

LAKE KIOWA SPECIAL UTILITY DISTRICT

133 KIOWA DRIVE SOUTH
LAKE KIOWA, TEXAS 76240
(940) 668-8391

RATE ORDER

CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 11140
COOKE COUNTY, TEXAS

Last Amended July 10, 2013
Adopted July 13, 2012

Prepared by:
RAPIER, WILSON & WENDLAND, P.C.
1333 W. McDermott, Ste 100
Allen, Texas 75013
(972) 727-9904

TABLE OF CONTENTS

Section A. Adoption and Authority

1. Effective Date
2. Preexisting Penalties and Vested Rights
3. Official Copy Available
4. Conflicts

Section B. Statements

1. Organization
2. Non-Discrimination Policy
3. Policy and Rule Application
4. Damage Liability
5. Public Information Disclosure
6. Notice of Change in Rates
7. Customer Service Inspections
8. Public Works Standards
9. Submetering Responsibility
10. District Forms Policy

Section C. Definitions

Section D. Geographic Area Served

1. Certificate Holder
2. General Description and Location of Service Area
3. Certificated Service Area Maps

Section E. Service Rules and Regulations

1. Service Entitlement
2. Application Procedures and Requirements
3. Activation of Standard Service
4. *(Reserved)*
5. Changes in Service Classification
6. Landlords and Tenants
7. Refusal of Service
8. Applicant's Recourse
9. Insufficient Grounds for Refusal of Service
10. Deferred Payment Agreement
11. *(Reserved)*
12. Charge Distribution and Payment Application
13. Due Dates, Delinquent Bills, and Service Disconnection Date
14. Rules for Disconnection of Service
15. Returned Check Policy
16. Billing Cycle Changes
17. Back-Billing
18. Disputed Bills
19. Grievance Procedures
20. Inoperative Meters

21. Bill Adjustment Due to Meter Error
22. Leak Adjustment Policy
23. Meter Tampering and Diversion of Service
24. Service Facility Relocation
25. Prohibition of Multiple Connections to a Single Tap
26. Customer Responsibilities
27. Prohibited Plumbing Practices
28. Water Service Connections
29. Standards for Water Service Lines
30. Enforcement for Violations of Rate Order

Section F. Reserved

Section G. Rates and Service Fees

1. Classes of Users
2. Service Investigation Fee
3. Deposits
4. Connection Fee
5. Activation Fee
6. Monthly Service Charges
7. Standby Fee
8. Late Payment Fee
9. Owner Notification Fee
10. Returned Check Fee
11. Reconnect Fee
12. Service Trip Fee
13. Equipment Damage Fee
14. Customer History Report Fee
15. Meter Test Fee
16. Meter Relocation Fee
17. Temporary Service Charges
18. Hydrant Meter Service
19. Information Disclosure Fee
20. Customer Service Inspection Fee
21. Additional Assessments
22. Other Fees
23. Fees Non-refundable

Section H. Drought Contingency Plan

1. Declaration of Use Policy and Intent
2. Public Involvement
3. Public Education
4. Coordination with Regional Water Planning Groups
5. Authorization
6. Application
7. Definitions
8. Criteria for Initiation and Termination of Drought Response Stages
9. Drought Response Stages
10. Enforcement

11. Violations
12. Variances
13. Adoption of Plan
14. Effective Date

APPENDICES

Appendix A. Sample Standard Service Application Packet

- Form A-01 Service Application
- Form A-02 Service Agreement
- Form A-03 Cost of Service (Residential)
- Form A-04 Cost of Service (Commercial)

Appendix B. Monthly Charges

Appendix C. Miscellaneous Transaction Forms

- Form C-01 Notice to Owner of Rental Property
- Form C-02 Notice of Water Allocation Measures
- Form C-03 Deferred Payment Agreement
- Form C-04 Installment Agreement
- Form C-05 Meter Test Authorization and Test Report
- Form C-06 Confidentiality of Utility Records Form
- Form C-07 Notice of Returned Check
- Form C-08 Request for Service Discontinuance
- Form C-09 Termination Notice
- Form C-10 Emergency Leak Agreement
- Form C-11 Notice of Insufficient Information
- Form C-12 Customer Service Inspection Certification
- Form C-13 Temporary Service Request
- Form C-14 Fire Hydrant Service Request
- Form C-15 Notice of Violation of Drought Contingency Plan (First Violation)
- Form C-16 Notice of Violation of Drought Contingency Plan (Second Violation)
- Form C-17 Notice of Violation of Drought Contingency Plan (Third Violation)
- Form C-18 Notice of Violation of Drought Contingency Plan (Termination)

SECTION A.
ADOPTION & AUTHORITY

(Adopted by Ord. 2012-001, July 13, 2012)

1. Effective Date. This Rate Order was adopted by the Board of Directors of the Lake Kiowa Special Utility District effective July 1, 2012 pursuant to Ordinance No. 2012-001. This Rate Order supersedes all utility service policies, rules and tariffs adopted or passed by the Board of Directors prior to the date of adoption of this Rate Order. This Rate Order shall take effect immediately upon its approval.

