

Water Service Tariff

Policy No. PL001

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Aqua Water Supply Corporation

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This Tariff is effective for Aqua's operations under the following Certificate(s) of Convenience and Necessity: **CCN #10294**.

This Tariff is effective in the following counties: Bastrop, Caldwell, Williamson, Lee, Fayette, and Travis.

This Tariff is effective in the following subdivisions or systems: Various subdivisions located in areas identified on the Public Utility Commission of Texas water service area maps.

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1. Purpose

To define Aqua Water Supply Corporation's service rates, rules, regulations, policies, and procedures used to recover the costs to members of water treatment, water storage, transmission facilities, and infrastructure maintenance as well as billing, collection, and all other overhead costs.

2. Scope

This policy applies to prospective and current Aqua Water Supply Corporation members.

3. Definition of Terms

3.1 Aqua

The Aqua Water Supply Corporation as represented by its Board of Directors.

3.2 Aqua's System

Aqua's production, treatment, storage facilities, and General Purpose Transmission Facilities used to provide water service to Aqua's members and those individuals and entities contracting with Aqua.

3.3 Board of Directors or Board

The duly elected members of the Board of Directors of Aqua Water Supply Corporation.

3.4 Capacity Reservation Agreement

A contractual agreement between Aqua and a Developer, legal entity, or individual to reserve available water capacity in Aqua's System for a specific amount of time.

3.5 Capacity Reservation Fee

A commitment fee to reserve available water capacity in Aqua's System for a specific amount of time as stated in a Capacity Reservation Agreement for a Subdivision, Large Volume Service, or Wholesale Service, or the fee included in the System Development Fee for a tract of land resulting from the subdivision of a larger tract of land that occurred on or after May 2, 1984.

3.6 Certificate of Convenience and Necessity (CCN)

A specified geographic area designated by the Public Utility Commission of Texas (PUC) in which the holder has the exclusive right to provide retail water service. Chapter 13 of the Texas Water Code requires a CCN holder to provide continuous and adequate service to the area within its CCN boundary.

3.7 Costs of Construction

All expenses associated with constructing, installing, and placing a facility into operation including, but not limited to, planning, engineering, clearing, surveying, legal, land acquisition, acquisition of rights-of-way, and the construction contract.

3.8 Developer

An individual, partnership, corporation, or other legal entity that has subdivided land or desires to subdivide land or requests more than two water service connections on a single contiguous tract of land.

3.9 Developer Project

The construction of facilities by a Developer to serve a Subdivision owned or controlled by the Developer, including water lines and related equipment necessary to transport water from General Purpose Transmission Facilities to provide water service to individual lots in a Subdivision, which facilities will be deeded to Aqua.

3.10 District

A political subdivision of the State of Texas authorized under Article 16, Section 59, or Article III, Section 52, of the Texas Constitution to provide water, sewage, drainage, and other services within the District boundaries.

3.11 Dwelling, Dwelling Unit, or Residence

A home, house, mobile home, manufactured home, apartment unit, or any unit in a multiunit residential structure maintaining a restroom facility and area for preparation or storage of foods. A recreational vehicle that is not located in a recreational vehicle park shall be considered a dwelling under this Tariff if it is connected to an Aqua meter and is used for human habitation.

3.12 Engineering

A person or firm licensed by the State of Texas and contracted or employed by Aqua to provide engineering and/or engineering consulting services.

3.13 Feasibility Study

The report prepared by Engineering to determine if sufficient water capacity is available to a specific tract of land, and if construction of certain improvements to Aqua's System is required before capacity is available.

3.14 Flag Lot

A parcel of land generally situated behind a lot or lots that front a street and is accessible from the street only over a narrow access strip. A Flag Lot does not have street frontage except along the width of the access strip.

3.15 General Purpose Transmission Facilities

Those pumps, filters, lines, chlorination units, and the like which are designed to provide water service to more than one Subdivision, multiple Large Volume Services, or Wholesale Service.

3.16 Large Volume Service – Conservation Districts

Water service provided to a conservation district created pursuant to Article XVI, Section 59, or Article III, Section 52, of the Texas Constitution, such as a municipal utility district or a water control and improvement district, by means of a connection with a meter(s) size larger than one (1) inch. Water delivered to such conservation district (District) is delivered through an air gap so that the District must provide its own storage and pressurization facilities. Water provided under Large Volume Service – Conservation Districts may be sub-metered for resale by the District within the boundaries of the District. Aqua is not the retail service provider to the customers within the District.

3.17 Large Volume Service – Multiple Owner

Water service provided to a multiple owner development, such as townhouses, condominiums, or cluster homes by means of a connection with a meter size larger than one (1) inch. Water provided to property falling under the Large Volume Service – Multiple Owner classification is not allowed to be sub-metered for resale.

3.18 Large Volume Service – Single Owner

Water service provided to a single tract of land owned by a single person, corporation, or other entity by means of a connection with a meter size larger than one (1) inch. Water provided to property falling under the Large Volume Service – Single Owner classification is not allowed to be sub-metered for resale.

3.19 Living Unit Equivalent (LUE)

The equivalent of one single family residence which can be adequately served by a 5/8" X 3/4" water meter.

3.20 Manufactured Home or Manufactured Housing

A structure transportable in one or more sections which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the

required utilities. This term includes any structure defined as a mobile home, “tiny home,” HUD-code manufactured home, or manufactured home by Texas Occupations Code, Chapter 1201.

3.21 Manufactured Housing Park

A single tract of land on which parking spaces for manufactured homes are rented to the general public primarily for non-transient use and for which rent is paid at intervals of one month or longer.

3.22 Meter Certificate

A certificate issued by Aqua as compensation for the dedication of a permanent water line easement across private property or for other consideration.

3.23 Meter Setting Fee

The cost to set the appropriately sized meter for providing the requested water service, but not including any associated costs such as line extensions or road crossings.

3.24 Monthly Customer Charge

The cost to have water available at a meter (also known as the Monthly Base Rate).

3.25 Multiple Connection Service

A single meter serving multiple dwellings.

3.26 Production and Storage Facilities

The equipment, structures, and appurtenances necessary to produce, treat, and store water from groundwater or surface water sources for delivery to General Purpose Transmission Facilities.

3.27 Recreational Vehicle

A vehicle built on a single chassis, is self-propelled or permanently towable by a light duty truck and is not primarily designed for use as a permanent dwelling, but as temporary living quarters for recreational, camping, travel, or seasonal use.

3.28 Recreational Vehicle Park (RV Park)

A property on which parking spaces for recreational vehicles are rented to the general public for transient use.

3.29 Service Area

That area to which Aqua may lawfully provide water service, whether within or outside the area described by the Certificate of Convenience and Necessity (CCN) held by Aqua.

3.30 Standard Service

Water service to one living unit equivalent (LUE) provided through a 1” simple or smaller meter.

3.31 Subdivision

The division of any lot, tract, or parcel of land within the Service Area of Aqua, into two or more lots or sites occurring on or after May 2, 1984 for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded.

3.32 System Development Fee

The cost for a new member meter connection to recover costs of existing and future capacity enhancing capital improvements. This fee can also be considered an Impact Fee.

3.33 Tap Fee

The sum of the Meter Setting Fee and the System Development Fee but which may also include any required flow-controlling device and/or backflow prevention device.

3.34 Usage Charge

The charge billed for the quantity of water delivered through a metered point of delivery.

4. Responsibilities

4.1 Board of Directors

Creates a statement of mission and purpose articulating the goals, means, and the constituents to be served by Aqua. Sets goals and creates policies in support of this mission and provides direction, guidance, governance, and oversight to ensure Aqua is on track with regard to meeting its goals. Determines feasibility of providing water service to an area and approves any agreement to provide water service.

4.2 General Manager

Executes the policies, plans, and directives of the Board of Directors (Board) to meet Aqua's goals as articulated in the mission. Assists the Board in developing and disseminating policies and plans to the staff. Ensures the staff understands and executes planning directives and policies and brings staff ideas and/or concerns to the Board's attention. Negotiates and executes contracts for water service to areas in Aqua Water Supply Corporation's Retail Water CCN.

4.3 Assistant General Manager

Executes the policies, plans, and directives of the Board and General Manager to meet Aqua's goals as articulated in the mission. Assists the General Manager in developing and disseminating policies and plans to the staff. Ensures the staff understands and executes planning directives and policies and brings staff ideas and/or concerns to the General Manager's attention.

4.4 Engineering Manager

Directs Engineering to plan, manage, direct, and coordinate engineering operations for water and wastewater treatment systems and facilities, capital improvement projects, right-of-way functions, SCADA systems, and GIS/IT systems.

5. Rate Schedule

5.1 Rates

5.1.1 Standard Service

The monthly charge for Standard Service is the sum of the Monthly Customer Charge and the Usage Charge. The Usage Charge is applicable to all water that flows through the meter during the monthly billing period.

Meter Type And Size	Monthly Customer Charge	Gallons Included	Usage Charge per 1,000 Gallons - 1 to 10,000 -	Usage Charge per 1,000 Gallons - 10,001 to 20,000 -	Usage Charge per 1,000 Gallons - Over 20,001 -
5/8" Simple	\$25.15	-0-	\$3.75	\$5.75	\$7.00
3/4" Simple	\$25.15	-0-	\$3.75	\$5.75	\$7.00
1" Simple	\$25.15	-0-	\$3.75	\$5.75	\$7.00

Texas Commission on Environmental Quality (TCEQ) Assessment:

Aqua collects a regulatory assessment fee for each meter as established by TCEQ.

Lost Pines Groundwater Conservation District Assessment:

Aqua collects a usage assessment fee for each meter as established by the Lost Pines Groundwater Conservation District.

5.1.2 Large Volume Service

The monthly charge for Large Volume Service is the sum of the Monthly Customer Charge and the Usage Charge. The Usage Charge is applicable to all water that flows through the meter during the monthly billing period.

Meter Type And Size	Monthly Customer Charge	Gallons Included	Usage Charge per 1,000 Gallons
1-1/2"	\$125.00	-0-	\$5.00
2"	\$245.00	-0-	\$5.00
3"	\$570.00	-0-	\$5.00
4"	\$1,160.00	-0-	\$5.00
6"	\$3,160.00	-0-	\$5.00
8"	\$5,190.00	-0-	\$5.00

Aqua does not install 1-1/2 inch size meters for Large Volume Service. For Large Volume Service, Aqua will only install nominal size meters of two (2) inches and larger.

TCEQ Assessment:

Aqua collects a regulatory assessment fee for each meter as established by TCEQ.

Lost Pines Groundwater Conservation District Assessment:

Aqua collects a usage assessment fee for each meter as established by the Lost Pines Groundwater Conservation District.

5.1.2.1 Multiple Connection Service – Transient Use

A business such as a recreational vehicle park or motel that serves transient customers pays only one Monthly Customer Charge for water service to customers of the business. A recreational vehicle park pays only one Monthly Customer Charge for water service provided to recreational vehicles regardless of the number of such vehicles served by the meter. Similarly, a motel pays only one Monthly Customer Charge for water service provided to motel rooms regardless of the number of rooms served by the meter.

For recreational vehicle parks, Aqua requires a Feasibility Study for each water service request to determine availability of sufficient water capacity, requirements for improvements to Aqua's System, and the appropriate size meter.

5.1.2.2 Multiple Connection Service – Non-Transient Use

The Monthly Customer Charge for residential master meter service using meters of one (1) inch or less for apartments, multi-unit residential structures, or manufactured housing parks is equal to the Monthly Customer Charge for a 5/8" meter times the number of dwelling units connected to the master meter on the date of meter reading each month. For a master meter two (2) inches or larger installed for Large Volume Service pursuant to a Feasibility Study performed by Aqua, the Monthly Customer Charge is equal to the Monthly Customer Charge for a 5/8" meter times the Living Unit Equivalent (LUE) capacity of the meter as determined by Aqua.

For apartments, multiunit residential structures, and manufactured housing parks, Aqua requires a Feasibility Study for each water service request to determine availability of sufficient water capacity, requirements for improvements to Aqua's System, and the appropriate size meter.

5.1.2.3 Multiple Connection Service – General Provisions Applicable to 1" or Smaller Meters

If allowed under this Tariff as an exception to Aqua's policy stated in the **One Dwelling Per Meter** policy in the **Service Rules and Regulations** section of this Tariff, when more than one dwelling is connected to a single meter, the member pays a multiple of the Monthly Customer Charge corresponding to the number of dwellings connected to the single meter.

5.1.2.4 Recreational Vehicles and Manufactured Homes – General Provisions

When any recreational vehicle used for human habitation is parked in a location other than a recreational vehicle park and is connected to a meter, the member must pay a Monthly Customer Charge for that vehicle.

A member must also pay a Monthly Customer Charge for each and every manufactured home connected to a meter unless the manufactured home is located in a manufactured housing park providing water service through a master meter larger than one (1) inch pursuant to a Large Volume Service Agreement. In this situation, the Monthly Customer Charge for the master meter is equal to the Monthly Customer Charge for a 5/8" meter times the LUE capacity of the meter as determined by Aqua in a Feasibility Study.

5.2 Connection Fees

5.2.1 Single Dwelling or Single Non-Residential Business Connection

- (1) For lots located within compliant subdivisions where capacity is reserved or for properties not located within a subdivision; and
- (2) Meter Installation – Straight Set (no line extension, no road crossing).

