the same bill;

(3) Failure of the Member to pay charges arising from an underbilling occurring due to any misapplication of rates for more than six (6) months prior to the current billing;

(4) Failure of the Member to pay the account of another Member as guarantor thereof, unless the Corporation has in writing the guarantee as a condition precedent to service;

(5) Failure of the Member to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due to meter error;

(6) Failure of the Member to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Corporation is unable to read the meter due to circumstances beyond its control;

(7) In response to a request for disconnection by an Owner/Member of rental property where the renter is billed directly by the Corporation, as authorized by the Member, and the renter's account is not scheduled for disconnection under the Rules for Disconnection of Service in this Tariff.

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

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

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

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

(1) The Corporation shall send a notice to the Member as required. This notice shall also inform the Member that notice of possible disconnection will be provided to the tenants of the service complex in six (6) days if payment is not rendered before that time.

(2) At least six (6) days after providing notice to the Member and at least four (4) days prior to disconnection, the Corporation shall post at least five (5) notices in public areas of the service complex, notifying the residents of the scheduled date for disconnection of service.

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

15. Billing Cycle Changes. The Corporation reserves the right to change its billing cycles if the workload requires such practice. After a billing period has been changed, the billings shall be sent on the new date, unless otherwise determined by the Corporation.
16. Back-billing. The Corporation may back-bill a Member for up to four (4) years (48 months) for meter error, a misapplied meter multiplier, incorrect meter readings, or error in computing a Member's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service and the reestablishment of credit. Back-billing shall not extend beyond the current Membership, except in cases involving the transfer of a Membership conditioned upon payment of the delinquent obligations by the Transferee, as provided under Subsection 6.g. hereof.
17. Disputed Bills. In the event of a dispute between a Member and the Corporation regarding any bill, the Corporation shall forthwith make and conduct an investigation that is appropriate for the particular case and shall report the results thereof, in writing, to the Member. All disputes under this Subsection must be submitted to the Corporation, in writing, prior to the due date posted on said bill, except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Subsection 6.g. hereof.
18. Inoperative Meters. Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless bypassed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.
19. Bill Adjustment Due to Meter Error. The Corporation shall test any Member's meter upon written request of the Member. In the event the meter tests within the specified 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 the preceding six (6) months, but not extending beyond the current Membership, except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Subsection 6.g. hereof. The billing adjustment shall be made to the degree of the meter's inaccuracy, as determined by the test. The Member shall complete a Meter Test Request form prior to the test. (See Misc. Transaction Forms.)
20. Meter Tampering and Diversion. For purposes of these Sections, meter tampering, bypassing or diversion shall all be defined as tampering with the Corporation's meter or equipment, bypassing the same, or other instances of diversion; such as, removing a locking or shut-off device used by the Corporation to discontinue service, physically disorienting the meter, attaching objects to the

meter to divert service or to bypass, inserting objects into the meter, and other electrical and mechanical means of tampering with, bypassing or diverting service. The burden of proof of meter tampering, bypassing, or diversion is on the Corporation. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the Corporation's staff when any action regarding meter tampering, as provided for in these Sections, is initiated. A court finding of meter tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the Corporation shall be prosecuted to the extent allowed by law.

21. Meter Relocation. Relocation of meters/taps shall be allowed by the Corporation provided that:
 - a. No transfer of Membership is involved;
 - b. An easement for the proposed location has been granted to the Corporation;
 - c. The property of the new location requested is owned by the current Member of the meter to be moved;
 - d. The existing tap location is contiguous to the proposed tap location; and
 - e. The Member pays the actual cost of relocation, plus administrative fees.

22. Prohibition of Multiple Connections to A Single Tap. In order that the Corporation may maintain adequate records of the actual number of users on its system and to ensure compliance with the Texas Department of Health Rules and Regulations on minimum service standards, to ensure that charges are received for each user on the system, and to ensure that the Corporation's metering device is adequately sized for proper flow and accurate measurement of water used, all connections of any dwelling, household, business, and/or water consuming establishment currently receiving or planning to receive water service, either directly or indirectly from the Corporation's water system, shall individually apply for service under the rules of this Tariff. Any unauthorized submetering of service shall be considered a Multiple Connection and shall be subject to the 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. Additional temporary services to a single tap may be permitted if an additional minimum bill is paid for each month that the additional service is connected. No additional gallons of water will be allowed under the additional minimum bill charged.

23. Member's Responsibility.
 - a. The Member shall provide access to the meter at all reasonable times for the purpose of reading, installing, checking, repairing, or replacing the meter. The Member shall provide a key to each locked gate. If the gate to the Member's premises is locked, thereby preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month and a notice shall be sent to the effect that entrance could not be gained and that a key must be furnished or the gate unlocked for each such reading period. Should the gate remain locked for three (3) consecutive months after

proper notification to the Member, then service shall be discontinued and the meter removed with no further notice.

b. The Member shall ensure that all plumbing connections are made in full compliance with the Texas Department of Health Rules and Regulations and all revisions thereof.

(1) All connections shall be designed to prevent 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 an air space between the discharge pipe and the water level in the trough.

(2) The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contains more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or nonresidential facility providing water for human consumption and connected to the Corporation's facilities. Service shall be discontinued without further notice when the installation of new facilities or the repair of existing facilities are found to be in violation of the provisions of this Tariff, with the discontinuance of service continuing until such time as the violation is corrected.

c. A Member owning more than one (1) Membership shall keep all payments current on all accounts. Failure to maintain a current status on all accounts shall be enforceable as specified in the Service Application and Agreement that was executed by the Member.

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

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

f. The Member shall keep the area surrounding the water meter free of weeds and fire ant infestation.

SECTION F.

NONSTANDARD SERVICE REQUIREMENTS

1. Corporation's Limitations. All Applicants shall recognize that the Corporation must comply with local, State and Federal rules and regulations, as promulgated from time-to-time, and by covenants of current indebtedness.
2. Purpose. The purpose of this Section is to govern agreements and service procedures for subdivisions, additions to subdivisions, or developments where service to more than one tract is necessary; and/or additional piping, service facilities, etc., are required to accommodate individual, multiple, commercial or industrial Applicants. For the purposes of this Tariff, Applications subject to this Section shall be defined as Nonstandard.
3. Application of Rules. This Section may be altered or suspended when applied to planned facility expansions for which the Corporation extends its indebtedness. The Board of Directors of the Corporation shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.
4. Nonstandard Service Application. The Applicant shall meet the following requirements prior to the initiation of a Service Contract by the Corporation:
 - a. The Applicant shall provide the Corporation with a completed Service Application and Agreement, giving special attention to the item on SPECIAL SERVICE NEEDS OF THE APPLICANT.
 - b. A final plat approved by the Corporation must accompany the Application, showing the Applicant's requested service area. The plat must be approved by all regulatory authorities having jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such regulatory authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of all demand requirements.
 - c. At the time the Applicant tenders the Application, a Nonstandard Service Investigation Fee (See Section G), which covers the initial administrative, legal and engineering fees, shall be paid to the Corporation. Any balance over actual expenses shall be refundable to the Applicant, and any additional expenses incurred as a result of efforts by the Corporation to study the service requirements of the Applicant shall be paid by the Applicant.