2. Preexisting Penalties and Vested Rights. The adoption of this Rate Order shall not affect any offense or act committed or done, or any penalty or forfeiture incurred, or any contract or vested right established or accrued prior to the effective date of the adoption of this Rate Order.

3. Official Copy Available. An official copy of the Rate Order shall be available to customers of the District at the District's office during regular office hours. Requests for copies shall be subject to reproduction charges. The reproduction charge shall be \$15.00. The general manager of the District shall maintain the original copy of this Rate Order as approved, and clearly exhibit all additions, deletions and amendments hereto.

4. Conflicts. Rules and regulations of state and federal agencies having applicable jurisdiction, promulgated under any applicable state or federal law, shall supersede all terms of this Rate Order that directly conflict with such State and Federal rules or regulations. If any section, paragraph, sentence, clause, phrase, word or words of this Rate Order are declared unconstitutional or in violation of law, the remainder of this Rate Order shall not be affected thereby and shall remain in full force and effect.

SECTION B

STATEMENTS

(Adopted by Ord. 2012-001, July 13, 2012)

1. Organization. The District was organized by converting the Kiowa Homeowners Water Supply Corporation to the Lake Kiowa Special Utility District under the authority of Article XVI, Section 59, of the Texas Constitution and Chapters 49 and 65 of the Texas Water Code. The District operates pursuant to Texas law and the regulation and authority of the Texas Commission on Environmental Quality. The District exists for the purpose of furnishing potable water utility service. The District is governed by a Board of Directors, the members of which are elected by registered voters residing within the District's boundaries.

2. Non-Discrimination Policy. Service is provided to all applicants that comply with the provisions of this Rate Order regardless of race, creed, color, national origin, sex, disability or marital status.

3. Policy and Rule Application. These policies, rules and regulations apply to the service provided by the District. Failure on the part of a customer or applicant to observe these policies, rules and regulations gives the District authority to deny or discontinue service.

4. Damage Liability. The District is not liable for damages caused by service interruptions due to waterline breaks or equipment failure, tampering by third persons or customers of the District, normal system failures, system maintenance or repairs, or other events beyond the District's control, or for damages caused by negligent acts of the District, its employees, designated representatives and contractors. The limit of liability of the District is the extent of the cost of service provided.

5. Public Information Disclosure. The records of the District shall be kept at the District's office at 133 Kiowa Drive South, Lake Kiowa, Texas 76240. All information collected, assembled or maintained by or for the District shall be disclosed to the public in accordance with the Texas Public Information Act. An individual customer may request in writing that the District keep the customer's name, address, telephone number or social security number confidential. Such confidentiality does not prohibit the District from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the District acting in connection with the employee's duties. A reasonable charge pursuant to the Texas Public Information Act may be assessed to any person requesting copies of District records.

6. Notice of Change in Rates. The District will give written notice of a change to monthly water rates by publication, mail or hand delivery to all affected customers at least thirty (30) days prior to the effective date of the new rate. The notice

shall contain the new rates, effective date of the new rates, date of Board authorization, and the name and telephone number of the district representative designated to address inquiries about the rate change. Failure of the District to give the notice shall not invalidate the changed rate or any change based on the changed rate.

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

8. Public Works Standards. The District adopts applicable sections of the Standard Specifications for Public Works Construction (4th Edition), as amended, promulgated by the North Central Texas Council of Governments, as guidance in the design, installation and maintenance of line extensions and service facilities.

9. Submetering Responsibility. Submetering and non-submetering by Master Metered Accounts may be allowed in the District's water system provided the Master Metered Account customer registers with the Texas Commission on Environmental Quality and complies with its rules on submetering at Title 30, Chapter 291, Subchapter H of the Texas Administrative Code. The District has no jurisdiction over or responsibility to tenants receiving water under a Master Metered Account, and such tenants are not considered customers of the District. Any interruption or impairment of water service to the tenants is the responsibility of the Master Metered Account customer. Any complaints regarding submetering should be directed to the Texas Commission on Environmental Quality.

10. District Forms Policy. The sample forms in Appendix A and Appendix C of this Rate Order are the same or similar to those used by the District and are attached hereto for informational purposes only. The District reserves the right to amend, revise and discontinue use of any of the attached forms, and to create and use new forms, at its sole discretion, for purposes that include, without limitation, complying with federal and state laws and regulations, improving District administrative and customer service efficiency, and meeting the future system demands.