- (3) In accordance with 30 Texas Administrative Code §290.46(j), all new water connections require a Customer Service Inspection (CSI) and payment of a corresponding inspection fee.

Meter Type & Size	Meter Setting Fee	+	System Development Fee	=	Tap Fee	+	Membership Fee	+	CSI Fee	=	Total Fee
5/8" simple	\$470.00		\$3,900.00		\$4,370.00		\$100.00		\$70.00		\$4,540.00
3/4" simple	\$490.00		\$5,650.00		\$6,140.00		\$100.00		\$70.00		\$6,310.00
1" simple	\$730.00		\$9,150.00		\$9,880.00		\$100.00		\$70.00		\$10,050.00

5.2.2 Subdivisions or Non-Compliant Subdivisions Requiring Capacity Reservation

- (1) For lots resulting from the subdivision of a larger tract of land that occurred on or after May 2, 1984; and
- (2) Capacity was not previously reserved; and
- (3) Meter Installation – Straight Set (no line extension, no road crossing).

Aqua includes a **\$600** Capacity Reservation Fee as a component of the System Development Fee for each LUE served in a Subdivision or non-compliant subdivision.

Capacity Reservation Fee **\$600.00 per LUE**

Meter Type & Size	Meter Setting Fee	+	System Development Fee *	=	Tap Fee	+	Membership Fee	+	CSI Fee	=	Total Fee
5/8" simple	\$470.00		\$4,500.00		\$4,970.00		\$100.00		\$70.00		\$5,140.00
3/4" simple	\$490.00		\$6,250.00		\$6,740.00		\$100.00		\$70.00		\$6,910.00
1" simple	\$730.00		\$9,750.00		\$10,480.00		\$100.00		\$70.00		\$10,650.00

* \$600 of the System Development Fee is the Capacity Reservation Fee.

5.2.3 Multiple Connection Service

- (1) One (1) inch or smaller meter; and
- (2) Meter Installation – Straight Set (no line extension, no road crossing).

For meter sizes 1" and smaller, the tap fee for a multiple dwelling connection such as an apartment, multiunit residential structure, or manufactured housing park includes the meter setting fee for the meter size specified by Aqua, plus a System Development Fee that is equal to the System Development Fee for a 5/8" meter times the number of dwelling units or manufactured home pad sites to be connected to the meter.

Multiple Connection Service is available only for apartments, manufactured housing parks, and multiunit residential structures such as duplexes. All other residential service must comply with the **One Dwelling Per Meter** policy in the **Service Rules and Regulations** section of this Tariff.

Whenever an increase is proposed in the number of dwelling units, or in the case of a non-transient manufactured housing park, an increase in the number of pad sites, the member must pay to Aqua

the appropriate System Development Fee before making such expansion. Whenever Aqua determines the number of dwelling units or pad sites connected to a master meter exceeds the number of units for which the member has paid, the member must pay a System Development Fee equal to the System Development Fee for a 5/8" meter times the number of additional dwelling units or pad sites connected to the meter. The member must pay the System Development fees for the additional dwelling units or pad sites within 30 days of the date that Aqua provides notice to the member.

5.2.4 Large Volume Service – Single Owner

To obtain Large Volume Service – Single Owner, an applicant must first pay for and submit a Request for Feasibility Study for a specific maximum or peak gallons per minute (GPM) for the expected service. Aqua then determines the size meter assembly required to meet the requested sustained maximum GPM. Aqua also calculates the appropriate Meter Set Fee, System Development Fee, and Tap Fee associated with the requested meter. Aqua calculates the System Development Fee by equating the demand placed on the system by the requested maximum GPM to the demand placed on the system by an equivalent number of LUEs. The Tap Fee for Large Volume Service – Single Owner includes the actual cost for purchasing and installing the appropriate size and type meter and any flow controlling device and backflow prevention device as determined to be necessary by Aqua. The Membership Fee for Large Volume Service – Single Owner is **\$100.00**.

5.2.5 Large Volume Service – Multiple Owner

To obtain Large Volume Service – Multiple Owner, an applicant must first pay for and submit a Request for Feasibility Study for a specific maximum or peak GPM for the expected service. Aqua then determines the size meter assembly required to meet the sustained maximum GPM requested. Aqua also calculates the appropriate Meter Set Fee, System Development Fee, and Tap Fee associated with the requested meter. The System Development Fee is calculated by multiplying the number of dwelling units to be connected to the meter times the System Development Fee for a LUE. The number of dwelling units is adjusted by multiplying by a factor of 0.7 for dwelling units that share common walls, such as townhouses or condominiums. The Tap Fee for Large Volume Service – Multiple Owner includes the actual cost for purchasing and installing the appropriate size and type meter and any flow controlling device and backflow prevention device as determined to be necessary by Aqua. The Membership Fee for Large Volume Service – Multiple Owner is **\$100.00**. Large Volume Service – Multiple Owner is subject to the limitations and terms in the **Service Rules and Regulations** section of this Tariff and the requirements of the rules and regulations for Aqua's **Water Service to Subdivisions**, including the requirement for payment of capacity reservation fees.

5.2.6 Large Volume Service – Lessee

Aqua's Board may, in its sole discretion, allow a lessee of real property owned by a local, state, or federal governmental entity to file an application for Large Volume Service to the leased property and seek to become a member of Aqua. Aqua's Board will consider granting permission on a case-by-case basis. The General Manager will assess the facts and circumstances of each such application and make a recommendation to Aqua's Board regarding whether such permission should be granted and if so, the terms of the contract. To obtain Large Volume Service, the lessee must provide written acknowledgement from the lessor of the property that the lessee is seeking water service. In addition, the lessee must obtain a Feasibility Study and must pay the Meter Setting Fee, System Development Fee, Membership Fee, and Tap Fee as established by the Tariff.

5.2.7 Temporary Emergency Meter Sets for Livestock

During periods of extreme drought, Aqua's Board may institute a Temporary Emergency Meter Set program to allow individuals with livestock such as cattle, goats, and horses, to acquire an Aqua meter to provide water to livestock. To obtain a Temporary Emergency Meter, an individual with livestock must complete and submit a Temporary Emergency Water Meter Application. Before the provision of water, Aqua will verify there is sufficient available capacity in the water line supplying the meter so there will be no impact to existing Aqua members in the area. The Temporary Emergency Meter is available only if its addition does not result in the need for Aqua to expand or improve its system to meet state and federal standards to retail customers.

To obtain a Temporary Emergency Meter, water from the meter must flow into a prefabricated tank or trough equipped with an automatic shutoff. After submittal of the application and payment of fees, an Aqua water operator will verify compliance with requirements prior to installation of the meter. Aqua requires a Customer Service Inspection following installation of the meter. Aqua will not set a Temporary Emergency Meter to provide water to an earthen tank or residence.

Aqua's Board determines the cost to install a Temporary Emergency Meter at the time it institutes the program. The individual requesting the Temporary Emergency Meter also pays a monthly fee equal to the first tier of the inverted block rate. Aqua does not charge a System Development Fee, Membership Fee, or Monthly Customer Charge for Temporary Emergency Meters.

The Temporary Emergency Meter program remains in effect until the Aqua's Board modifies or revokes it. Aqua reserves the right to remove a Temporary Emergency Meter with ten (10) days written notice if it determines there is a violation of the terms and conditions of the program or the information in the application is inaccurate.

Users may convert a Temporary Emergency Meter to a regular water service connection by contacting Customer Service and complying with the **Service Rules and Regulations** section of this Tariff concerning Application for Service.

5.2.8 Additional Connection Charges

There are several additional potential fees related to installation and connection of a water meter. These fees are outlined below.

5.2.8.1 Charge for Line Extensions and Road Crossings

Aqua determines the cost to construct line extensions and road crossings on a case by case basis established from the cost of labor and materials at the time of construction.

5.2.8.2 Nonstandard Service

Aqua considers requests for water service or supplemental water service other than those specified in this Tariff, including those in the **Water Service to Subdivisions** section of this Tariff, as subject to additional connection charges, including, but not limited to, line extension costs and road bore costs. Aqua will determine these charges on a case by case basis.

5.2.8.3 Easements

When Aqua determines that private right-of-way easements are necessary to provide service to an applicant, the applicant must pay all costs incurred by Aqua to obtain these easements.

5.2.8.4 Backflow Prevention/Pressure Booster

When Aqua determines that backflow prevention is required in connection with a meter, the applicant must pay all costs for materials and installation of a backflow prevention device. In the situation where there will be a significant drop in pressure between the meter and the structure where service is to be provided, the applicant requesting service may seek a determination of the feasibility of using a pressure booster unit to serve the structure. This condition is typically caused by a significant difference between the elevation of the meter and the elevation of the structure. If Aqua determines a pressure booster unit to be feasible, the applicant for service may elect to have a contractor of the applicant's choice install the unit or have Aqua install the unit subject to the applicant paying all installation costs. The applicant must also pay all costs for materials and installation of a backflow prevention device as required at a location where a pressure booster unit is installed. Aqua may elect to pay the cost of materials and installation of a pressure booster unit at a location which serves more than one member or is remote from Aqua's pumping and storage facilities and where no improvements to Aqua's System are planned.

5.2.8.5 Meter Location

When possible, Aqua will not place meters in locations where they may be subjected to vehicular traffic, such as a meter placed under a driveway providing access to a dwelling. If an applicant desires the placement of one or more meters in a location where, in the judgement of Aqua Engineering, the meter(s) may reasonably be subjected to vehicular traffic of any sort, then at the sole expense of applicant, Aqua will select a meter box or boxes designed and constructed to minimize the likelihood of damage to the meter(s) resulting from vehicular traffic.

5.2.8.6 Meter Location on a Flag Lot

Because the meter location on a Flag Lot will subject the meter to vehicular traffic, Aqua, at the sole expense of applicant, will select a meter box or boxes designed and constructed to minimize the likelihood of damage from vehicular traffic. Aqua requires the flag or access utility easement providing entry to the lot to have a minimum street/road frontage of 30 feet.

5.3 Miscellaneous Fees

5.3.1 Membership Fee

The Membership Fee is not refundable and applies to each service connection to Aqua's System.

Membership Fee **\$100.00**

5.3.2 Membership Transfer Fee

In the event the member sells the property receiving service, Aqua will charge a membership transfer fee to transfer the membership to the new customer.

Membership Transfer Fee **\$25.00**

5.3.3 Customer Service Inspection Fee

The State of Texas mandates that any requests for new service from a public water supply include a Customer Service Inspection (CSI) conducted by a licensed Customer Service Inspector. Aqua will also conduct a Customer Service Inspection when there is a request to transfer service from a membership that has never had an inspection, and whenever there is a request to reconnect a service after that service has been discontinued for a year.

Customer Service Inspection Fee **\$70.00**

5.3.4 Backflow Prevention Permit and Fees

All members are required to notify Aqua of an actual or potential contamination hazard by submitting a completed Backflow Prevention Assembly Test and Maintenance Report form (TCEQ-20700) and an Aqua Cross-Connection Permit application with payment of a **\$25 Permit Fee**. At any residence or establishment where an actual or potential contamination hazard exists, the member is required to install additional protection in the form of an air gap or backflow prevention assembly device. Aqua's backflow prevention program identifies potential sources of contamination to Aqua's System on a member's property and determines the degree of the existing hazard and the required installation of a backflow prevention assembly device.

Upon installation of the backflow prevention assembly, a Backflow Prevention Assembly Tester must complete TCEQ's Backflow Prevention Assembly Test and Maintenance Report, required by TCEQ, and submit it to Aqua. Only a licensed Backflow Prevention Assembly Tester can complete the test and report for the backflow prevention device. Members may obtain a list of licensed testers by contacting Aqua.

TCEQ requires annual testing of all cross connections assessed as a health hazard. The TCEQ testing requirement applies to any irrigation system installed on sites with an on-site sewage facility (OSSF), such as a septic tank, and which is connected to Aqua's System. The existence of the OSSF elevates the classification of the irrigation system to a health hazard requiring annual testing. TCEQ grandfathered backflow prevention devices installed before 2009 until they require "major maintenance, alteration, repair, or service." When the backflow preventer can no longer be repaired in-line and has to be replaced, the owner must upgrade to the required Reduced Pressure assembly (RP). Testable backflow prevention devices on irrigation systems installed on sites without an on-site sewage facility and not classified as a health hazard require testing every three (3) years. Aqua mails a notice to the member when it is time for the retest.

Aqua will test any unreported and/or suspected contamination hazards at the members' expense at **\$150.00** per test. In the event a member refuses to allow such testing, Aqua will follow established TCEQ guidelines in dealing with the potential for contamination.

Backflow Prevention Permit Fee **\$25.00**

Test for Contamination Hazards **\$150.00**

5.3.5 Meter Reconnection Fees

There are several fees related to reconnecting a previously disconnected water service.