d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property located outside the Corporation's Certificated Service Area, service may be extended provided that:

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

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

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

5. Design. The Corporation shall study the design requirements of the Applicant's proposed facilities, prior to initiation of a Service Agreement, by adopting the following schedule:

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

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

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

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

6. Nonstandard Service Contract. All Applicants requesting or requiring Nonstandard Service shall enter into a written contract, drawn up by the Corporation's Attorney, in addition to submitting the Corporation's Service Application and Agreement. Said contract shall define the terms of service, prior to any construction of the required service facilities. Guidelines for the service contract may include, but are not limited to, the following:

- a. Definition of all costs associated with the required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid.
- b. Definition of procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
- c. Definition of nonrefundable Front-end Capital Contributions required by the Corporation in addition to the other costs required under this Section F.
- d. Definition of monthly Reserved Service Charges, as applicable, that will be incurred by the service request.
- e. Definition of terms by which reserved service shall be provided to the Applicant and the duration of reserved service with respect to the impact the Applicant's service request will have upon the Corporation's system capability to meet other service requests.
- f. Definition of terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Front-end Capital Contributions.
- g. Definition of terms by which the Corporation shall administer the Applicant's project with respect to:
 - (1) Design of the Applicant's service facilities; (2) Securing and qualifying bids; (3) Execution of the Service Agreement; (4) Selection of a qualified bidder for constructing the facilities; (5) Dispensing advanced funds for the construction of all facilities required for the Applicant's service; (6) Inspecting the construction of such facilities; and (7) Testing the facilities and closing the project.
- h. Definition of terms by which the Applicant shall indemnify the Corporation from all third-party claims or lawsuits in connection with the project contemplated.
- i. Definition of terms by which the Applicant shall deed all constructed facilities to the Corporation and by which the Corporation shall assume the operation and maintenance responsibilities, including any enforcement of warranties in connection with the construction of the Applicant's project.
- j. Definition of terms by which the Applicant shall grant title or easement for right-of-way, constructed facilities, and facility sites and/or terms by which the Applicant shall provide for the securing of any required right-of-way and sites.
- k. Definitions of terms by which the Board of Directors shall review and approve the Service Contract pursuant to the Corporation's current Tariff, rules, regulations and Bylaws.

7. Property and Right-of-Way Acquisition. With regard to construction of facilities, the Corporation shall require private right-of-way easements or private property, pursuant to the following conditions:
 - a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Corporation shall require the Applicant to secure such easements or title to facility sites on behalf of the Corporation. All right-of-way easements and property titles shall be researched, validated, and filed of record by the Corporation, at the expense of the Applicant.
 - b. All facilities required to be installed in public right-of-way on behalf of the Applicant, due to their inability to secure private right-of-way easements, shall be subject to costs equal to the original cost of the facility installation for those facilities in public right-of-way, plus the estimated cost of future relocation of such facilities to private right-of-way or subject to the cost of installation under state condemnation procedures, whichever is most desired by the Applicant.
 - c. The Corporation shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to any property that is 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 responsible bidder, in accordance with the following criteria:
 - a. The Applicant shall sign the Service Contract, thereby indicating the Applicant's willingness to proceed with the project, and shall pay all costs in advance of any construction work that is associated with the project;
 - b. The Contractor shall provide an adequate bid bond, under terms that are acceptable to the Corporation;
 - c. The Contractor shall secure adequate performance and payment bonds for the project, under terms that are acceptable to the Corporation;
 - d. The Contractor shall supply documentation pertaining to its construction of similar facilities for the Corporation's review and consideration;
 - 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. Prepayment For Construction and Service. After the Applicant has executed the Service Application and Agreement, the Applicant shall pay to the Corporation all costs necessary for completion of the project, prior to its construction and in accordance with the terms of the executed Service Contract.
10. Construction.
- a. All road work pursuant to county and/or municipal standards (if applicable) shall be completed prior to construction of the facilities to avoid future problems resulting from road right-of-way completion and excavation. Subject to the approval of the requisite authority, encasements may be installed prior to the road construction, to avoid road damage during the construction of the Applicant's facilities.
- b. The Corporation shall, at the expense of the Applicant, inspect the facilities to ensure that all Corporation standards are achieved.
- c. Construction plans and specifications shall be strictly adhered to; however, the Corporation reserves the right to change-order any specifications, due to any unforeseen circumstances that are encountered during the construction phase, to better facilitate the construction and/or operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

SECTION G.

RATES AND SERVICE FEES

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

1. Service Investigation Fee. The Corporation shall conduct a service investigation for each service application that is submitted to the Corporation. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Nonstandard. An investigation shall then be conducted and the results reported under the following terms:
 - a. All Standard Service requests may be investigated by the Corporation's engineer at the Applicant's expense and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days following the receipt of the application.
 - b. All Nonstandard Service requests shall be subject to a fee, unique to each project, of sufficient amount to cover all administrative, legal and engineering fees associated with the investigation of the Corporation's ability to deliver service to the Applicant, to provide cost estimates of the project, to present detailed plans and specifications, to advertise and accept bids for the project, to present a Nonstandard Service Contract to the Applicant, and to provide other services, as required by the Corporation, for such investigation. A Nonstandard Service Contract shall be presented to the Applicant within a suitable amount of time, as determined by the complexity of the project. (See Section F.)
2. Membership Fee. At the time the application for service is approved, a Membership Fee of \$300.00* must be paid for each lot/tap or meter equivalent before service shall be provided or reserved for the Applicant by the Corporation. If a Member elects to surrender their Membership with all charges current, the fee may be refunded.
3. Easement Fee. When the Corporation determines that private right-of-way easements and/or facility sites are necessary to provide service to the Applicant, the Applicant shall be required to secure easements on behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way, in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facility sites on behalf of the Applicant.

*Amended 12/12/16

4. Installation Fee. The Corporation shall charge an installation fee for service as follows:
- a. Standard Service shall include all current labor, materials, engineering, legal and administrative costs necessary to provide an individual metered service and shall be charged on a per tap basis, as computed immediately prior to such time as metered service is requested and installed.
 - b. Nonstandard Service shall include any and all construction labor and materials, administration, legal and engineering fees, as determined by the Corporation under the provisions of Section F. of this Tariff.
 - c. Standard and Nonstandard Service Installations shall include all costs of any pipeline relocations, pursuant to the provisions of Subsection E.2.c.(6) of this Tariff.