SECTION C

DEFINITIONS

(Adopted by Ord. 2012-001, July 13, 2012)

The following words and terms, when used in this Rate Order, shall have the following meanings unless the context clearly indicates otherwise:

Applicant: A person applying to the District for service.

Designated representative (or) district representative: The general manager of the District or a representative or employee of the District engaged in carrying out the terms of or performing services prescribed by this Rate Order pursuant to either general or specific authorization to do so from the general manager or the Board of Directors.

Board of Directors (or) Board: The governing body of the District elected by qualified voters residing within the District's boundaries in accordance with applicable election laws.

Certificate of Convenience and Necessity (or) CCN: The authorization granted by the Texas Commission On Environmental Quality under Chapter 13, Subchapter G, of the Texas Water Code for the District to provide water utility service within a defined territory. The District has been issued Certificate No. 11140.

Certificated service area (or) service area: The service territory defined in CCN No. 11140. [See Section D, Geographic Area Served].

Customer: Any person receiving service from the District.

Disconnection of service: The discontinuance of water service to a customer of the District.

District: Lake Kiowa Special Utility District.

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

Final plat: A complete and exact plan for the subdivision or development of a tract of land which has been approved by all local governments having jurisdiction pursuant to Chapters 212 or 232 of the Texas Local Government Code. The District shall determine if a plat submitted under this Rate Order qualifies as a final plat. [See 30 TAC § 291.85].

General manager: The general manager of the District appointed by the Board of Directors.

Hazardous condition: A condition that jeopardizes the health and welfare of District customers or employees as determined by the District or any other regulatory authority with jurisdiction.

Person: Any natural person, firm, corporation, cooperative, limited liability company, partnership, unincorporated association, public agency or governmental entity, or any other public or private organization or entity of any type or character.

Re-Service: Providing service to an applicant at a location at which service previously existed and at which there is an existing setting for a meter. Costs of such re-servicing shall be as established in this Rate Order or based on justifiable expenses in connection with such re-servicing.

Service application and agreement (or) service agreement: A written agreement on the District's current service application and agreement form between an applicant and the District defining the specific type of service requirements requested, and the responsibilities of each party regarding the service to be provided on property designated to receive service.

Service classification: The type of water service required by an applicant as may be determined by the District based on specific criteria such as usage, meter size, demand, type application, and other relevant factors related to the applicant's request.

Service: Any act performed, anything furnished or supplied, and any facilities used by the District in the performance of its duties under the Texas Water Code to its customers, employees, other retail public utilities and the public, as well as the interchange of facilities between the District and one or more retail public utilities.

Service unit: The base service unit used by the District for rate making and to determine service classification is a 5/8" x 3/4" water meter.

Subdivide: To divide the surface area of land into lots or tracts. [See Local Gov't Code §232.021(11)].

Subdivision: An area of land that has been subdivided into lots or tracts. [See Local Gov't Code § 232.021(13)].

Temporary service: The nonstandard water service classification assigned to an applicant that is in the process of constructing a residential or commercial structure. The District may also apply this classification to other nonpermanent service uses. The District may provide temporary water service for up to six (6) months from the date of application for temporary service. Temporary service may be extended upon request

and approval of the District's general manager on a case-by-case basis. As a prerequisite to receiving temporary service, the applicant must pay the applicable Temporary Service Charges, pursuant to Section G. 17 of this Rate Order.

Texas Commission on Environmental Quality (or) TCEQ: The state regulatory agency having jurisdiction of water and sewer service utilities and appellate jurisdiction over the rates and fees charged by the District.

Water system: The water production, treatment, supply, storage and distribution facilities operated by or constructed by or for the District, and any water system extensions, improvements or facilities that may be built within the District's boundaries or service area in the future.

SECTION D.
GEOGRAPHIC AREA SERVED

(Adopted by Ord. 2012-001, July 13, 2012)

CERTIFICATE OF CONVENIENCE AND NECESSITY

To provide water service pursuant to the Texas Water Code and Texas Commission on Environmental Quality Substantive Rules

1. Holder of Certificate of Convenience and Necessity No. 11140.

Lake Kiowa Special Utility District
133 Kiowa Drive South
Lake Kiowa, Texas 76240

2. General Description and Location of Service Area. This area covered by this certificate is located approximately 7 miles southeast of Gainesville, Texas on Farm Road 902. The service area is generally bounded on the east by County Road 3164, on the south by Farm Road 902, on the west by County Road 211 and on the north by County Road 244 in Cooke County, Texas.

3. Certificated Service Area Maps. The certificate holder is authorized to provide water service in the area identified on the Commission's official service area maps, WRS-49, maintained in the offices of the Texas Commission on Environmental Quality, 12015 Park 35 Circle, Austin, Texas with all attendant privileges and obligations.