Base Reconnection Fee	\$60.00
Re-Service Fee	\$25.15 x number of months inactive up to \$250.00
Temporary Reconnection Fee	\$60.00
Past Due Balance	As applicable

When there has not been a change in ownership or right of possession pursuant to a contract for deed or any other applicable deed, a member must pay a Reconnection Fee before Aqua will restore service to a member's disconnected meter. Aqua charges a Base Reconnection Fee of **\$60.00** and a Re-Service Fee for all reconnections. The Re-Service Fee is the number of months which the meter was inactive times **\$25.15**, or **\$250.00**, whichever is less. For purposes of this calculation, the inactive period is rounded down to the nearest full month. The Reconnection Fee includes the sum of the Base Reconnection Fee plus the Re-Service Fee plus any past due balances owed for water service at the time of disconnection. At service locations where equipment tampering or an unauthorized connection resulted in forfeiture of membership and tap rights, Aqua requires the former member to make full payment of the Membership Fee and the Tap Fee in effect at the time service is requested. Additionally, Aqua requires the former member to make full payment of any applicable Equipment Damage Fees.

When a member transfers membership from one service location to another service location, but retains ownership of the former service location, the member must pay a Reconnection Fee before Aqua will restore service to the former service location. Aqua charges a Base Reconnection Fee of **\$60.00** and a Re-Service Fee for all reconnections. The Re-Service Fee is the number of months which the meter was inactive times **\$25.15**, or **\$250.00**, whichever is less. For purposes of this calculation, the inactive period is rounded down to the nearest full month. The Reconnection Fee includes the sum of the Base Reconnection Fee plus the Re-Service Fee. Additionally, the member must pay a Membership Fee of **\$100.00** to obtain a new membership at the former service location. For example, if the member transfers service to a new location and the former service location remains inactive for 20 months, the charges to restore service will be: A Base Reconnection Fee of **\$60.00** plus a Re-Service Fee of **\$250.00** plus a Membership Fee of **\$100.00**, totaling **\$410.00**.

When there has been a change in ownership or right of possession pursuant to a contract for deed or any other applicable deed, a new member must pay a Reconnection Fee before Aqua will restore service to that location. Aqua charges a Base Reconnection Fee of **\$60.00** for all reconnections, plus a Membership Fee or Membership Transfer Fee, whichever is applicable. Aqua requires payment of a Membership Fee in all cases where the previous membership was forfeited. Aqua does not charge a Re-Service Fee and the new member is not responsible for any past due balance. At service locations where equipment tampering or an unauthorized connection resulted in forfeiture of membership and tap rights, Aqua requires the new owner to make full payment of the Membership Fee and the Tap Fee in effect at the time service is requested.

The maximum time Aqua will temporarily reconnect a service for renovation or construction is 30 days. The fee to temporarily reconnect a service is **\$60.00** plus consumption at the rate in effect per 1,000 gallons.

5.3.6 Meter Disconnection and Removal Fee (5/8", 3/4", & 1" Meters)

Aqua charges a Meter Disconnection and Removal Fee to compensate for the cost of disconnecting, sealing, and removing the existing line tap and meter whenever a meter is removed or relocated at the member's request. Aqua determines the fee to disconnect and remove meters larger than one (1) inch on a case by case basis.

Meter Disconnection and Removal Fee	\$100.00
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5.3.7 Late Charge

Aqua adds a 10% penalty for a payment received after the monthly-due date. Failure to pay on or before the due-date may result in disconnection of service. Aqua does not apply the penalty on delinquent bills to any balance to which the penalty was applied in a previous billing.

Late Charge

10% Penalty

5.3.8 Returned Check Charge

In the event Aqua receives three (3) returned checks for insufficient funds, Aqua may require the member or customer to pay with guaranteed funds such as cash, money order, cashier's check, or credit card for the following twelve (12) months from the date of the last offense. After twelve months from the most recent offense, Aqua may reconsider accepting checks from the member or customer.

Returned Check Charge **\$35.00**

5.3.9 Meter Inspection Fee

Whenever a member's inaction or inability to inspect a meter or to read a meter requires Aqua to dispatch a technician to inspect or read the meter, the member must pay the meter inspection fee. The General Manager may waive this fee upon demonstration of a physical need for Aqua to provide the inspection service.

Meter Inspection Fee **\$30.00**

5.3.10 Change in Use of Property Requiring Increase in Meter Size

In situations where the member has an Aqua meter, and wishes to increase the size of the meter, the member must pay Aqua the difference between the current amount of the System Development Fee on the existing meter and the current amount of the System Development Fee on the proposed meter. In addition, the member must pay the Meter Setting Fee and a CSI Fee.

**5.3.11 Charge for Moving or Reinforcing Existing Aqua Facilities
(When Required by Change to Existing or New Development)**

In situations where Aqua's facilities are lawfully situated in a private or public easement or road right-of-way, and, in the opinion of Aqua, a new development, new construction, a change to an existing development, or any other change requiring Aqua to either move or reinforce its facilities to ensure the protection of the facilities, the customer/developer must pay the costs incurred by Aqua to move or reinforce its facilities.

5.3.12 Equipment Damage Fees

For connections with 5/8", 3/4", and 1" meters, Aqua charges the following Equipment Damage fees to compensate for repairs to Aqua's water distribution system caused by an unauthorized reconnection of water service where Aqua has disconnected service. For all other damages made to Aqua's distribution system, Aqua will charge for the actual cost of repairs.

Replace damaged or destroyed locks **\$100.00**

Replace damaged or destroyed water meters:

5/8" meter **\$470.00**

3/4" meter **\$490.00**

1" meter **\$730.00**

Replace damaged or destroyed angle stops **\$150.00**

Aqua determines Equipment Damage Fees for connections with meters larger than 1" on a case by case basis in accordance with the actual costs incurred by Aqua due to the damage.

5.3.13 Diversion and Theft of Service

Aqua will assess a fine to any member or person diverting and/or taking water from Aqua's System through a fire hydrant, an illegal tap, bypassing a meter, or using any other means to obtain water without specific authorization. In addition to the theft of service fine, Aqua will charge the actual costs associated with repairing any system facilities damaged and, if required, the subsequent service trip to reactivate service after payment of these charges. Aqua may also pursue criminal charges for theft under Texas Penal Code Section 28.03(b)(3)(B) and 28.03(c).

Fine for Diversion and Theft of Service **\$150.00**

5.3.14 Feasibility Study Fee

Any person requesting a Feasibility Study must pay a non-refundable fee in accordance with a current fee schedule. The fee for a Feasibility Study will vary with the size of the project.

Feasibility Study **In Accordance with a Current Fee Schedule**

If fire flow is needed, the requestor pays an additional non-refundable fee plus the applicable Feasibility Study fee from the fee schedule. Requestors pay this fee at the time of submittal of the Request for Feasibility Study.

Fire Flow **Additional Fee in Accordance with a Current Fee Schedule**

5.3.15 Capital Investment Recovery Fee

Under some circumstances such as projected high growth or demonstrated need, Aqua will assume the risk of development and invest in an infrastructure construction project to supply water to a specific geographical region within its service area. The infrastructure required for providing service may include production, storage, pumping, and/or transmission.

Aqua will determine the available capacity for each specific project in terms of Living Unit Equivalents (LUEs). To determine the pro-rata cost for each LUE associated with a specific project, Aqua will divide the total cost of the infrastructure project by the total LUE capacity created by the project. Any developer or customer requesting water from the resulting infrastructure project will pay a Capital Investment Recovery Fee (CIRF) relative to the number of LUEs taken from the total LUE capacity.

CIRF **Calculated Per LUE for Specific Project**

5.3.16 Water Lines for Fire Protection (Fire Flow)

If a person intends to install a fire line or loop for the purposes of providing water service for firefighting, this person must provide the required water demand information to Aqua, in terms of flow quantity and time, necessary to meet the fire flow requirements. Additionally, this person must pay an additional fee and submit a Request for Feasibility Study to Aqua to conduct a Feasibility Study to review the plan and determine any necessary water system improvements. The person must also pay the costs of the double detector check assembly and all other necessary appurtenances to be placed on the fire line or loop, plus the cost of any necessary backflow prevention device. All double-detector check meters are billed a Monthly Customer Charge equivalent to that of a 5/8" simple meter as defined in the **Rate Schedule** section of this Tariff, plus any Usage Charges for all used water, excepting those instances where water is used for firefighting. It is the responsibility of the member to notify Aqua of the quantity of water used for firefighting. Water lines for fire protection serviced through a double-detector check meter or similar assembly may not be used for any other purpose.

Feasibility Study for Fire Protection **In Accordance with a Current Fee Schedule**

5.3.17 Fire Hydrant Meter Fees and Deposits

For persons requesting the use of a fire hydrant meter, there is a required deposit of **\$1,200.00**. Aqua also charges a Monthly Charge and a Usage Charge as defined by the size of the meter and equivalent to the fees outlined for Large Volume Service in the Rate Schedule section of this Tariff. Aqua will return the deposit upon payment of all monthly and usage fees due to Aqua and the return of the meter in good working condition.

Deposit for Fire Hydrant Meter **\$1,200.00**

5.3.18 Water Distribution System Flow Test

To conduct a flow test on Aqua's Distribution System, the developer or other applicant requesting the test must pay Aqua a non-refundable fee of **\$150.00** for each individual flow test.

Flow Testing Fee **\$150.00**

5.3.19 Application Fee for Review of Real Property Records

All applicants requesting new service, requesting an estimate to provide service to a tract of land, or requesting relocation of an existing meter must pay a non-refundable Application Fee in the

amount of **\$150.00**. Aqua will use the fee to research the real property records in the relevant county to determine compliance with that county's subdivision regulations and to determine which sections of **Water Service to Subdivisions** in this Tariff may apply.

Application Fee **\$150.00**

5.3.20 Legal Fees

Any individual or entity requesting water service from Aqua will be responsible for all legal fees and expenses incurred by Aqua in providing the requested water service. Aqua may require an initial deposit to cover these legal expenses. After reconciliation, Aqua will issue an invoice for all legal fees and expenses incurred in excess of the deposit or issue a refund for the difference.

Legal Fees **\$1,000.00 to \$5,000.00 Deposit**

6. Service Rules and Regulations

6.1 Application for Service

An owner of title to real property or a purchaser under an executory contract for conveyance of real property (Contract for Deed or any other applicable deed) may file an application for service and seek to become a member of Aqua. An applicant makes an application for service using Aqua's standard Water Service Application and Water Service Agreement forms. The applicant must sign and submit the forms before Aqua will provide water service. The Terms and Conditions, Notice of Water Pressure Hazard, Notice Concerning Driveways, and Privacy Notice as stated in the Water Service Agreement and shown in **Exhibit A** are an integral part of this Tariff.

A lessee of real property owned by a local, state, or federal governmental entity may file an application for Large Volume Service with a Request for Feasibility Study and seek to become a member of Aqua with permission of Aqua's Board. The Board considers these applications on a case by case basis.

An applicant must make a separate application or contract for each service request. All applicants for service must submit a legal description of the property to be served which will consist of the lot, block, and section number for land in a platted subdivision, or will consist of a metes and bounds description for tracts of land that are not platted.

Aqua will not approve any application for service in a subdivision unless the Developer has fully complied with all the requirements of **Water Service to Subdivisions** in this Tariff, including, without limitation, full payment of all capacity reservation fees.

6.2 Easement Requirement for Water Service

As a condition of service, an applicant must execute a permanent water line easement across the entire frontage of the property for which the applicant requested water service, on a form satisfactory to Aqua, and in compliance with terms of Section 49.218 of the Texas Water Code.

6.3 Driveways Over Water Lines

Aqua requires a member or an applicant to provide notification if a concrete or asphalt driveway is to be installed on the property. If the driveway must cross an Aqua water line, the member or applicant must pay the cost to encase the water line. If an applicant's requested water service requires a water line extension and that water line extension must pass beneath one or more concrete or asphalt driveways, the applicant must pay the cost to encase the water line at every driveway location. If a member installs a concrete or asphalt driveway over an Aqua water line without notifying Aqua in writing and paying Aqua to encase the water line, a leak repair or other maintenance to the water line may result in damage to the driveway for which Aqua will not compensate the member.

6.4 Multiple Meters on a Single Tract of Land

If the owner of a single contiguous tract of land desires to obtain multiple meters for that tract to provide water service to multiple dwellings in compliance with the **One Dwelling Per Meter** policy, that owner must sign a Multiple Tap Agreement. If the owner desires to obtain more than two meters for a single contiguous tract of land, the owner must submit a written Request for Feasibility Study and pay applicable fees to determine if there is sufficient capacity in Aqua's System to serve the additional meters. The owner must pay a Capacity Reservation Fee for each additionally requested meter. Aqua may require an owner requesting more than two meters for a single contiguous tract of land to obtain Large Volume Service in lieu of multiple meters.

If the owner desires to obtain more than one meter for a single contiguous tract of land and the tract is a Flag Lot, Aqua will review the request and may require further analysis before approval. Aqua allows no more than two meters on a single contiguous tract of land that is a flag lot.

Aqua will not locate a meter in an access easement unless the tract is a Flag Lot with road frontage or has an access utility easement acceptable to Aqua. If the owner desires to obtain more than one meter in an access easement for a single contiguous tract of land that is a Flag Lot with road frontage or with an acceptable access utility easement, Aqua will review the request and may require further analysis before approval.

6.5 Subdivision of Land with One or More Meters

If one or more meters provide water service to a single contiguous tract of land which is then subdivided, Aqua will not transfer and/or reconnect one or more of the associated memberships. The subdivided tract of land must satisfy all the requirements of **Water Service to Subdivisions** in this Tariff.