5. Front-end Capital Contributions. In addition to the Membership Fee, each applicant shall be required to contribute capital in an amount projected to defray the cost of upgrading the system facilities to meet growth demands created by adding customers. This nonrefundable fee shall be assessed immediately prior to providing or reserving service, on a per residential meter equivalent basis for each tap/lot and shall be assigned and restricted to the tap/lot for which the service was originally requested. The formula applied to such fee is as follows: Total cost of the system on January 1, less the reserve for depreciation as of January 1, less notes payable on January 1, divided by the number of members on January 1 = the Front-end Capital Contribution per each New Member.

6. Monthly Charges.

a. Minimum Monthly Charges – The monthly charge for metered water service is based upon demand by meter size. Each charge is assessed based on the number of 5/8” x 3/4” meters (as stipulated by the American Water Works Association’s maximum continuous flow specifications) equivalent to the size indicated and is used as a base multiplier for the minimum monthly charge. Meter sizes, equivalents, and monthly minimum rates are as follows:

Meter Size	5/8” x 3/4” Meter Equivalents	Monthly Minimum Rates
5/8” X 3/4”	1.0	\$39.57*
3/4”	1.5	\$59.36*
1”	2.5	\$98.93*
1 1/2”	5.0	\$197.85*

*Amended 1-26-2023

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

c. In addition to the Minimum Monthly Charge, a gallonage charge shall be added at a rate of \$7.00 per thousand gallons for any gallonage between 0 gallons and 2,000 gallons, \$9.00 per thousand gallons for any gallonage between 2,001 gallons and 8,000 gallons, \$11.00 per thousand gallons for any gallonage between 8,001 gallons and 20,000 gallons, and \$12.00 per thousand gallons for any gallonage between 20,001 gallons and 40,000, and \$14.00 per thousand gallons for any gallonage between 40,001 gallons and 50,000, and \$20.00 per thousand gallons for any gallonage over 50,001 gallons used during any one (1) billing period.*

*Amended 1-26-2023

7. Billing Discounts, Charges & Fees.

a. No discounts shall be allowed.

b. A late payment penalty of \$20.00* shall be made on delinquent bills. This late payment shall be applied to any unpaid balance exceeding one-half (1/2) of the Minimum Monthly or Reserved Service Charge during any one billing period.

c. The Corporation may, at the expense of the Member, notify said Member of a renter’s/lessee’s delinquent account status, prior to disconnection of service. The Owner Notification Fee shall be \$5.00 per notification. (See Misc. Transaction Forms.)

d. The Corporation shall assess a fee of \$5.00 for each notification to known Membership lienholders, under written agreements, prior to Membership cancellation. (See Misc. Transaction Forms.)

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 nonnegotiable for any reason, the water service account for which the instrument was issued shall be assessed a return check charge of \$20.00.

9. Reconnection Fee. The Corporation shall charge a fee of \$35.00 for reconnecting service during normal business hours (weekday from 8:00a.m. to 5:00p.m.), after the Corporation has previously disconnected the service for any reason stipulated in this Tariff. Reconnection

of service after normal business hours or on weekends will incur an additional charge of \$20.00.

*Amended 12-12-16

10. Equipment Damage Fee. If the Corporation's facilities or equipment have been damaged by tampering, bypassing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, materials, and equipment necessary for their repair, replacement, or other Corporation actions. This fee shall be charged and paid before service is reestablished. If the Corporation's equipment has not been damaged, a fee equal to the actual costs for all labor, materials, equipment, and other necessary actions that are required 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.
11. Customer History Report Fee. A fee of \$5.00 shall be charged to provide a copy of the Member's record of past water purchases, in response to a Member's request for such a record.
12. Meter 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 that is equal to the actual cost of the meter test may be imposed on the affected account.
13. Transfer Fee. An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of \$10.00.

SECTION H.

EMERGENCY MANAGEMENT PLAN AND EMERGENCY RATIONING PROGRAM

I. Emergency Management Plan

The Emergency Management Plan is a guide to be followed in dealing with abnormal conditions which threaten the normal delivery of water throughout the system. These conditions may be caused by mechanical failure, power failure, heat, drought, or even extreme cold temperatures.

The Plan consists of five stages, with triggering criteria and actions/restrictions for each stage. The emergency stages will be displayed on message boards at each water plant and, where necessary, will be relayed through the media and telephone. TCEQ has set up Drought-Impact Contacts which will be utilized under very severe conditions and will be triggered under the Plan.

PROVISIONS OF THE LEROY-TOURS-GERALD WSC EMERGENCY MANAGEMENT PLAN

STAGE	TRIGGERING CRITERIA	ACTIONS/RESTRICTIONS
Stage 1 Voluntary Conservation	Effective annually from June 1 through September 30	Members are asked to restrict nonessential water use
Stage 2 Voluntary Water Alert	Any storage tank that fails to fill overnight and/or main supply well operating timer exceeds 600 minutes daily. Any plant that has less than 60 psi for over 15 minutes.	Restrict outdoor use during early evening hours. Use hand held hose or watering can. No wasteful use.
Stage 3 Mandatory Water Warning	Any storage tank that fails to fill to the 15 ft. level overnight. Any plant that has less than 50 psi for over 15 min. Main water supply well pump timer exceeds 800 minutes daily.	Outdoor use limited to alternate days, even on even days-odd on odd days. No wasteful use will be permitted. (Level I)
Stage 4 Mandatory Water Emergency	Any storage tank that falls below 10 feet overnight, well pump timer exceeds 1200 minutes daily. Plant outgoing pressure less than 40 psi for 15 minutes.	All outdoor use is prohibited. Any wasteful use of water will be penalized \$50.00 on the next water bill. (Level III)
Stage 5 Crisis Warning	Any storage tank that falls below the electrodes, well pump failure, or other major equipment fails. Power outage	Issue boil drinking water notice. Bring up standby well and place interconnect into

	<p>expected for long durations. Large leak in water main causes pressure to fall under 20 psi. Drought conditions reach crisis levels with no relief in sight.</p>	<p>service. Inform the public through media and telephone. Contact TCEQ for advice and assistance.</p>
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After emergency conditions cease, the public will be informed that normal water service has been restored and normal use can be resumed. Thanks for cooperation will be expressed.

II. Emergency Rationing Program

The following water rationing program is adopted for emergency use only during periods of acute water shortage

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

2. Notice Requirements. Written notice of the proposed rationing shall be mailed or delivered to each affected Member seventy-two (72) hours before the Corporation actually starts the program, and a notice shall also be placed in a local newspaper. The Member notice shall contain the following information:
 - a. The date rationing shall begin;
 - b. The date rationing shall end;
 - c. The level (stage) of rationing to be employed;
 - d. A copy of this rationing authority; and
 - e. The area to be affected by the rationing.

3. Levels of Rationing.
 - a. LEVEL I (Mild Rationing Conditions) – Alternate day usage of water for outdoor purposes, such as, lawns, gardens, car washing, etc. The provisions for alternate day use shall be specified by the Corporation in the written notice.