If the owner of a single contiguous tract of land obtains multiple meters for that tract to provide water service to multiple dwellings in compliance with the **One Dwelling Per Meter** policy of this Tariff, and that owner later desires to convey some portion of that tract which contains one or more meters and/or one or more dwellings, then prior to the transfer of title to the new owner(s), the subdivision must satisfy all the requirements of **Water Service to Subdivisions** in this Tariff including, without limitation, payment of capacity reservation fees. Each owner of a subdivided portion of the property must convey to Aqua any easements necessary to provide water service to other portions of the property.

Upon transfer of title to property, the new owner(s) must comply with the **One Dwelling Per Meter** policy of this Tariff. If compliance with the **One Dwelling Per Meter** policy requires additional meters, the transfer applicant must pay the corresponding number of tap fees and membership fees.

Any applicant seeking service for a tract of land must provide information showing compliance with all applicable city and county subdivision ordinances. This information includes a copy of the recorded deed conveying the property to the applicant and a new service Application Fee to research the real property records in the relevant county. Aqua will perform a detailed review of the history of the tract and its division, if any, as set forth in the real property records to determine if the tract is compliant with all applicable city and county subdivision ordinances and to determine which provisions of **Water Service to Subdivisions** in this Tariff may apply to the application. Pursuant to Section 13.2501 of the Texas Water Code, Aqua will refuse to serve an applicant if the requested service is prohibited under Sections 212.012 of the Texas Local Government Code (Connection of Utilities).

6.6 Water Service Installation

After the applicant has met all requirements, conditions, and regulations set forth in this Tariff, Aqua will then (1) install a tap, meter, and cut-off valves within the boundaries of the parcel of land or lot to be served, and (2) take all necessary actions to initiate service.

6.7 Refusal of Service

Aqua will decline to serve an applicant until the applicant has complied with federal, state, county, and municipal regulations, Aqua's rules and regulations, and for the following reasons:

- (1) The applicant's installation or equipment is known to be inadequate or of such character that satisfactory service cannot be provided.
- (2) The applicant is indebted to any utility for the same type of service as that for which the applicant is applying.
- (3) Refusal to pay a membership fee or refusal to make a deposit, if Aqua requires applicant to make a deposit.
- (4) The property to be served is subdivided in violation of applicable city or county subdivision ordinances.
- (5) Section 13.2501 of the Texas Water Code and Section 212.012 of the Texas Local Government Code prohibits serving the property. These code sections require certification of compliance with plat requirements prior to connection of water, sewer, electricity, gas, or other utility service.
- (6) More than one dwelling will be connected to a single meter on the property unless the service location qualifies for master meter service under this Tariff.
- (7) The meter to be set will be located within a 100-year floodplain as established by the Federal Emergency Management Agency.

- (8) The applicant does not have legally recorded access to the property that complies with Aqua's Tariff for setting a meter.
- (9) The applicant fails or refuses to have a customer service inspection performed or fails or refuses to submit a properly completed customer service inspection certification form as required by TCEQ regulations.
- (10) The applicant fails to submit the "Notice of Endangered Species Habitat" acknowledgment if the property is within designated critical habitat under the Endangered Species Act or encompasses habitat of an endangered or threatened species under federal or state law.
- (11) Construction by Aqua of the General Purpose Transmission Facilities to serve the applicant would violate the federal Endangered Species Act or the Texas Endangered Species Act, and Aqua cannot reasonably obtain authorization from the relevant agencies.
- (12) The applicant refuses to execute a permanent water line easement across the entire frontage of the property for which water service is requested, on a form satisfactory to Aqua, and within the scope of the terms identified in Section 49.218 of the Texas Water Code.

6.8 Member Deposits

If a member or applicant has filed a petition for relief in U.S. Bankruptcy Court, Aqua may require a deposit to assure payments for service in accordance with 11 United States Code §366.

6.9 Meter Requirements, Readings, and Testing

For all water sold, Aqua bills members based on meter measurements of water that flows through the meter during the monthly billing period. Aqua provides, installs, owns, and maintains meters to measure amounts of water consumed by its members and reads the meters monthly. The State of Texas and Aqua's Tariff requires one meter for each residential, commercial, or industrial facility. Aqua considers a recreational vehicle park to be a single commercial facility.

Aqua allows a manufactured housing park to serve more than one manufactured home through a master meter, provided the Monthly Customer Charges are paid in accordance with the **Rate Schedule** section of this Tariff. A single master meter for each structure may serve apartment buildings, duplexes, or other multi-unit residential structures provided the Monthly Customer Charges are paid in accordance with the **Rate Schedule** section of this Tariff.

Upon request by a customer, Aqua will have a meter professionally tested for accuracy. If the meter is found to be within the accuracy standards established by the American Water Works Association, Aqua will charge the customer **\$200.00** for the testing and the cost to remove, transmit, and reinstall the meter. For anything larger than a standard service meter, Aqua estimates the cost of the test and the customer must provide a deposit for this amount before performance of the test. If the test finds the meter to be outside the accuracy standards established by the American Water Works Association, Aqua will pay the cost of the test for Standard Service and will take the necessary steps to install an accurate meter.

6.10 One Dwelling Per Meter Policy

It is a rule of the PUC (16 Texas Administrative Code Section 24.169(a)(4)), and the policy of Aqua to require one paid meter and tap for each residence and dwelling for human habitation. Upon detecting the possibility of multiple dwellings on a single meter, Aqua will communicate verbally and in writing to the suspected party and/or parties violating this policy and require a pre-payment to set water meters for the additional dwellings. Noncompliance constitutes the basis for a disconnect from Aqua's System with any reconnection fees to be paid by the member.

In the event a member is currently paying more than one Monthly Customer Charge and Aqua is specifically and knowingly permitting service to more than one dwelling from a single meter, Aqua will continue service to that member. Aqua will continue to accept two or more minimum payments each month until such time as the property is transferred in whole or in part to new owner(s), at which time the new owner(s) must fully comply with the **One Meter Per Dwelling** policy.

Upon subdivision of a property having more than one dwelling connected to a single meter, any owner of a subdivided portion of the property wishing to continue water service must become a member of Aqua and obtain a meter dedicated to providing water service to the owner's portion of

the property. Each owner of a subdivided portion of the property must convey to Aqua any easements necessary to provide water service to other portions of the property. The new service connections are subject to all the requirements of **Water Service to Subdivisions** in this Tariff, including, without limitation, full payment of tap fees and membership fees. Failure to have meters installed to serve each tract may result in disconnection of service to any or all subdivided portions of the property.

A single master meter may service more than one manufactured home provided the member pays the Monthly Customer Charges in accordance with **Rate Schedule** section of this Tariff and the serviced dwellings are located within a manufactured housing park.

6.11 Billing

Aqua renders water bills monthly unless service is terminated before the end of a billing cycle. When a new member initiates service less than one week before the next billing cycle, Aqua may bill for that service in the following month's billing cycle.

Aqua considers a payment late if it is not received at Aqua's office on or before the monthly due-date. Aqua adds a 10% penalty for a payment received after the monthly due-date. Failure to pay on or before the due-date may result in disconnection of service.

The member is responsible for the bill. Aqua will not separately bill occupants who are not members unless the member agrees to be responsible for payment of the bill and executes the appropriate documentation with Aqua.

6.12 Service Disconnection

After giving proper notice, Aqua may disconnect a member's water service for an unpaid water bill. Proper notice consists of a separate mailing or hand delivery at least five (5) days prior to a stated date of disconnection, containing the words "termination notice" or similar language prominently displayed on the notice. If applicable, the notice must also list the past due balance.

Aqua may disconnect service after proper notice for any of the following reasons:

- (1) Failure to pay a delinquent account or to comply with a deferred payment agreement.
- (2) Willful violation of a usage rule when that violation interferes with another member's service.
- (3) Failure to comply with valid deposit or guarantee arrangements.
- (4) Upon discovery by Aqua that the owner has subdivided the property in violation of applicable county subdivision ordinances.
- (5) Upon discovery by Aqua that the member has connected more than one dwelling on the property to a single meter, unless Aqua has specifically and knowingly accepted the multiple connections and the present members are paying the appropriate multiple of the Monthly Customer Charge.
- (6) Upon discovery by Aqua that one meter is serving more than one dwelling and the dwellings are located on separate parcels of land.
- (7) A member has failed to have a customer service inspection performed or has failed to provide access to the service location for the purpose of performing a customer service inspection.
- (8) Nonpayment of sewer service charges that Aqua collects under an agreement between Aqua and the provider of the sewer service.

Aqua will only disconnect water service without notice:

- (1) When a known dangerous condition exists and for as long as the condition exists.
- (2) When the customer has established water service with a meter bypass, using an unauthorized connection, or unauthorized reconnection; or
- (3) When a customer has tampered with Aqua's meter or equipment.

A residential member may request a delay of disconnection of service upon establishing that some person residing at that residence could become seriously ill or more seriously ill if Aqua disconnects

service. Each time a member seeks to avoid termination of service under this provision, the member must have the attending medical doctor call or contact Aqua within fifteen (15) days of the issuance of the bill. A written statement must be received by Aqua from the attending medical doctor within twenty (20) days of the issuance of the bill. Upon receipt of the doctor's written statement, Aqua may, at the discretion of the General Manager, delay disconnection of service for a period not exceeding 45 days from the issuance of the bill.

6.13 Customer Service Inspections

Aqua must complete a customer service inspection certification conforming to TCEQ Regulations, which is currently codified as 30 Texas Administrative Code §290.46(j), for all:

- (1) new connections;
- (2) existing service locations where Aqua has reason to believe that cross-connections or other unacceptable plumbing practices exist
- (3) after any material improvement, correction, or addition to the private plumbing facilities; or
- (4) relocation of an existing connection.

Aqua will collect a Customer Service Inspection Fee at the time a person makes an application for service. For existing service locations where a Customer Service Inspection is necessary, Aqua will add a Customer Service Inspection Fee to the member's monthly bill. A licensed Customer Service Inspector from Aqua must conduct the inspection and complete a certification form before Aqua will provide or continue water service.

The inspection is based on the conditions existing at the service location at the time Aqua sets the meter. If the member makes any material improvement, correction, or addition to the private plumbing facilities, Aqua will perform an additional Customer Service Inspection for the service location. For example, in cases where Aqua provides water service to facilitate construction of a new residence or other structure, the inspector must perform a Customer Service Inspection and properly complete a customer service inspection certification form for the new structure as soon as practicable. Upon discovery that there has been a change in service conditions and there is not an appropriately completed inspection certification form, Aqua will disconnect service to the location unless a properly completed certification form is filed at Aqua's office within 30 days after the date that Aqua provides notice pursuant to the **Service Disconnection** section of this Tariff. Aqua will not restore service until after completion of the Customer Service Inspection.

6.14 Meter Relocation

Upon completion of a new service application and agreement by a member, Aqua will consider relocating a meter to a point as near as possible to the member's property line consistent with ease of access to and safety and maintenance of the meter. On a case by case basis, Aqua will determine whether moving the meter location is feasible, including a determination whether water capacity is available at the selected location where the meter is to be relocated. The member must grant a permanent easement to Aqua across the property frontage in accordance with the Water Service Agreement before Aqua will move the meter. Review and approval of a meter relocation may require prior completion of a Feasibility Study.

A meter must be located and remain on the property of the structure which it is serving and will not be relocated or put into service on a different property. Aqua will not relocate a meter across property lines except to relocate a meter to the property it is serving after a tract is subdivided. Aqua requires an owner to relocate a meter to the property served. If the owner of the property and meter wishes to subdivide the tract, the owner should ensure the meter remains on the desired tract after subdividing or move the meter to the desired tract before subdividing.

The owner must reactivate an inactive meter to active service and pay all applicable fees before Aqua will consider relocation of the meter. The reactivated meter must meet all requirements for service per the Water Service Application and the Water Service Agreement including the grant of an easement across the property frontage.

After setting a meter in a new location, the owner has 30 days to install a new customer line. At the end of the 30 day period, Aqua will remove the old (original) meter.

The fee for moving a meter includes the following:

- (1) An Application Fee for review of records and relocation;
- (2) The Meter Setting Fee for the size of meter requested at the new location;
- (3) The Customer Service Inspection Fee;
- (4) The Meter Disconnection and Removal Fee; and
- (5) The cost of any line extensions or other materials necessary to deliver water to the new location.

If the meter to be installed at the new location is larger in size than the existing meter, the member must also pay the difference between the System Development Fees for the larger meter size and the smaller meter size in effect at the time of the relocation request.

6.15 Large Volume Service – Single Owner (Meters Larger Than 1”)

Members may only use Single Owner Large Volume Service to serve facilities located within a single tract of land owned by a single person, corporation, or other entity. Single Owner Large Volume Service is not available for service to land intended to be subdivided, provided however that the capacity purchased for a Single Owner Large Volume Service location may be converted to serve a subdivision to be created on the same land within ten (10) years of the date of connection. This right of conversion of capacity is not severable but will be assignable with the land if the land stays in a single tract with a single owner. Single Owner Large Volume Service is not applicable to water purchased for resale or water sold to District Large Volume Service customers. Customers requesting Single Owner Large Volume Service must enter a separate written contract with Aqua setting out the terms and conditions of service.

6.16 Large Volume Service – Multiple Owner (Meters Larger Than 1”)

A management company, homeowners association, or other similar entity applying for water service may obtain Multiple Owner Large Volume Service for a multiple owner development such as townhouses, condominiums, or cluster homes by means of a master meter connection. The applicant must not sub-meter the provided water for resale under Multiple Owner Large Volume Service. To acquire Multiple Owner Large Volume Service, an applicant must obtain a Feasibility Study and enter a contract with Aqua. Multiple Owner Large Volume Service is subject to the requirements of the **Water Service to Subdivisions** section of this Tariff, including payment of capacity reservation fees.

6.17 Large Volume Service – District (Meters Larger Than 1”)

This section only applies to districts that entered into agreements with Aqua prior to August 5, 2013.

Districts created pursuant to Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution, such as municipal utility districts or water control and improvement districts, may obtain Large Volume Service to supply water to property within the boundaries of the district. Districts may sub-meter water provided under District Large Volume Service for resale within the boundaries of the district. Aqua will remove the area within the boundaries of the district from the authorized Service Area under Aqua’s Certificate of Convenience and Necessity issued by the PUC. For a District to acquire District Large Volume Service, it must first obtain a Feasibility Study and enter a contract with Aqua providing that Aqua will be the exclusive source of water supply for the District. The District has the obligation to provide and maintain all water storage facilities and pressurization necessary to provide water service within the boundaries of the District. For additional requirements, please refer to Aqua’s policy **Water Service to Districts**.

6.18 Feasibility Study

Any person requesting Large Volume Service, service to Subdivisions or Districts, service to RV Parks, service to more than two meters on a single tract of land, and/or a multiple connection service such as apartments, manufactured housing parks, or multi-unit residential structures such as duplexes, must submit a written Request for Feasibility Study for Aqua to prepare a Feasibility Study. The purpose of the Feasibility Study is to determine if there is sufficient capacity in Aqua’s System to serve the number of dwelling units proposed to be located on the tract of land, or if a

need exists to expand capacity of the production, treatment, and storage facilities, the General Purpose Transmission Facilities, or a combination of both, to serve the proposed connection. Aqua's ability to provide fire flow for Large Volume Service, Subdivisions, Districts, and/or multiple connection developments is dependent on many factors including the size of infrastructure (production and delivery facilities), the topography of the area, and the specific flows required for the project.

Requestor must Include the following with each Request for Feasibility Study:

- (1) A completed Request for Feasibility Study.
- (2) A copy of a map or plat showing the property and its location within Aqua's CCN, and the proposed improvements to be constructed by the applicant to connect such facilities to Aqua's system. The map or plat must provide the legal description, the dimensions of the property, and the dimensions of the lots or tracts resulting from subdivision of the property. A licensed surveyor or registered professional engineer must sign and seal the map or plat, and any revisions, amendments, or supplements.
- (3) The intended land use of the property, including detailed information concerning the types of proposed land uses.
- (4) The estimated number of living unit equivalents (LUEs).
- (5) The projected water demand of the service connection when fully built-out and occupied, including average and peak demands in gallons per minute (GPM). Include the anticipated water demands for each type of land use and a projected schedule of build-out completion and associated water demand schedule of events leading up to the approximate date when Aqua must first provide water service.
- (6) A statement of whether the applicant requires fire flow and, if required, the requested water demand, in flow quantity and time, to meet any fire flow requirements.
- (7) A proposed calendar of events including design, plat approval, construction phasing and initial occupancy, and the approximate date upon which Aqua must initiate water service.
- (8) Information concerning on-site storage and pressurization facilities to reduce peak demand.
- (9) Any other information required by Aqua to facilitate the evaluation of water service for the proposed service connection.

Because of factors such as unique topographic features, Engineering may determine after initial review of the request that they require additional information to facilitate evaluation of the proposed project. The applicant must submit additional information as specified by Engineering on a case by case basis.

For the applicable feasibility study fee, see **Feasibility Study Fees** in the **Rate Schedule** section of this Tariff.

6.18.1 Engineering Preparation of a Feasibility Study

After submission of a request and applicable fees for a Feasibility Study to Aqua, Engineering conducts a review and evaluation to determine the feasibility of the request for service. Under normal circumstances and where sufficient information is submitted with the request, Engineering will complete the Feasibility Study within approximately 60 business days of Aqua's receipt of the request and payment of the required fees. The Feasibility Study will include the cost of additional facilities requiring construction or modification, if any, required by Aqua to provide water service to the proposed service connection based on current material and labor prices and preliminary site and engineering information. Aqua will submit the Feasibility Study to Engineering upon payment of all fees. The Feasibility Study is valid for 90 days.

6.18.2 Resolution by Board of Directors

Upon the applicant's approval and payment of all applicable fees, Engineering will submit the Feasibility Study to Aqua's Board for its consideration at the next regular Board meeting, provided that the next Board meeting is at least ten (10) days following the date of receipt of the Developer's

request. If Aqua receives the applicant's request less than ten (10) days prior to the next Board meeting, Engineering will place the request on the agenda for the following month's Board meeting.

If the Board determines that providing water service to the proposed connection is feasible, the Board will adopt a resolution indicating Aqua's ability to provide water service to the connection subject to special terms and conditions of service identified in the Feasibility Study and, if required, will be incorporated in a Capacity Reservation Agreement. Engineering will provide the applicant with the final Feasibility Study identifying the estimated cost for Aqua to provide water service to the proposed connection and, if required, the fees to reserve capacity in Aqua's System. At the time Aqua receives quotations from contractors based on the final detailed design of the facilities, Engineering will determine the applicant's share of the actual cost to construct the facilities necessary to provide water service to the proposed connection. In addition, Aqua will provide the applicant with the amount of expenses, such as attorney's fees, estimated to be incurred by Aqua in negotiating and drafting a Capacity Reservation Agreement if required for the requested service.

The applicant must pay Aqua a deposit in the amount of the estimated expenses and provide Aqua with a copy of the warranty deed conveying title to the applicant prior to the drafting of a Capacity Reservation Agreement, if required. On completing the construction of the facilities and following reconciliation of all expenses, if there are any funds remaining after making payments to cover all expenses, then Aqua will refund the amount of surplus funds to the applicant. If the deposit is insufficient to cover expenses, then the applicant must immediately pay Aqua the additional funds in the amount of the balance.

6.19 Forfeiture of Membership

If Aqua disconnects a service for more than 365 consecutive days due to nonpayment, or if someone tampers with Aqua's equipment or takes water by means of an unauthorized connection, or both:

- (1) The member forfeits all rights and privileges of membership.
- (2) The member forfeits all connection and tap rights.
- (3) Aqua will remove the meter.
- (4) Aqua will seal the line tap.

Any future service at the location of a property described in this section is subject to all application and fee requirements of the **Rate Schedule** and **Service Rules and Regulations** sections of this Tariff. In addition to payment of a Membership Fee, the applicant must make full payment of the Tap Fee in effect at the time of the service request, including the Meter Setting Fee and the System Development Fee.

6.20 Service Outside Certificated Area

To the extent authorized by state law:

- (1) Aqua may provide water outside the area of its Certificate of Convenience and Necessity (CCN) on a contractual basis. Aqua will consider each case separately and will sell water on a term basis only.
- (2) For those persons or entities who wish to obtain wholesale water service from Aqua for areas outside of Aqua's CCN, Aqua will provide wholesale service in accordance with the terms and conditions in Aqua's policy **Wholesale Water Service** outside of CCN No. 10294.
- (3) If Aqua receives a request for service located in another service provider's CCN, requestor must provide Aqua with written consent from the other CCN holder for Aqua to provide water service in the other CCN.

6.21 Service to Areas of Purchased Water Systems

Whenever Aqua purchases a certificated water system and the PUC approves the transfer of the Certificate of Convenience and Necessity, Aqua will conduct service to the customers of the purchased water system in accordance with this Tariff and all rules and regulations of Aqua. Upon transfer of the certificate, all then existing customers of the purchased water system automatically become members of Aqua. As members of Aqua, the terms and conditions of the Water Service

Agreement, included as **Exhibit A** to this Tariff, are binding on the customers of the purchased water system regardless of whether the transferred customer has executed a service agreement with Aqua. Aqua will not transfer a membership to a subsequent customer in a purchased water system unless the subsequent customer executes a service agreement with Aqua. Prior to the effective date of Aqua's purchase of a certificated water system, Aqua will notify every customer of the seller's water system of the applicability Aqua's rules, regulations, and policies, including the terms and conditions of Aqua's service agreement.

6.22 Limitation of Liability

Aqua is not liable for any damages, including without limitation, direct damages, special damages, incidental damages, consequential damages, or loss of profit or revenue, resulting from failures or interruptions of water supply occurring because of maintenance of Aqua's water distribution system or those resulting from causes beyond the Aqua's control. Aqua is not liable in any event for consequential damages.

6.23 Transfer of Membership

Where Aqua has not disconnected water service, Aqua may transfer a membership to a new owner or purchaser under a contract for deed or any other applicable deed upon the member's full payment of all amounts owed for water service, return of the membership certificate or completion of a Transfer of Membership form, and payment of the Membership Transfer Fee. When Aqua transfers a membership, the former member does not receive a refund of the Membership Fee. Aqua assigns all rights of membership to the new member.

6.24 Litigation

This Tariff will be construed under and in accordance with the laws of the State of Texas. All obligations of the parties created under this Tariff will be performable in Bastrop County, Texas. All required payments to Aqua under this Tariff will be made at Aqua's offices in Bastrop County, Texas. Bastrop County, Texas is the exclusive place of venue for any disputes arising under this Agreement. In the event Aqua is required to retain an attorney to enforce this Tariff or collect amounts owed under this Tariff, the member will be responsible for all costs incurred by Aqua, including reasonable attorneys' fees.

6.25 Fire Hydrants and Flushing Valves

Aqua will install all fire hydrants and flush valves to facilitate operation and maintenance of the water distribution system and fire emergencies. Only fire departments and others explicitly authorized by Aqua may use them for refilling purposes. Aqua reserves the right to remove any hydrant or flush valve due to improper use or detriment to the system as determined by Aqua, at any time without notice, refund, or compensation to the contributors.

6.26 Release of Easements

Aqua may comply with the request of another party to release, or partially release, an existing water line easement or Aqua's interests in a platted public utility easement within a subdivision, after fulfillment of the following requirements:

- (1) The requesting party submits a written request to Aqua by completing a Request for Release of Easement form with all required attachments for the specific easement in need of release.
- (2) Payment of a **\$50.00** processing fee to Aqua by the requesting party upon submission of the Request for Release of Easement form to cover processing and recording fees. The requesting party is also responsible for any additional costs incurred by Aqua from releasing the easement.
- (3) Aqua staff will research the feasibility of releasing the easement.
- (4) If Aqua determines the requested release of easement is feasible, Engineering will prepare a written statement that no reasonable probability exists that Aqua will utilize the easement being requested for release in the future.
- (5) Aqua's Board grants approval for the release of easement.

After fulfillment of the above requirements, Aqua will execute a release of easement document and then file of record in its respective county. After recording of the release, a copy will be delivered to the requesting party. If it is determined a request for release of easement is not feasible, Aqua will refund the processing fee to the requesting party.

6.27 Meter Certificate

Aqua may issue a Meter Certificate as compensation for the dedication of a permanent water line easement across private property. A Meter Certificate is redeemable for one (1) 5/8" x 3/4" simple water meter and includes a waiver of all costs required to provide service except for the Customer Service Inspection Fee and the cost of any line extensions or other equipment necessary to deliver water to a specific location, all as identified in this Tariff. A Meter Certificate has an expiration date of ten (10) years from the date of issuance and is subject to Aqua's meter relocation provisions as identified in this Tariff. A Meter Certificate is transferable to another individual upon written request and approval by Aqua.

7. Extension Policy

7.1 Service Extension Requirements

7.1.1 Extensions to Subdivisions

Aqua extends water service to subdivisions within its certificated area in accordance with Aqua's policy **Water Service to Subdivisions** in this Tariff.

7.1.2 Extensions to Others

Aqua makes extensions from existing lines with sufficient capacity to locations within its certificated area at an applicant's expense. Prior to the construction of an extension, the applicant pays the amount shown on Aqua's Cost Estimate to Provide Water Service form. If Aqua requires a water line easement from the applicant requesting water service, the water line easement must cover the entire frontage area of the applicant's property unless Aqua determines otherwise. In such a case, the General Manager has final discretion. If all parties cannot reach an agreement for executing the proper water line easement document, Aqua will refund fees associated with the water service request to the applicant.

If Aqua needs water line easements from adjacent landowner(s) for extension purposes, Aqua will request donations of the necessary easement from the landowner(s). However, if the landowner(s) requests compensation for granting the water line easement, the applicant requesting water service is responsible for all costs associated with providing the compensation. If all parties cannot reach an agreement for acquisition of the necessary easements, Aqua will refund fees associated with the extension for water service to the applicant.