 - b. LEVEL I-A (Limited Water Usage) – The Corporation may limit water usage to a gallonage determined by the water plant’s mechanical capability to provide continuous service in direct proportion to the loss of production/refill capability at a plant where no back-up facilities are available to remedy the shortage, prorated over all Members served by the water plant. Water restrictors may be installed for Members that exceed the limited gallonage, as determined by the system’s mechanical capability. A flow restrictor may be installed at the Member’s expense (not to exceed actual costs or \$50.00). Tampering with any flow restrictor will result in water service termination for seven (7) days. The normal Reconnection Fee of the Corporation shall apply for restoration of service. The maximum number of gallons per meter per month shall be contained in the notice to each Member.

c. LEVEL II (Moderate Rationing Conditions) – All outdoor water usage is prohibited; however, usage for livestock is exempt.

d. LEVEL III (Severe Rationing Conditions) – All outdoor water usage is prohibited; livestock may be exempted by the Corporation. All consumption shall be limited to each Member in one of the following ways:

(1) A fixed percentage of each Member's average use in the prior month, the percentage to be uniformly applied on a system-wide basis, with each Member being notified of this percentage amount;

(2) A maximum number of gallons per meter (Member) per week, with notice to each Member of this number.

Total percentages under Item 1 or a maximum number of gallons under Item 2 above, shall be calculated not to exceed 80% of the system's current production/refill capability for the area being rationed.

4. Violation of Emergency Rationing Rules.

a. First Violation – The Corporation may install a flow restrictor in the line to limit the amount of water that will pass through the meter in a twenty-four (24) hour period. The cost shall be charged to the Member's account and it shall be the actual installed cost to the Corporation, not to exceed \$50.00.

b. Subsequent Violations – The Corporation may terminate service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is less. The normal Reconnection Fee of the Corporation shall apply to the restoration of service.

5. Exemptions or Variances from Rationing Rules. The Board of Directors may grant any member an exemption or variance from the uniform rationing program, for good cause. The Corporation shall treat all Members equally concerning exemptions and variances, and shall not employ any discrimination in such grants.

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

The purpose of this Emergency Rationing Program is to conserve the total amount of water demanded from the Corporation until its supply can be restored to normal levels. This rationing program shall not exceed sixty (60) days, without extension by the Board of Directors.

SECTION I.

PLUMBING CODE

All members of the Corporation and their contractors shall comply with the provisions of this code in planning and installing private plumbing facilities in all new buildings constructed hereafter or in modifying the plumbing systems and/or facilities in any existing structures, which are or will be served through connections to the Leroy-Tours-Gerald Water Supply Corporation's water distribution system.

Under this code, all work in constructing or installing all new private plumbing systems or facilities and all modifications of existing private plumbing systems or facilities shall be performed by a Licensed Plumber or, alternately, the workmanship and materials utilized in constructing a new private plumbing facility or in modifying an existing private plumbing facility shall be inspected and approved by a Certified Plumbing Inspector.

The construction or modification of all private plumbing facilities or systems that are served by the Corporation shall comply with the following requirements:

1. The use of pipe, pipe fittings, solder or flux that contain lead in quantities that exceed the maximum permissible quantities that are established by the rules and regulations of the Texas Commission on Environmental Quality is strictly prohibited.
2. All installations must include protection, if needed, against backflow contamination from any source.
3. Cross-connections between the Corporation's water distribution lines and any other private water supplies or sources are strictly prohibited.
4. All workmanship, materials, fittings, fixtures and appurtenances that are used in constructing new plumbing facilities or in modifying existing plumbing facilities shall fully comply with the appropriate provisions of the Southern Plumbing Code Standards, or any successors thereto.

The following notices, reports and certifications are required under this code (See Misc. Transaction Forms):

1. Notice to Homeowners and Plumbers;
2. Service Inspection Certification;
3. Backflow Prevention Assembly Test and Maintenance Report; and
4. Cross-connection Survey Form and Inspection Check List.

All certifications, reports and forms shall be prepared and signed by either the Licensed Plumber who performed the private plumbing work or by a Certified Plumbing Inspector who inspected and approved

the private plumbing facility or system. The aforementioned documents, as required, shall be delivered to the Corporation before any new or modified private plumbing facilities are placed into service.

All costs incurred in making the required inspections and in preparing and delivering the specified certifications and reports shall be borne by the respective Member of the Corporation.

When a violation of this plumbing code is detected by the Corporation, the appropriate Member shall be notified of such violation and shall be given a specified amount of time to correct the violation. If the violation is not satisfactorily corrected within the stipulated time, water service to the connection where the violation exists shall be discontinued. Service shall be restored only after the Corporation has received an appropriate certification that the violation has been satisfactorily corrected and upon receipt of payment of the required \$25.00 Reconnect Fee. Reoccurring violations or refusal to comply with the provisions of this plumbing code shall be cause for forfeiture of the violator's Membership in the Corporation and/or the removal of the violator's service connection.

As soon as practical after approval of this plumbing code and prior to its effective date, all members of the Corporation shall be given written notice of its adoption. Thereafter, all applicants for membership in the Corporation shall be notified of the basic requirements of the code at the time of application.

APPROVED on this the 1st day of November, 1996.

Effective Date: January 1, 1997.

SECTION J.
SERVICE APPLICATION AND AGREEMENT
AND
MISCELLANEOUS TRANSACTION FORMS

- a. Service Application and Agreement
- b. Right-of-Way Easement
- c. Right-of-Way Easement Denial and Affidavit
- d. Surrender of Membership
- e. Membership Assignment and Transfer Authorization
- f. Alternate Billing Agreement
- g. Membership Mortgage Agreement
- h. Request for Service Discontinuance
- i. Notice to Owner of Rental Property
- j. Notice of Returned Item
- k. Delinquent Notice
- l. Notice of Termination of Water Service
- m. Meter Test Authorization and Test Report
- n. Deferred Payment Agreement
- o. Notice to Homeowners and Plumbers
- p. Cross-connection Survey Form
- q. Survey Follow-up Letter

L E R O Y - T O U R S - G E R A L D
WATER SUPPLY CORPORATION
SERVICE APPLICATION AND AGREEMENT

Please Print

Date: _____

APPLICANT'S NAME(s) (Including Spouse): _____

CURRENT BILLING ADDRESS:

FUTURE BILLING ADDRESS:

PHONE NUMBER – Home (_____) _____ - _____

Work (_____) _____ - _____

PROOF OF OWNERSHIP MUST BE PROVIDED BY ATTACHING A COPY OF THE RECORDED CONVEYANCE INSTRUMENT (Warranty Deed, Trustee's Deed, Contract for Deed, etc.)

DRIVER'S LICENSE NUMBER OF APPLICANT(s) _____

PREVIOUS OWNER'S NAME AND ADDRESS (if transferring Membership)

LEGAL DESCRIPTION OF THE PROPERTY (Include name of road, subdivision with lot and block number, or acreage with the Survey name and Abstract Number)

ACREAGE _____

HOUSEHOLD SIZE _____

NUMBER IN FAMILY _____

LIVESTOCK & NUMBER _____

SPECIAL SERVICE NEEDS OF APPLICANT _____

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY. A MAP OF THE SERVICE LOCATION REQUEST MUST BE ATTACHED.