If, and only if, good faith negotiation efforts fail and Aqua must acquire the necessary water line easement through eminent domain proceedings, Aqua will exercise its right to eminent domain of behalf of the applicant at the applicant's expense. Aqua is a Texas corporation duly and lawfully organized pursuant to the provisions of the Texas Business Corporation Act. Pursuant to Texas Water Code §49.222, Aqua is empowered by the legislature of the State of Texas to exercise the right and power of eminent domain through which it may enter on and condemn the land, rights-of-way, easements, and property of any person or corporation where same is necessary for the construction, maintenance, or operation of water lines, as well as other fixtures usually and necessarily associated with the ongoing existence of a public utility entity.

8. Water Service to Subdivisions

8.1 Purpose

This section of the Tariff is to establish the terms and conditions under which Aqua provides water service for Subdivisions, additions to Subdivisions, or developments where a Developer requests service to one or more tracts. The General Manager of Aqua acts on behalf of Aqua's Board to implement this policy.

8.2 Exemptions

A subdivision is the division of any lot, tract, or parcel of land within the Service Area of Aqua, into two or more lots or sites on or after May 2, 1984 for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded. Aqua exempts the divisions of land resulting from a family or testamentary transfer of a parcel of land which will not require Aqua to construct new water lines and which may be accessed by existing water lines which meet TCEQ requirements to service the additional meters. The term "family" includes only the grantor's spouse, parents, children, grandparents, grandchildren, or siblings. The exemption provided for the divisions of any lot, tract, or parcel of land as a result of a family transfer also extends to any purchaser of such a lot, tract, or parcel of land from a person who meets the definition of "family" under this definition. Provided, however, this exemption does not apply to an *inter vivos* family transfer that constitutes a subdivision of land for sale to the public. Aqua may require a written Request for a Feasibility Study and payment of applicable fees to determine if there is sufficient capacity in Aqua's System to serve the additional meters.

8.3 Identifying Water Availability to a Subdivision

8.3.1 Feasibility Study

To begin the process of reserving water capacity and the subsequent provision of water service to a proposed Subdivision, the Developer must submit a written Request for Feasibility Study for Aqua to prepare a Feasibility Study for the proposed Subdivision. The purpose of the Feasibility Study is to determine if there is sufficient capacity in Aqua's System to serve the proposed Subdivision, or if a need exists to expand capacity of the production, treatment, and storage facilities, the General Purpose Transmission Facilities, or a combination of both, to provide the requested water service. Aqua's ability to provide fire flow to the Subdivision is dependent on many factors such as the size of infrastructure (production and delivery facilities), the topography of the area, and the specific flows required for the project.

When water service is requested for parcels of land of ten (10) acres or more resulting from a subdivision of land and where an existing water line of three (3) inches or less is to provide the service, Aqua requires the requesting party to submit a Request for Feasibility Study and pay all appropriate fees to determine if capacity is available for that service. Before Aqua will provide water service, the requesting party must pay for all improvements identified in the Feasibility Study such as, but not limited to, line extensions and road bores. The requesting party is also required to meet all federal, state, and local development requirements.

For the applicable feasibility study fee, see **Feasibility Study Fees** in the **Rate Schedule** section of this Tariff. Aqua conducts a Feasibility Study for a Subdivision using the procedures specified for a **Feasibility Study** in the **Service Rules and Regulations** section of this Tariff.

8.3.2 Resolution by Board of Directors

Upon the Developer's approval and payment of all applicable fees, Engineering will submit the Feasibility Study to the Board for its consideration at the next regular Board meeting, provided that the next Board meeting is at least ten (10) days following the date of receipt of the Developer's request. If Aqua receives the Developer's request less than ten (10) days prior to the next Board meeting, Engineering will place the request on the agenda for the following month's Board meeting.

If the Aqua's Board determines that providing water service to the proposed subdivision is feasible, the Board will adopt a resolution indicating Aqua's ability to provide water service to the Subdivision subject to special terms and conditions of service identified in the Feasibility Study and to be incorporated in a Capacity Reservation Agreement. Engineering will provide the Developer with the final Feasibility Study identifying the estimated cost to the Developer for Aqua to provide water

service to the proposed Subdivision and the fees to reserve capacity in Aqua's System. At the time Aqua receives quotations from contractors based on the final detailed design of the facilities, Engineering will determine the Developer's share of the actual cost to construct the facilities necessary to provide water service to the proposed Subdivision. In addition, Aqua will provide the Developer with the amount of expenses, such as attorney's fees, estimated to be incurred by Aqua in negotiating and drafting the Capacity Reservation Agreement.

The Developer must pay Aqua a deposit in the amount of the estimated expenses and provide Aqua with a copy of the warranty deed conveying title to the Developer prior to the drafting of the Capacity Reservation Agreement. Upon completing construction of the facilities and following reconciliation of all expenses, if there are any funds remaining after making payments to cover all expenses, then Aqua will refund the amount of surplus funds to the Developer. If the deposit is insufficient to cover expenses, then the Developer must immediately pay Aqua the additional funds in the amount of the balance.

8.3.3 Capacity Reservation

A determination that providing water service to a proposed Subdivision is feasible does not reserve capacity in Aqua's System to serve the proposed Subdivision. Uncommitted water supply capacity existing in Aqua's System is available on a first come, first served basis, and may be reserved only in accordance with this Tariff. A Developer does not have any rights to water supply capacity until after full execution of a Capacity Reservation Agreement and payment of capacity reservation fees. A Developer must pay a Capacity Reservation Fee for each LUE reserved for a tract of land resulting from the subdivision of a larger tract of land occurring on or after May 2, 1984.

8.3.4 Large Volume Service – District

This section is only applicable to Districts to be decertified from Aqua's CCN retail Service Area that enter into agreements with Aqua after August 5, 2013.

- (1) Any District desiring to buy water on a bulk basis is required to negotiate a special contract with Aqua for such purpose. The contract will, as a minimum, stipulate that Aqua will provide a specified quantity of water at a metered point of delivery. Each District is responsible for constructing, owning, operating, and maintaining all re-pressurization facilities, retail water distribution facilities, and the like to provide retail water service to the District.
- (2) All District Large Volume Service contracts require Aqua be the sole source of water for whatever area is to be served by the District.

8.4 Reserving Capacity in Aqua's System

Aqua will not provide water service to a lot in a Subdivision unless the Developer has reserved capacity for the requested connection in accordance with Aqua's Tariff.

8.4.1 Capacity Reservation Agreement and Fees

To maintain the right to utilize the capacity held in Aqua's System, the Developer must first execute a Capacity Reservation Agreement and pay in full the required capacity reservation fees prior to expiration of the holding period. Aqua will include a Capacity Reservation Fee as a component of the System Development Fee for any tract of land resulting from the subdivision of a larger tract of land occurring on or after May 2, 1984.

The capacity reservation fees are payable in the form of a cashier's check or other form of payment approved by the Board or Aqua's General Manager. If the Developer does not satisfy all requirements of this subsection, any capacity held for the proposed Subdivision will revert to first come, first served availability.

8.4.2 Reserving Existing Production, Treatment, and Storage Capacity

To reserve available capacity for a Subdivision, based on the types of service, the Developer must complete the following requirements.

8.4.2.1 Standard Service

The Developer pays Aqua a Capacity Reservation Fee in the amount of **\$600.00** for each reserved LUE. The Capacity Reservation Fee is a component of the System Development Fee. The

Developer pays the Capacity Reservation Fee at the time capacity is reserved. The remainder of the System Development Fee is paid at the time the meter is installed. The System Development Fee compensates Aqua for its investment in the water production, treatment, storage, and transmission facilities which the new customer utilizes when connected to Aqua's System. For multi-family residences with two (2) or more units, each dwelling unit must have its own meter and Aqua will charge each dwelling unit a Capacity Reservation Fee. The Capacity Reservation Fee is payable in the form of a cashier's check or other form of payment approved by the Board or Aqua's General Manager at the time of execution of the Capacity Reservation Agreement.

8.4.2.2 Multi-Unit Residences

In the case of multi-dwelling unit residences served by Multiple Owner Large Volume Service, one or more master meters may serve the development. In this situation, Engineering adjusts the number of dwelling units by multiplying by a factor of 0.7 for dwelling units that share common walls, such as townhouses or condominiums. The Capacity Reservation Fee is payable in the form of a cashier's check or other form of payment approved by Aqua's Board or Aqua's General Manager at the time of execution of the Capacity Reservation Agreement.

8.4.2.3 Commercial

Each commercial user must have its own meter. Engineering determines the commercial Capacity Reservation Fee by calculating the ratio of the water demand needed by the commercial customer to the water demand for a single family residential customer, and then multiplying the then current single family Capacity Reservation Fee times the derived ratio. Provided however, the cost of a commercial capacity reservation fee will never be less than the single family residential capacity reservation fee. The Capacity Reservation Fee is payable in the form of a cashier's check or other form of payment approved by Aqua's Board or Aqua's General Manager at the time of execution of the Capacity Reservation Agreement.

8.4.2.4 Construction Costs

The Developer pays Aqua the Costs of Construction necessary to provide service from the nearest point of adequate supply in Aqua's existing General Purpose Transmission Facilities to the proposed Subdivision. The Developer will pay these construction costs at the time of execution of the Capacity Reservation Agreement. These costs are payable in the form of a cashier's check or other form of payment approved by Aqua's Board or Aqua's General Manager at the time of execution of the Capacity Reservation Agreement.

The Developer agrees to construct all facilities included in the Developer Project and, upon completion and acceptance by Engineering, deed all facilities constructed under this section of the Tariff to Aqua together with all easements in which the facilities are located.

8.4.3 Reserving New Production, Treatment, and Storage Capacity

If it is necessary for Aqua to add capacity to Aqua's System before it can adequately serve the Developer's proposed Subdivision, the following requirements apply:

- (1) The Developer pays the Costs of Construction necessary to provide service from the nearest point of adequate supply in Aqua's existing General Purpose Transmission Facilities to the proposed Subdivision.
- (2) The Developer pays the greater of (1) a Capacity Reservation Fee in the amount of \$600.00 for each single family residential customer or equivalent as described in section **Reserving Existing Production, Treatment, and Storage Capacity**, or (2) all Costs of Construction to upgrade that portion of Aqua's Production and Storage Facilities necessary to meet the requirements of the Developer's requested service.
- (3) Engineering designs all improvements to Aqua's System and Aqua or Aqua's agents constructs all the necessary improvements to meet the requirements of the Developer's requested service. The Developer bears the Costs of Construction of all such improvements in accordance with (1) and (2) above. At the time of execution of the Capacity Reservation Agreement, the Developer pays Aqua the full amount of the Costs of Construction. The Capacity Reservation Fee is payable in the form of a cashier's check or other form of payment

approved by the Aqua's Board or Aqua's General Manager at the time of execution of the Capacity Reservation Agreement.

- (4) The Developer agrees to construct all facilities included in the Developer Project and, upon completion and acceptance by Engineering, deed all facilities constructed under this section of the Tariff to Aqua together with all easements in which the facilities are located.

8.4.4 Term of Capacity Reservation Agreements

All Capacity Reservation Agreements are subject to the terms of the Aqua Water Supply Corporation's rules and regulations, including the Water Tariff on file with the PUC. All Capacity Reservation Agreements are also subject to any future amendments or modifications of the rules and regulations and the Water Tariff. In the event the terms of a Capacity Reservation Agreement conflict with the rules and regulations and the Water Tariff, the rules and regulations and the Water Tariff will control. The Capacity Reservation Agreement has a term of ten (10) and 1/2 years (126 months) from the date of execution of the Agreement. Aqua will consider a request for an agreement with a term of greater than ten (10) and 1/2 years (126 months) or any extensions to existing agreements on a case by case basis. If any Capacity Reservation Agreement reaches its expiration and construction of the Developer Project is not underway, the capacity reserved pursuant to the Capacity Reservation Agreement will return to Aqua and again be available on a first come, first served basis.

8.4.5 Availability of Water Service to Individual Lots

The approval and execution of the Capacity Reservation Agreement between Developer and Aqua results in the availability of a specific amount of water capacity at the boundary of the Subdivision. The availability of water capacity at the boundary of the Subdivision does not mean that water service is available at a specific lot or that Aqua will set a meter at a lot upon request by the owner of the lot. Before capacity and water service is available at a lot within the Subdivision, the Developer must complete the Developer Project and deed it to Aqua.

8.4.6 Noting Availability of Water Capacity from Aqua on a Plat

Before Aqua will indicate on a final plat of a Subdivision that water service is available, the Developer must either (1) complete construction of Developer Project, or (2) if construction of Developer Project is not complete, (i) execute restrictive covenants (see Restrictive Covenant form), or (ii) provide a letter of credit ("LOC") payable to Aqua in an amount equal to the costs of construction of the on-site water facilities for the Subdivision plus a 15% fee for contingencies.

In the event the Developer chooses to request the filing of restrictive covenants, Aqua will file the restrictive covenants in the real property or plat records of the county where the Subdivision is located. When the Developer Project is complete, Aqua will file the appropriate instrument to release the restrictive covenants. However, if the Developer Project is larger than ten (10) lots and completed in stages, Aqua will release specific lots from the restrictive covenants in groups of not less than ten (10) lots.

In the event the Developer chooses the option to submit a LOC, the Developer must first submit construction plans and specifications for the Developer's Project to Aqua, including a detailed cost estimate, for its review and approval. Aqua has 30 days to review and approve the plans and cost estimate for the Developer's Project.