J.a.2.

AGREEMENT made this the _____ day of _____, 201 ____, between the LEROY-TOURS-GERALD Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the “Corporation”) and _____ (hereinafter called the “Applicant”, and/or “Member”),

Witness:

The Corporation shall sell and deliver water service to the Applicant and the Applicant shall purchase, receive, and/or reserve service from the Corporation, in accordance with the provisions of the Bylaws and Tariff of the Corporation, as amended from time-to-time by the Board of Directors of the Corporation. Upon compliance with said policies, including the payment of a Membership Fee, the Applicant qualifies for Membership as a new applicant or continued Membership as a Transferee and thereby may hereinafter be called a Member.

The Member shall pay the Corporation for service hereunder as determined by the Corporation’s Tariff and upon the terms and conditions set forth therein, a copy of which has been made available for the Member’s review prior to the execution of this agreement. A copy of this agreement shall be executed before service may be provided to the Applicant.

The Board of Directors shall have the authority to discontinue service and cancel the Membership of any Member not complying with any policy or not paying any water service fees or charges, as required by the Corporation’s published rates, fees, and conditions of service. At any time, service is discontinued, terminated or suspended, the Corporation shall not reestablish service unless it has a current, signed copy of this agreement.

If this agreement is completed for the purpose of assigning water service as a part of a rural domestic water system loan project contemplated with the Rural Development, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining the following:

- a. The number of taps to be considered in the design; and
- b. The number of potential ratepayers considered in determining the financial feasibility of constructing 1) a new water system or 2) expanding the facilities of an existing water system.

The Applicant hereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporation's policies, shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee. The Applicant further agrees to pay, upon becoming a Member, the monthly charges for such service as prescribed in the Corporation's Tariff. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by the Corporation. If delivery of service to said location is deemed infeasible by the Corporation as a part of this project, the Applicant shall be denied Membership in the Corporation and the Indication of Interest Fee, less expenses, shall be refunded. The Applicant may reapply for service at a later date, under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fee.

All water shall be metered by a meter to be furnished and installed by the Corporation. The meter is for the sole use of the Member or customer and is to provide service to either only one (1) dwelling or one (1) business. Extension of pipe(s) to transfer water service from one property to another, to share, resell, or submeter water to any other persons, dwellings, businesses or properties, etc., is strictly prohibited.

The Corporation shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon the Member's premises at all reasonable and necessary times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service, the Corporation shall have the right to remove any or all of its equipment from the Member's property. The Member shall install, at their own expense, any necessary service lines from the Corporation's facilities and equipment to the point of use, including any customer service isolation valves, backflow prevention devices, flush valves, and other equipment as may be specified by the Corporation. The Corporation shall also have access to the Member's property for the purpose of inspecting for possible cross-connections, potential contamination hazards and illegal lead materials.

The Corporation is responsible for protecting the drinking water supply from contamination or pollution, which could result from improper practices. This service agreement serves as notice to each customer of the restrictions, which are in place to provide this protection. The Corporation shall enforce these restrictions to ensure the public health and welfare. The following undesirable practices are prohibited by State regulations:

- a. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention assembly, in accordance with State regulations.
- b. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an air gap or a reduced pressure-zone backflow prevention assembly, and a service agreement must exist for the annual inspection and testing of the assembly by a certified backflow prevention device tester.

- c. No connection, which allows, condensing, cooling, or industrial process water to be returned to the public drinking water supply is permitted.
- d. No pipe or pipe fitting that contains more than 8.0% lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- e. No solder or flux that contains more than 0.2% lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises is connected to the public water system. The Member shall allow their property to be inspected for possible cross-connections, potential contamination hazards, and illegal lead materials. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours.

The Corporation shall notify the Member in writing of any cross-connections or other undesirable practices that have been identified during the initial or any subsequent inspection. The Member shall immediately correct any undesirable practice on their premises. The Member shall, at their expense, properly install, test and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation, as required. Failure to comply with the terms of this service agreement shall cause the Corporation to either terminate service or properly install, test and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Member.

In the event the total water supply is insufficient to meet all of the needs of the Members, or in the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program, as specified in the Corporation's Tariff. By execution of this agreement, the Applicant hereby agrees to comply with all terms of the said Program.

By execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Member/users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

The Member shall grant to the Corporation, now or in the future, any needed easements or right-of-way for the purpose of installing, maintaining and operating such pipelines, meters, valves and any other equipment that may be deemed necessary by the Corporation to extend or improve service for existing or future Members, on such forms as are required by the Corporation.

By execution hereof, the Applicant shall guarantee payment of all other rates, fees and charges due on any account for which said Applicant owns a Membership. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to the discontinuance of water service under the terms and conditions of the Corporation's Tariff.

J.a.5.

By execution hereof, the Applicant hereby agrees that noncompliance with any terms of this agreement by said Applicant shall constitute a basis for the denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant within any part of this agreement shall result in the discontinuance of service, pursuant to the terms and conditions of the Corporation's Tariff.

MEMBER

Date submitted: _____

Approved and Accepted by the Corporation

Name: _____

Title: _____

Date: _____

WATER LINE EASEMENT

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF MCLENNAN §

That we, _____, hereinafter called "Grantors", whether one or more, for and in consideration of the sum of One and No/100 Dollar (\$1.00) cash and other good and valuable consideration paid by the Leroy-Tours-Gerald Water Supply Corporation, a Texas corporation, whose principal business address is 312 West Commerce Street, Leroy, Texas, hereinafter called "Grantee", the receipt and sufficiency of which is hereby acknowledged, have Granted, Bargained, Transferred, Sold and Conveyed and by these presents do Grant, Bargain, Transfer, Sell and Convey unto Grantee, its successors and assigns, a permanent easement and right of way to construct, install, operate, maintain, inspect, reconstruct, replace and remove water distribution lines and appurtenances over, under and across a certain _____ acre tract of land that is more particularly described in an instrument recorded in Volume _____, Page _____ of the Deed Records of McLennan County, Texas, as provided herein. Grantee is hereby authorized to designate the location of the easement and right of way herein granted, it being provided that the easement hereby conveyed shall not exceed fifteen (15) feet in width; and when the initial pipeline has been constructed, the permanent easement and right of way herein granted shall be limited to a strip of land fifteen (15) feet in width, whose centerline is the centerline of the initial pipeline as constructed.

Grantors further grant unto Grantee the right of ingress and egress to the permanent easement and right of way across Grantors' remaining land situated adjacent thereto, for the purpose of exercising Grantee's rights under the permanent water line easement herein granted; provided, however, that Grantee shall be liable for any damage to Grantors' remaining land resulting from the exercise of such right of ingress or egress.