The LOC must be in an amount equal to the detailed cost estimate for the Developer's Project plus a 15% contingency fee, will be irrevocable, issued by a state or federally chartered banking institution, payable to Aqua Water Supply Corporation, and have a one year term. Aqua will release the LOC to the Developer on completion and Aqua's acceptance of the Developer's Project.

If construction of the Developer's Project is not complete within 30 days of the expiration date of the LOC, then Aqua will cash the LOC and construct the Developer's Project. After payment of all costs resulting from construction of the Developer's Project, Aqua will refund any amounts remaining from the LOC to the Developer.

If the Developer desires to extend the LOC beyond the one year term, a written request for a substitute LOC must be submitted to Aqua not later than 60 days prior to the expiration of the active LOC. The Developer must include a revised cost estimate for the Developer's Project for Aqua's

review and approval. The amount of the successor LOC will include any cost increases for construction of the Developer's project. The Developer must submit the substitute LOC to Aqua not later than 30 days prior to the expiration of the active LOC. Upon Aqua's receipt of a substitute LOC, Aqua will release the previous LOC to the Developer.

Once Aqua reserves and allocates water supply capacity to a particular tract of land and indicates on a final plat that water service is available to that land, Aqua does not allow transfer of the water supply capacity to other land.

8.4.7 One Time Eligibility for Refund of Capacity Reservation Fees

A Developer who has paid Capacity Reservation Fees but has not received approval of the subdivision plat from a local governmental entity having jurisdiction and plat approval authority in the area in which the proposed Subdivision is to be located, may request a refund of Capacity Reservation Fees. The refund amount will be less any costs and expenses incurred by Aqua in connection with the proposed Subdivision. Aqua will pay the refund to the Developer provided the Developer satisfies all the following additional conditions:

- (1) Not more than 90 days have elapsed since the date the Developer paid Capacity Reservation Fees to Aqua.
- (2) Aqua has not given the Developer a previous refund of Capacity Reservation Fees in connection with the land on which the proposed Subdivision is located.
- (3) The Developer has not filed a plat of record that indicated Aqua would provide service to the proposed Subdivision.

The General Manager will determine the Developer's eligibility for a refund and the amount of refund to be made, if any. Along with the request for a refund, the Developer must return to Aqua any unrecorded plat bearing an original signature showing Aqua's commitment for service to a proposed Subdivision. Aqua's Board may extend the 90 day deadline for requesting a refund for a period of 30 days for good cause. The Developer must submit a request to Aqua for an extension stating the grounds for good cause no less than seven days prior to the last Board meeting to be held within the 90 day period.

8.4.8 Transfer of Reserved Capacity Prohibited

Any agreement executed in accordance with this policy is only a commitment to provide water to the specific tract of land described in the Capacity Reservation Agreement.

8.4.9 Recording of Information Concerning Water Availability

When a Developer subdivides a tract of land and does not reserve water supply capacity for the entire tract, Aqua may file a notice concerning water availability in the real property records of the county in which the tract of land is located. The notice may reference the agreement between Aqua and the Developer and it may specify the portions of the tract of land for which water service is available and the residual portions of the tract of land for which the Developer has not reserved water supply capacity.

8.5 Unplatted Non-Compliant Subdivided Tracts of Land

This section of the Tariff applies to an application for setting a meter and providing water service to a lot or parcel of land resulting from the subdivision of a tract of land where the Developer has not complied with Aqua's rules and regulations concerning **Water Service to Subdivisions**. The subject land in the water service application must be located in a subdivision of tracts, lots, or parcels that is exempt from the applicable county's platting requirements. To obtain water service for **Unplatted Non-Compliant Subdivided Tracts of Land**, an applicant must submit a water service application to Aqua along with a copy of a platting exemption letter from the county in which the tract of land is located.

Aqua will require the applicant to request and pay the appropriate fee for a Feasibility Study which will determine if water capacity is available for that service. Before Aqua will provide water service, the requesting party must pay for all improvements identified in the Feasibility Study such as, but not limited to, line extensions and road bores. The requesting party must also meet all federal, state, and local development requirements.

If Aqua determines water supply capacity in Aqua's System is available, an applicant, other than the Developer, may obtain service to a single lawfully subdivided lot or parcel by payment of the membership fee, the applicable meter installation and System Development Fees, and the Capacity Reservation Fee required in **Reserving Existing Production, Treatment, and Storage Capacity** section of this Tariff. Additionally, if an extension of Aqua's water supply lines is necessary to provide water service to the tract, lot, or parcel, the applicant must pay all costs which the Developer would have been required to pay to receive service. These costs include, but without limitation, all costs to extend Aqua's General Purpose Transmission Facilities and the cost of materials and installation of an adequately sized water line to deliver sufficient water to serve all tracts, lots, or parcels of the non-compliant subdivision. For this purpose, Aqua may require at least a six (6) inch water line. Additionally, Aqua will require the water line to extend across the entire frontage of the applicant's property.

8.6 Platted Non-Compliant Subdivided Tracts of Land

If the subdivided tract is platted and the plat language states that Aqua has not agreed to serve water to the tract (See **Exhibit B** for example of plat language), then the applicant is required to request and pay the appropriate fee for a Feasibility Study. Before Aqua will provide service to any of the tracts, lots, or parcels, a Feasibility Study must be completed and the applicant must satisfy all requirements to bring all the tracts into compliance. An applicant, applicants, or Developer may become eligible for water service from Aqua by bringing the **whole platted non-compliant subdivision into compliance** with Aqua's rules and regulations in this Tariff concerning **Water Service to Subdivisions**.

Subject to the availability of water supply capacity in Aqua's System, the applicant may obtain service to the platted non-compliant subdivided tracts of land by proceeding with the **Water Service to Subdivisions** process and by payment for the Capacity Reservation Fees for all tracts, lots, or parcels within the non-compliant subdivision required by **Reserving Existing Production, Treatment, and Storage Capacity** in this Tariff. Additionally, if an extension of Aqua's water supply lines is necessary to provide water service to the lot(s) or parcel(s) of the platted non-compliant subdivision, the applicant must pay all costs associated with that extension to receive service. These costs include, but without limitation, all costs to extend Aqua's General Purpose Transmission Facilities and the cost of materials and installation of an adequately sized water line to deliver sufficient water to serve all tracts of the platted non-complaint subdivision. Aqua may require at least a six (6) inch water line.

Aqua will reject all applications for setting a meter and providing water service to the lots or parcels of land described under this section that result from subdividing a tract of land and where the Developer or applicant has not complied with the Aqua's rules and regulations concerning **Water Service to Subdivisions**.

8.7 Construction Rules and Regulations

8.7.1 Submittal of Preliminary or Final Plat

A Developer must submit to Aqua, and Aqua's Engineering must approve a preliminary or final plat and a water facilities' plan before commencing construction of a Developer Project. There is a non-refundable fee of **\$50 per LUE** to review the water facilities plan internal to the subdivision. The water facilities plan must include the plans and specifications (construction drawings) of the improvements which will be located within the subdivision and a description of the rights-of-way in the subdivision in which the facilities will be constructed. The preliminary or final plat and plan must be approved, if required, by:

- (1) The county or counties in which the land is located.
- (2) The governing body of any city within whose corporate or extraterritorial jurisdiction the Subdivision is located.
- (3) The United States Fish and Wildlife Service and/or the Texas Parks and Wildlife Department.
- (4) Any other person or political subdivision whose approval will be required before Aqua can provide the service contemplated by the Developer's request.

A Developer may also satisfy the county requirements above with a written statement from a county or counties stating that the county does not require approval of the plat. In the event there is no response from the pertinent county or counties regarding plat approval or exemption, the Developer must submit written documentation establishing that approval of the plat is not required by the pertinent county or counties.

8.7.2 Easements

8.7.2.1 Easements for an Approach Main

Before construction of a Developer Project begins, the Developer must dedicate to Aqua, or pay the cost of acquiring, title to a minimum 15 foot permanent easement and an adjacent minimum 15 foot temporary workspace easement. These easements will run from Aqua's existing General Purpose Transmission Facilities to the Developer's subdivision. Depending on Aqua's requirements, the permanent easement must include exclusive easement rights to a five (5) foot wide strip of land, the center line of which will be defined as the center line of the installed water line. The Developer will pay all costs of obtaining easements to Aqua in the form of a cashier's check or other form of payment approved by the Aqua's Board or Aqua's General Manager.

8.7.2.2 Easements for a Developer Project

The Developer must dedicate to Aqua all easements within the subdivision necessary for water line construction within the subdivision. The Developer will also dedicate any additional easements as required where a deviation from dedicated utility easements is deemed necessary by Aqua. In locations where the applicable county commissioner's court or municipal governing body has approved specific utility location assignments within public utility easements (PUE), the developer will install internal water distribution lines within the PUE at the location assigned for water utility service. Where specific utility location assignments are not applicable, every easement for water lines within the subdivision will have a minimum width of 16 feet. The Developer must show all water line easements on the final recorded plat of the subdivision.

8.7.2.3 Boundary Easements

The Developer must dedicate to Aqua title to a minimum 15 foot permanent easement and an adjacent minimum 15 foot temporary workspace easement along all roads and highways adjoining the subdivision for future water line construction. The minimum 15 foot permanent easement must include exclusive easement rights to a five (5) foot wide strip of land, the center line of which will be defined as the center line of the installed water line.

8.7.2.4 Clearing of Easements

The Developer bears the cost of clearing and chipping the entire width of: (1) all easements which run from Aqua's existing General Purpose Transmission Facilities to the Developer's subdivision; (2) all easements within the subdivision necessary for water line construction within the subdivision; (3) all additional easements necessary where a deviation from dedicated utility easements is deemed necessary by Aqua; and (4) all public utility easements if an applicable County Commissioner's Court or municipal governing body has approved specific utility location assignments within the public utility easement.

8.7.3 Costs Associated with Obtaining Easements

The Developer will pay to Aqua all costs of obtaining right-of-way easements necessary to connect the Developer Project to Aqua's General Purpose Transmission Facilities, whether or not the easements are in the Subdivision. These costs are payable in the form of a Cashier's Check or other form of payment approved by the Aqua's Board or Aqua's General Manager.

8.7.4 Requirements of Local, State, and Federal Agencies

All Subdivisions must meet the conditions of all local, state, and federal agencies having regulatory authority over lot sizes, sewage control, drainage, and right-of-way. When possible, Aqua will not place meters in locations where the meters may be subjected to vehicular traffic, such as placing a meter under a driveway providing access to a dwelling. If a Developer desires that one or more meters be placed in a location where, in the opinion of Aqua, the meter(s) may reasonably be subjected to vehicular traffic of any sort, then the report produced by Engineering will also include

an estimate of the cost to Developer of providing one or more meter boxes designed and constructed to minimize the likelihood of damage to the meter resulting from vehicular traffic.

8.7.5 On-the-Ground Markings

The Developer will provide accurate on-the-ground markings for all Developer Projects in conformance to Aqua's requirements.

8.7.6 Construction Notification

The Developer must provide sufficient notification to Aqua to allow Aqua to observe and inspect critical elements of construction. These include, but are not limited to:

- (1) water line and facility installation;
- (2) connections to existing mains;
- (3) pressure testing procedures; and
- (4) the testing of all water facilities.

If Developer fails to comply with the sufficient notification condition, Aqua may require Developer to uncover and expose the constructed facilities for Aqua's inspection. In any event, the Developer is responsible for the integrity of the facilities.

8.7.7 Acquisition by Eminent Domain

Aqua may, if necessary, acquire any essential land or easements by eminent domain necessary to provide service to a subdivision. The Developer will pay all expenses associated with such eminent domain proceedings, including, but not limited to, legal fees, engineering fees, and the award of the Commissioners or the Court. These costs are payable in the form of a Cashier's Check or other form of payment approved by the Aqua's Board or Aqua's General Manager.

8.7.8 Oversizing Improvements

8.7.8.1 Oversizing by Aqua

It may be necessary from time to time for Aqua to oversize improvements which are contemplated by the Developer, or Developers, to either its Production and Storage Facilities, its General Purpose Transmission Facilities, or the Developer Project. The decision on whether to oversize such facilities resides exclusively with Aqua. Aqua bears the cost of all oversizing requested by Aqua. Should Aqua, in its sole discretion, determine that: (1) Aqua does not have funds available for such oversizing at the time a request for service is received so that the Developer would, in the Developer's opinion, be delayed from proceeding with its Subdivision, or (2) Aqua's available funds should not be used for oversizing on a Developer Project at the time a request for service is received, Aqua will agree to enter a contract where all such oversizing is paid by the Developer and Aqua will reimburse the Developer out of future Capacity Reservation Fees. Aqua will agree to make an accounting on an annual basis of the Capacity Reservation Fees received for the preceding year which utilized capacity in the system oversized at the expense of the Developer and pay the Developer an amount equal to 60% of these received fees until Developer is fully compensated for the cost of funding Aqua's oversizing. However, Aqua will not agree to pay interest on the funds the Developer expended for Aqua's oversizing improvements. Additionally, the term of this contract must not exceed ten (10) years. At the expiration of the term of the contract, Aqua will have no further obligation to reimburse the Developer for funds expended in such oversizing.