Grantors shall not construct permanent structures or buildings on the permanent easement, except that fences, streets, roads, driveways, walks, parking areas, utility service line crossings or other such improvements may be constructed thereon, subject to the rights herein granted unto Grantee. Grantors shall retain full use of the permanent easement and right of way for any purpose not prohibited by the terms of this document and not inconsistent with the easement herein granted unto Grantee.

In the event that the easement hereby granted abuts the right of way of a public road and the county, city or state hereafter widens or relocates such public road so as to require the relocation of the water line(s) as installed, Grantor further grants unto Grantee an additional easement over, under and across Grantors' herein described land for the purpose of laterally relocating said water line(s) as required to clear the roadway improvements, with the easement hereby granted being limited to a strip of land fifteen (15) feet in width, the centerline thereof being the centerline of the primary pipeline as relocated.

Grantee agrees that all rocks, timber, brush and other debris cleared from the right of way shall be removed from the premises and shall not be placed on Grantors' adjacent lands; and Grantee shall maintain the easement and right of way in a state of good repair and efficiency, so that no unreasonable damages accrue to the Grantors' premises as a result of Grantee's use of the easement.

Grantee agrees to immediately repair all damages to any existing utility line, fence, walk, retaining wall, parking area or driveway, which accrue as a result of the construction of water lines on the permanent easement, with such repairs to be made with materials of equal quality and in a manner that restores any such utility line, fence, walk, retaining wall, parking area or driveway to its prior capacity, condition and proper function, without cost to the Grantors.

Grantors covenant that they are the owners of the herein described lands and that said lands are free and clear of all encumbrances and liens except the following:

This conveyance is made and accepted subject to all outstanding mineral interests, easements, leases, reservations, restrictions, ordinances, covenants and encumbrances of record in McLennan County, Texas, that affect or pertain to the herein described premises.

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

TO HAVE AND TO HOLD the above described easement, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee and Grantee's successors and assigns forever, and Grantors do hereby bind Grantors' heirs, executors and administrators to Warrant and Forever Defend all and singular the above described easement and rights unto the said Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

EXECUTED this the _____ day of _____, 20 _____. **GRANTORS** _____

THE STATE OF TEXAS §
COUNTY OF MCLENNAN §

This instrument was acknowledged before me on the _____ day of _____, 20 __, by _____

LEROY-TOURS-GERALD WATER SUPPLY CORPORATION

P. O. BOX 22
LEROY, TEXAS 76654

RIGHT-OF-WAY EASEMENT DENIAL AND AFFIDAVIT

OWNER

PROPERTY

The Leroy-Tours-Gerald Water Supply Corporation, hereinafter called the "Corporation", has attempted to acquire an easement for the construction of water distribution system pipelines across your property. It is now necessary to require than an easement either be granted or refused by you, within thirty (30) days following the receipt of this notice. Attached is the Corporation's standard easement form. If you are not willing to grant the easement, please sign the middle portion of this document and return it to the Corporation, at which time this document will be filed in the Corporation's office. Failure to return this document or the attached easement will result in a copy of this document being completed and signed by a representative of the Corporation to keep on file for future reference purposes. Failure to grant the easement does not relieve the Corporation of the obligation to serve water to the aforementioned property in the future, but it does make the then current property owner, at the time of application for water service, responsible for the financial burden of moving the water line from public right-of-way to private right-of-way, plus any other normal charges for service. For further clarification contact the Corporation's office.

(I, We) _____ hereby refuse to grant the Corporation an easement for constructing water distribution lines on the aforementioned property.

Signature of Property Owner

AFFIDAVIT

Being duly sworn upon my oath, I hereby certify that this is a true copy of the document sent by certified mail to _____ on _____, and a signed receipt verifying delivery and acceptance is on file in the office of the Corporation, Leroy, Texas. I further certify that a signed easement or signed refusal of easement was not received within thirty (30) days following receipt by the property owner(s). I further state under oath that the engineer for the Corporation has furnished the property owner(s) an estimate of cost for rerouting the pipeline for which the easement was denied, onto their private property.

Official of the Corporation

THE STATE OF TEXAS §

COUNTY OF MCLENNAN §

This instrument was acknowledged before me on this the _____ day of _____, 200____, by _____.

Notary Public in and for the State of Texas

LEROY-TOURS-GERALD WATER SUPPLY CORPORATION

P. O. BOX 22
LEROY, TEXAS 76654

SURRENDER OF MEMBERSHIP

We, _____, husband and wife, ("Member") hereby surrender our Membership in the Leroy-Tours-Gerald Water Supply Corporation ("Corporation") to said Corporation, thus relinquishing all of such Member's rights and privileges heretofore held under their Membership, pursuant to the applicable provisions of Subsection E.6.d. of the Corporation's Tariff.

The Member agrees to complete and execute a Service Disconnection Request form, in accordance with the terms shown thereon, and submit it with this Surrender of Membership form.

The Member understands and agrees that all charges on the Member's water service account must be paid in full upon surrender. If the account has no outstanding balance, the Membership Fee may be refunded to the Member, as provided in Subsection G.2. of the Corporation's Tariff. Otherwise, the remaining balance of the Membership Fee may be refunded, after deducting the outstanding balance of the account.

By execution of this document, the Member hereby agrees that upon surrender of their Membership, the right to future water service at the tap on the Member's property will be on an as-available basis and subject to the Corporation's terms, rates and fees that are in effect on the date of reapplication.

EXECUTED this the _____ day of _____, 201_____.

MEMBER

Account No. _____

A C K N O W L E D G E M E N T

THE STATE OF TEXAS §

COUNTY OF MCLENNAN §

This instrument was acknowledged before me on this the _____ day of _____ 200_____, by _____.

Notary Public in and for the State of Texas

LEROY-TOURS-GERALD WATER SUPPLY CORPORATION

P. O. BOX 22
LEROY, TEXAS 76654

MEMBERSHIP ASSIGNMENT AND TRANSFER

Transferor hereby assigns their Membership in the Leroy-Tours-Gerald Water Supply Corporation (“Corporation”) by execution of this form. Water service and all rights granted by Membership and other qualifications hereby cease, contingent upon the further qualification of the Transferee, in accordance with the policies of the Corporation.

By execution hereof, the undersigned hereby acknowledges that the Membership Assignment and Transfer complies with the terms of one of the following Items (1) through (4), therefore qualifying for the assignment and transfer of the Membership, in accordance with the laws of the State of Texas.

- (1) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
- (2) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
- (3) The Membership is transferred without compensation by surrendering it to the Corporation; or
- (4) The Membership is transferred as part of the conveyance of real estate from which the Membership arose.

Transferee understands that qualification for Membership is not binding on the Corporation and does not qualify the Member for continued water service, unless the following terms and conditions are met:

- (1) This Membership Assignment and Transfer form is completed by the Transferor and Transferee;
- (2) The Transferee has completed and executed the required Service Application and Agreement;
- (3) All indebtedness due the Corporation has been paid;
- (4) The Membership is herewith assigned and transferred by the Transferor to the Transferee;
- (5) The Transferee demonstrates satisfactory evidence or ownership of the property designated to receive water service and from which the Membership originally arose; and
- (6) All other terms and conditions of the Corporation’s Tariff have been properly met.