8.7.8.2 Oversizing by Developer

If Aqua's Board determines that Aqua should construct an improvement to its General Purpose Transmission Facilities to serve the needs of existing members and that these facilities, if oversized, may also reasonably provide capacity for a Developer Project, the Developer will be allowed to enter a contract with Aqua to oversize the facilities to provide capacity for the Developer Project. The Developer must agree to pay the incremental cost to oversizing the facilities beyond the capacity Aqua would have constructed for improvements to serve its members.

8.8 Acceptance

Aqua will inspect and accept all facilities constructed in all Subdivisions, additions to Subdivisions, and developments in Aqua's Service Area before provision of water service.

- (1) Aqua must approve all facilities constructed in Aqua's Service Area. Under this policy, the Developer bears the cost for these services.
- (2) Aqua will accept the dedicated facilities only if the Developer constructs the facilities in strict conformance with the previously approved construction plans and specifications.
- (3) Aqua will, at the expense of the Developer, inspect and test the facilities to ensure they meet Aqua's standards.
- (4) After receipt of as-built drawings, letters of acceptance, and final Developer Project approval from Aqua, Aqua will accept the Developer Project provided the Developer has complied with other applicable portions of these rules and regulations including, but not limited to, the requirements in the **Construction Rules and Regulations** section of this Tariff.
- (5) Aqua will not provide water service to a Subdivision until (1) the Developer has paid all amounts owed to Aqua under these rules and regulations; (2) the facilities have achieved compliance with applicable hydraulic standards; (3) the Developer has submitted documentation of a satisfactory bacteriological test for the facilities; and (4) the Developer has presented Aqua a certificate applicable to the subdivision issued pursuant to Section 212.0115 of the Texas Local Government Code if the subdivision is within the jurisdiction of a municipality under Section 212.0115(a) of the Texas Local Government Code. Until the requirements of this subsection are satisfied, Aqua will not provide water to the Subdivision for any purpose other than testing or flushing.
- (6) After receipt of all invoices related to the Developer's Project, Aqua will reconcile expenses and provide a refund to the Developer for overpaid expenses or invoice the Developer for uncompensated expenses.
- (7) Upon acceptance of Developer's Project, Aqua will sign the plat or release the Restrictive Covenants.

8.9 USDA–Rural Development

The Developer recognizes that Aqua must comply with United States Department of Agriculture – Rural Development rules and regulations as promulgated from time to time as those rules and regulations apply to the service, rates, and capacity addition of Aqua.

9. Water Rationing Policy

9.1 Necessity for Rationing

When system demand threatens to exceed production or storage capability, or refilling the storage facilities is rendered impossible, Aqua's General Manager may declare that a necessity for rationing exists, and thereafter ration water in accordance with the Drought Contingency Plan.

9.2 Drought Contingency Plan

When it is necessary to implement water rationing, actions will strictly follow the requirements of Aqua's Drought Contingency Plan. The Drought Contingency Plan is a policy that is updated every five years, approved in a resolution by Aqua's Board of Directors, and filed with the Texas Water Development Board.

10. Requests for Public Information

10.1 Procedures

The procedures for inspecting or obtaining copies of Aqua's records subject to inspection under Chapter 552 of the Texas Government Code are as follows:

- (1) Make all requests for inspection and/or copies of public information in writing.
- (2) The request must sufficiently identify the requested information. If the request is vague or too broad, Aqua may require the requestor to narrow it in writing.
- (3) The requestor must complete inspection of the public information not later than the 10th day after it is made available. Aqua may grant two additional ten-day periods, one at a time, if the requestor files a written request for additional time with Aqua.
- (4) If the requested information is stored electronically, and requires programming or manipulation of data, Aqua will provide a written statement in accordance with Section 552.231 of the Texas Government Code.
- (5) Whenever possible, Aqua will estimate the time needed to fulfill the request and the cost of any applicable charges.
- (6) If applicable charges exceed \$100.00, Aqua will require a deposit or bond before compiling the information. The requestor must pay all charges before delivery of the copies.

10.2 Rate Schedule for Public Information

The charges for obtaining copies of Aqua's records that are subject to inspection under Chapter 552 of the Texas Government Code are as follows:

Personnel Charge	\$25.00 per Hour
Programming Time Charge	\$30.00 per Hour
Overhead Charge	20% of Personnel Charge
Materials and Miscellaneous Supplies	Actual Cost
Postage and Shipping	Actual Cost

11. References

By-Laws	Aqua Water Supply Corporation
PL002	Water Service to Districts Policy
PL007	Wholesale Water Service Policy
PL008	Drought Contingency Plan Policy
AF003	Request for Feasibility Study Form
AF006	Water Service Application Form
AF008	Water Service Agreement Form
AF013	Transfer of Membership Form
AF016	Multiple Tap Agreement Form
AF021	Request for Release of Easement Form
AF024	Cross-Connection Permit Form
AF031	Cost Estimate to Provide Water Service Form
AT005	Restrictive Covenant Template

12. Revisions

Rev.	Description	Author	Effective Date
39	Previous revision of Policy	Unknown	01-05-2016
40	Comprehensive revision of Policy	McMurry	12-01-2021

Exhibit A – Aqua WSC Water Service Agreement

The following Terms and Conditions, Notice of Water Pressure Hazard, Notice Concerning Driveways, and Privacy Notice must be included in the Water Service Agreement.

TERMS and CONDITIONS

The Corporation shall sell and deliver water service to the Member and the Member shall purchase, receive, and/or reserve water service from the Corporation in accordance with 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 payment of Membership Fee, the Member qualifies for membership as a new Member 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 is available for review at the Aqua office, upon the request of any Member.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or connection is for the sole use of the Member or customer and is to serve water to only one (1) dwelling and/or only one (1) business. Extension of pipe or pipes to transfer water from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, business, and/or property, etc., is 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 Member's premises at all reasonable 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 of its equipment from the Member's property.

The Corporation's authorized employees shall have access to the Member's property or premises and service lines and plumbing facilities at all reasonable times for the purpose of inspecting for possible violations of the Corporation's policies and to ensure compliance with the state required Minimum Acceptable Operating Practices for Public Drinking Water Systems, as promulgated by the Texas Commission on Environmental Quality or successor agency, applicable plumbing codes, and utility construction standards. The Corporation strictly prohibits any direct connection between the public drinking water supply and a potential source of contamination. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device. The Corporation strictly prohibits any cross-connection between the public drinking water supply and a private water system. These potential threats to the public drinking water shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device. The Corporation strictly prohibits any connection which allows water to be returned to the public drinking water supply.

The Member shall allow his property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the Corporation or its designated agent: (i) prior to initiating new water service; (ii) when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; and/or (iii) after any major changes to the private plumbing facilities. The Corporation shall notify the Member in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the initial inspection or the periodic re-inspection. The Member shall immediately correct any unacceptable plumbing practice on his premises. The Member shall, at his 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.

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 Water Rationing Plan as specified in the Corporation's Tariff. By execution of this Service Agreement, hereof, the Member shall comply with the terms of Water Rationing Plan.

The Member shall install at his own expense a service line from the water meter to the point of use, (herein referred to as the Member's side of the meter), including any customer service isolation valves and other equipment as may be specified by the Corporation. The Corporation does not install any equipment on the Member's side of the meter. The Member is responsible for maintaining the line and all equipment on the Member's side, including without limitation the pipe, fittings, and any other equipment installed by the

Member. The use of pipes and pipe fittings that contain more than 0.25% lead or solders and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation.

The Corporation does not install pressure relief valves or other pressure-reducing equipment on the Member's side of the meter, nor does the Corporation inspect, maintain, or bear any responsibility for any such valve or equipment installed by Member on Member's side of the meter. If Member chooses to install a pressure relief valve or other pressure-reducing equipment on the Member's side of the meter, Member shall be solely responsible for such installation.

Release. Member hereby waives, releases, and discharges the corporation of any and all liability, claims, demands, actions, or rights of action, or damages of any kind related to, arising from, or in any way connected with, Member's installation, maintenance or failure to maintain, inspect, or replace, of a pressure relief valve or other pressure-reducing equipment on Member's side of the meter, including those allegedly attributed to the negligent acts or omissions of the corporation. If Member chooses to install a pressure relief valve or pressure-reducing equipment on Member's side of the meter, Member willingly assumes full responsibility for any and all risks associated with such valve or equipment and accepts full responsibility for any damages of any kind that may result from such installation, maintenance, and use of such valve or equipment. Member agrees to assume all risk associated with the installation, use, misuse, or failure of such valve or equipment and from Member's failure to timely inspect, maintain, or replace such valve or other equipment.

By execution hereof, the Member shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to water line 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 easements and rights-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other such equipment which may be deemed necessary by the Corporation to extend or improve service for existing or future Members, on such forms as required by the Corporation. An easement will extend across entire frontage of the property.

By execution of this Service Agreement, Member shall guarantee payment of all other rates, fees, and charges due on any account for which said Member owns a Membership Certificate. Member acknowledges that nonpayment of amounts due to Aqua will result in disconnection of the water service to Member's property. In the event water service is disconnected, a fee set by Aqua in its tariff will be charged and must be paid before service will be reconnected.

The Board of Directors shall have the authority to cancel the Membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service. If Aqua's equipment is tampered with or water is taken by means of an unauthorized connection or both, the Member shall forfeit all rights and privileges of membership; the Member shall forfeit all connection and tap rights; the meter shall be removed; and the line tap shall be sealed.

By execution of this Service Agreement, Member agrees that if Member fails to comply with the terms of this Agreement the Corporation shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow protection device at the service connection. Any expenses associated with the enforcement of the Agreement, shall be billed to and paid by the Member.

Any misrepresentation of fact(s) by the Member on any part of this Agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's Tariff.

Each Member must sign this Agreement before the Corporation will begin service. If service to an existing connection has been suspended or terminated, the Corporation will not re-establish service unless it has a signed copy of this Agreement. The Corporation shall maintain a copy of this Agreement as long as the Member and/or the Member's premises are connected to the Corporation.

NOTICE and RELEASE CONCERNING WATER PRESSURE HAZARD

Member expressly acknowledges that Aqua may install a check valve or other backflow prevention device at the meter serving Member's property, and that such device will contain water pressure within Member's

private plumbing system. Member further acknowledges and understands that a properly operating pressure relief valve must be installed by Member and maintained by Member at all times on Member's water heater. Member understands that failure to maintain a properly operating pressure relief valve on a water heater is a dangerous practice that can result in personal injury and property damage. Member hereby agrees to waive, release, and hold Aqua harmless from any claims and damages resulting from malfunctioning, failure, or absence of check valves, backflow prevention devices, and pressure relief valves on water heaters, including without limitation, damages to persons or property, direct damages, special damages, incidental damages, consequential damages, or loss of profit or revenue, and including those allegedly attributed to the negligent acts or omissions of the corporation.

NOTICE and RELEASE CONCERNING DRIVEWAYS

Member expressly acknowledges that if a concrete or asphalt driveway is installed on the Member's property over an Aqua water line without notifying Aqua in writing and paying Aqua to encase the water line, a leak repair or other maintenance to the water line may result in damage to the driveway for which Aqua will not compensate the Member.

PRIVACY DISCLOSURE

You can request that personal information contained in Aqua WSC's records not be released to unauthorized persons. The Texas Utilities Code authorizes water supply corporations, such as Aqua Water Supply Corporation, to give their Members the option of making the Members' address, telephone number, and social security number confidential as that term is defined under Texas law. This choice by Aqua Water Supply Corporation's Members is important because Aqua Water Supply Corporation may keep a Member's personal information confidential only upon the request of its individual Members. Aqua Water Supply Corporation itself cannot make this confidentiality decision.

Exhibit B – Bastrop County Plat Statement for Aqua WSC

The following are examples of the Plat statement that may appear on Bastrop County Plats concerning the availability of water services from Aqua Water Supply Corporation. Similar language may appear on plats of other counties in which Aqua provides water service.

WATER SERVICE AVAILABLE

As of the date indicated below, this subdivision qualifies for water service provided by Aqua Water Supply Corporation pursuant to the provisions of Aqua's Tariff. It is the responsibility of the developer of the subdivision, not Aqua WSC, to install all water lines within the subdivision that are necessary to connect to Aqua's System and provide water service to individual lots. In the event the developer has not either constructed the internal water lines or presented a Letter of Credit to Aqua to accomplish same, the Subdivision may be subject to Restrictive Covenants, which Restrictive Covenants are contemporaneously filed in the Real Property Records of the appropriate county. Aqua's commitment to supply water to this subdivision is subject to the Water Service to Subdivisions provisions which are contained in its Tariff. After purchasing a lot, the owner of the lot should arrange with Aqua to have a meter set, pay all applicable fees at that time, and become a member of Aqua.

WATER SERVICE NOT AVAILABLE

As of the date indicated below, Aqua Water Supply Corporation has not agreed to provide water supply service to this subdivision because the subdivision has not complied with the Tariff of Aqua Water Supply Corporation, including specifically the Water Service to Subdivisions provisions. Under the Aqua Tariff, retail water service is not available to any lot in a subdivision that is not in compliance with all of such rules and regulations, including the payment of applicable fees. No lot in this subdivision will be eligible to receive retail water service from Aqua's distribution system until the subdivision fully complies with all of the provisions of Aqua's Tariff, including the Water Service to Subdivisions provisions.