SIGNED this the _____ day of _____, 200 ____.

TRANSFEROR(S)

TRANSFEE(S)

Transferor's Name(s)

Transferee's Name(s)

Forwarding Address

Current Address

City, State, Zip Code

City, State, Zip Code

Phone Number

Phone Number

Account Number _____ Final Reading _____ Reading Date _____

Location of Meter _____

Note: A fee of \$10.00 is charged to the Transferor on all transfers.

ACKNOWLEDGEMENTS

THE STATE OF TEXAS §

COUNTY OF MCLENNAN §

This instrument was acknowledged before me on this the ____ day of _____, 200__, by

_____.

Notary Public in and for the State of Texas

THE STATE OF TEXAS §

COUNTY OF MCLENNAN §

This instrument was acknowledged before me on this the ____ day of _____, 200__, by

_____.

Notary Public in and for the State of Texas

LEROY-TOURS-GERALD WATER SUPPLY CORPORATION

P. O. BOX 22

LEROY, TEXAS 76654

ALTERNATE BILLING AGREEMENT FOR RENTAL ACCOUNTS

NAME: _____

ACCOUNT NO. _____

ADDRESS: _____

I hereby authorize the Leroy-Tours-Gerald Water Supply Corporation ("Corporation") to send all billings on my above-reference account to the person(s) at the address shown below, until further written notice is given:

Name(s)

Address

City, State, Zip Code

I understand that under this agreement I will be given notice by the Corporation of all delinquencies on this account, prior to the disconnection of service. A notification fee shall be charged to the referenced account, in accordance with the applicable provisions of the Corporation's Tariff.

I also understand that the renter will deposit with the Corporation a meter deposit equal to two (2) minimum monthly charges for water service. Should there be any balance due on the account of the renter when service to the renter is discontinued, the meter deposit will be applied to the balance due. Should the account be current when service is discontinued by the renter, the meter deposit will be refunded to said renter.

I further understand that I am solely responsible for keeping the balance of this account current, as is any other Member of the Corporation. Should this account remain delinquent, water service will be subject to termination, pursuant to the policies of the Corporation, and such service shall not be reinstated until all indebtedness on the account has been retired.

Member's Signature(s)

Renter's Signature(s)

Date:

LEROY-TOURS-GERALD WATER SUPPLY CORPORATION

P. O. BOX 22

LEROY, TEXAS 76654

MEMBERSHIP MORTGAGE AGREEMENT

This agreement hereby verifies that the Leroy-Tours-Gerald Water Supply Corporation, hereinafter called the "Corporation", provides or is able to provide water service under the terms and conditions of its Tariff to the herein described property.

The Corporation does meet the service requirements of the Texas Department of Health and currently holds all authorizations or certifications required by the Texas Commission on Environmental Quality.

The Membership available/assigned to the said property is transferable to all legally qualifying interests, upon compliance with the terms and conditions of all required forms and applications, payment of all fees and payment of the final account balance.

The Corporation shall notify any Loan/Membership guarantor and/or mortgagee by Certified Mail, at least sixty (60) days prior to Membership liquidation or termination, and the guarantor/mortgagee hereby guarantees payment of any account balances required to prevent liquidation or termination of this Membership by the Corporation.

A guarantor and/or mortgagee shall qualify as a bona fide lienholder of the Membership by providing a Deed of Trust, a copy of which is attached hereto and incorporated herein, covering the hereinafter described real property, with the guarantor and/or mortgagee being clearly identified as the lienholder of the Membership and the real property for which such Membership was issued. The Corporation shall notify the entity so designated in the Deed of Trust.

Legal Description of Property:

Account No. _____

Mortgagee (Lienholder)

Guarantor (If Applicable)

Corporation Representative

Date

Please attach a copy of the Deed of Trust.

LEROY-TOURS-GERALD WATER SUPPLY CORPORATION

P. O. BOX 22

LEROY, TEXAS 76654

REQUEST FOR SERVICE DISCONTINUANCE

We, _____, husband and wife, request that our water meter, Account No. _____ located at

be disconnected from the Leroy-Tours-Gerald Water Supply Corporation ("Corporation") service facilities on _____, 200__.

We understand that should we ever want our service reinstated, we will be required to reapply for service as a new member, and we will have to pay all costs, as prescribed in the then current Tariff of the Corporation. Any future ability of the Corporation to provide water service will be dependent upon the system's capacity, which we understand may be limited and may require capital improvements to deliver adequate water service. We also understand that these improvements will be at our cost.

MEMBER/CUSTOMER

Date: _____

NOTE: Charges for service will terminate only upon receipt of this signed statement. A fee of \$10.00 will be charged for processing the request.

LEROY-TOURS-GERALD WATER SUPPLY CORPORATION

P. O. BOX 22
LEROY, TEXAS 76654

NOTICE TO OWNER OF RENTAL PROPERTY

Name: _____

Account No. _____

Address: _____

You are hereby given notice that your renter/lessee is past due on the above-referenced account with the Leroy-Tours-Gerald Water Supply Corporation (“Corporation”). The renter/lessee has been sent a second and final notice, a copy of which is enclosed. Water service is scheduled for disconnection, unless the bill is paid by the date shown on the final notice. If disconnection occurs, the Corporation’s policies under the terms and conditions of its Tariff shall govern the restoration of disconnected service. A fee of \$5.00 has been posted to the account for the mailing of this notice. Any unpaid bills, service fees, or reconnection fees are chargeable to the Member.

If you have any questions concerning the status of this account, please do not hesitate to call.

Amount Due Including Service Charges: _____

Final Due Date: _____

Representative of the Corporation

LEROY-TOURS-GERALD WATER SUPPLY CORPORATION

P. O. BOX 22

LEROY, TEXAS 76654

NOTICE OF RETURNED ITEM

Name: _____

Date: _____

Address: _____

Account No. _____

CHECK NUMBER: _____

AMOUNT OF CHECK: _____

Your check has been returned to the Leroy-Tours-Gerald Water Supply Corporation (“Corporation”) by your financial institution for the following reason(s):

You will have ten (10) days from the date of this notice in which to redeem the returned check and pay an additional \$10.00 Returned Check Fee. Redemption of the returned check and payment of the additional fees may be made by cash, money order or cashier’s check.

If you have not redeemed the returned check and paid the additional service fees within ten (10) days, your water service will be disconnected by the Corporation.

Your prompt attention to this matter will be appreciated.

Representative of the Corporation

Date

Name
Address
City, State, Zip Code

Re: Account No.
Water Service

Dear

The financial records of the Leroy-Tours-Gerald Water Supply Corporation (“Corporation”) indicate that you are delinquent in the payment of the prescribed charges for water that has been delivered through the meter on your premises. Your referenced account now has an outstanding balance of \$, as shown on the enclosed invoice.

It is requested that you either pay the accrued balance or contact the Corporation’s office to make specific written arrangements for full payment within ten (10) days from the date that this letter is postmarked. If payment has not been received or satisfactory terms for making such payment have not been arranged by the stated date, the Corporation shall initiate the process to terminate your water service, in accordance with the pertinent provisions of the Corporation’s Tariff.

Your attention to promptly resolving this matter will eliminate a great deal of inconvenience for everyone.

Sincerely,

Representative of the Corporation

Enclosure

J.l.l.

Date

Name
Address
City, State, Zip Code

Re: Account No.
NOTICE OF TERMINATION
OF WATER SERVICE

Dear

You were previously notified of the delinquent status of your above-referenced account, by letter dated , 200___. To date, this delinquency has not been satisfactorily resolved.

You are hereby notified that if full payment of the balance due is not received by the Leroy-Tours-Gerald Water Supply Corporation (“Corporation”) on or before the twentieth (20) day of this month, your water service will be terminated without further notice. To reinstate service after termination, you must pay the entire balance due plus a \$25.00 reconnection fee.

In the event that you fail to reinstate your water service before the accrued delinquent balance of the account (including fees and penalties) equals the Membership Fee, it shall be liquidated and the Membership will be cancelled and transferred back to the Corporation. Thereafter, the right to obtain future water service for your premises will be on an as-available basis and subject to the terms, rates and fees that are in effect at the date of reapplication.

If you have no intentions of retaining water service from the Corporation, please ensure that your water line is capped. The Corporation will not cap your line for you, but will remove its water meter regardless of the circumstances.

Please contact the Corporation’s office if you wish to cure the delinquency or if you have any questions regarding this matter.

Sincerely,

Representative of the Corporation

J.m.l.

LEROY-TOURS-GERALD WATER SUPPLY CORPORATION

P. O. BOX 22

LEROY, TEXAS 76654

METER TEST AUTHORIZATION AND TEST REPORT

Name: _____ Account No. _____

Address: _____

Phone No. _____

DATE OF REQUEST _____ METER SERIAL NO. _____

REASON(S) FOR THE REQUEST: _____

Members requesting a meter test may be present during the test, but if not present the Member must accept the test results shown by the Leroy-Tours-Gerald Water Supply Corporation ("Corporation"). The test shall be conducted in accordance with the American Water Works Association ("AWWA") standards and methods on a certified test bench. The Member agrees to pay the Corporation for the actual cost of conducting the test if the results indicate an AWWA acceptable performance of the meter, plus any outstanding water service bills that are due. In the event that the Member is required to pay for the test and for the outstanding water service bills, as set forth herein, such charges shall be applied to the next billing that is sent to the Member after the date of the test.

Signature of Member

TEST RESULTS

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

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

_____ Meter test accurately; no adjustments due

_____ Meter tests high, adjustment due on water charges by ____ %.

_____ Meter test low; no adjustment due

Test Conducted By: _____

Approved: _____

J.n.l.

LEROY-TOURS-GERALD WATER SUPPLY CORPORATION

P. O. BOX 22
LEROY, TEXAS 76654

DEFERRED PAYMENT AGREEMENT

The Leroy-Tours-Gerald Water Supply Corporation, hereinafter called the "Corporation", and _____, hereinafter called the "Member", agree as follows:

By execution of this Agreement, the Member agrees to make full payment of an outstanding debt for water service, as set forth below:

Member agrees to pay \$_____ per month, in addition to the respective current monthly water service charge, together with all applicable fees and penalties, as set forth in the Corporation's Tariff, until the account is paid in full. Any fees normally assessed by the Corporation on any unpaid balance shall be applied to the declining unpaid balance, including, but not limited to, late payment fees.

Failure of the Member to fulfill the terms of this Agreement shall initiate the Corporation's disconnection procedures, as set forth in the Corporation's Tariff, unless other satisfactory arrangements for payment are made by the Member and approved by the Corporation's Board of Directors.

Date: _____

Member's Signature(s)

Account No. _____

Spouse's Signature

Representative of the Corporation

NOTICE TO HOMEOWNERS AND PLUMBERS

The Leroy-Tours-Gerald Water Supply Corporation (hereinafter called "Corporation") hereby notifies all plumbers and homeowners that all water utilities in the State of Texas must comply with the rules and regulations of the Texas Commission on Environmental Quality concerning the construction and renovation of and additions and modifications to private plumbing facilities.

Corporation has adopted its Plumbing Code as the prevailing guide for plumbing facility construction and modification standards, particularly regarding the prohibition of the use of lead solder and fittings and the prohibition of cross-connections within the plumbing system. By execution of this document, the homeowner and plumber certify that all plumbing meets, to the best of their knowledge, the following conditions on the date executed below:

1. No direct connection between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air-gap or an appropriate backflow prevention assembly, in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with State plumbing codes.
2. No cross-connection between the public drinking water supply and a private water system or well exists. Where an actual air-gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed. A service agreement shall be maintained according to the Corporation's rules for annual inspection and testing by a certified backflow prevention device tester.
3. No connection exists that would allow the return of water used for condensing, cooling, or industrial processes back to the public water supply.
4. No pipe or pipe fittings that contains more than 8.0% lead exists in the private plumbing facilities installed on or after July 1, 1988.
5. No solder or flux that contains more than 0.2% lead exists in the private plumbing facilities installed on or after July 1, 1988.
6. No plumbing fixture is installed that is not in compliance with a State approved plumbing code.

This document will be retained as a part of the Corporation's permanent files, along with all plumbing inspection documents. By execution hereof, I certify that the foregoing is true and correct and that I am legally responsible for the validity of the information I have provided. I also understand that the Corporation will inspect all private plumbing facilities and that I, the homeowner and plumber shall be present to demonstrate compliance.

Signature of Homeowner

Date: _____

Signature of Plumber

Date: _____

Plumber's Name and License No. (Please Print)

Account No. _____

Cross-Connection Survey Form

Account No. _____

Date: _____

Location: _____

Investigator(s): _____

Building Representative(s) and Title(s):

Water Source(s): _____

Piping System(s): _____

Points of Interconnection: _____

Special Equipment Supplied with Water and Source: _____

Remarks or Recommendations: _____

Note: If necessary for clarity of description, attach sketches of cross-connections and their locations.

Inspected by: _____

Owner: _____

SURVEY FOLLOW-UP LETTER

Date: _____

Name: _____

Address: _____

SUBJECT: Cross-Connection Control

Dear Customer:

On (date of inspection), I met with you and briefly discussed our program of Cross-Connection Control and Backflow Prevention.

Having inspected the plumbing fixtures on your premises, as they apply to cross-connection control, the following is required:

Please contact me at _____ before _____, to make arrangements to have the _____ backflow preventer inspected.

Thank you for your cooperation.

Sincerely,

Leroy-Tours-Gerald Water Supply Corporation

Corporation Representative