This certificate is issued under Application No. 9241-Q subject to the rules and orders of the TCEQ, the laws of the State of Texas and conditions contained in the certificate, and may be revoked for violations thereof. The certificate is valid until amended or revoked by the TCEQ.

SECTION E.
SERVICE RULES AND REGULATIONS

(Adopted by Ord. 2012-001, July 13, 2012)

1. Service Entitlement. An applicant requesting service to real property located within the District's service area shall be considered qualified and entitled to water service when proper application has been made, the terms and conditions of service have been met and continue to be met, and all fees have been paid as prescribed. An applicant requesting service to real property located outside the boundaries of the District's service area shall be considered for service in accordance with current District policies on providing service outside the District's service area.

2. Application Procedures and Requirements.

(a) Service Classifications. Applications to the District for service shall be divided into the following two (2) classes:

(1) *Standard Service.* Standard service is defined as service from an existing District water main or pipeline, which may require a tap but does not require a line extension, construction or new facilities, provided to a 3/4" x 3/4" meter set by the district. The District may classify applications for service to commercial or industrial uses or for service requiring a one inch (1") or larger meter as non-standard pursuant to subsection (2).

(2) *Non-Standard Service.* Non-standard service includes service to a subdivision or commercial development, service that requires a larger than one inch (1") meter, service to a Master-Metered Account, or service that requires construction of additions or improvements to the District's water system.

(b) Requirements for Standard and Non-Standard Service.

(1) Prior to receiving service, applicants requesting residential or standard retail water service shall complete and sign a Service Application and enter into a Service Agreement with the District. [See Appendix A, Form A-01, Form A-02]. Prior to receiving service, applicants requesting non-standard service shall complete a Non-Standard Service Application and enter into a Non-Standard Service Contract with the District. [See Appendix B, Form B-01. Form B-02].

(2) As a condition for service, the applicant shall complete and execute a waterline easement form, a sanitary control easement and/or such other easement form(s) required by the District to obtain dedicated easements to allow the District a right of access to construct, install,

maintain, replace, upgrade, inspect or test any facility necessary to serve the applicant as well as the District's purposes in providing system-wide service. [See Tex. Water Code § 49.218; Appendix A, Form A-03. Note: This requirement may be delayed for non-standard service applicants.] New meters shall be located within a utility easement at or near the boundary line of the property designated for service.

(3) The applicant shall provide proof of ownership, control or possession of the real property designated to receive service by warranty deed or other recordable documentation of fee simple title.

(4) *Individual Metering for Multiple Use Facilities.* At the request of a property owner or an owner's authorized agent, the District shall install individual meters owned by the District in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction began after January 1, 2009, unless the District determines that the installation of individual meters is not feasible. If the installation of individual meters is not feasible, the property owner or manager shall install, at the property owner's or manager's expense, a plumbing system that is compatible with the installation of submeters or individual meters. The District shall be entitled to the payment of reasonable costs to install individual meters pursuant to 30 TAC § 291.122(d). The District shall consider master metering and/or non-standard service to apartments, condos, trailer/RV parks, or business centers and other similar type enterprises at an applicant's request provided the total number of units to be served are:

(A) owned by the same person, partnership, cooperative, corporation, agency, or public or private organization of any type, but not including a family unit;

(B) not directly accessible to a public right-of-way (such as a gated community); and

(C) considered a commercial enterprise (i.e., for business, rental or lease purposes).

(5) Notice of application approval and costs of service as determined by the District shall be presented to the applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the applicant must re-apply for service. [30 TAC § 291.81(a)(1)].

(6) If a water main has been located in the public right-of-way and is adjacent to applicant's property, then the District may, in its sole discretion, require the applicant, prior to receiving the requested service, grant an easement as required under this Rate Order. In addition to the

normally required fees for new customer service, the District may require the Applicant to pay such sums as are reasonably necessary to remove or cap the existing water main in the public right-of-way and to construct the appropriate lines within that easement for the District's water distribution system.

(7) If an applicant fails to provide all documentation or information required at the time of application, the District will issue written notice that the applicant must provide the documentation and/or information within ten (10) days or service will be terminated. This provision applies to both standard and non-standard service requests. [See Appendix C, Form C-13].

3. Activation of Standard Service.

(a) New Service Connection. The District shall charge a Deposit, Connection Fee and other applicable fees as required under Section G of this Rate Order. The fees shall be quoted in writing to the applicant. [Appendix A, Forms A-04 and A-05]. An applicant must pay all fees or enter into a Deferred Payment Agreement prior to installation of a new service connection. [Appendix C, Form C-03].

(b) Re-Service. On property where service previously existed, the District shall charge a Deposit and Activation Fee prior to restoration of service. In addition to the Deposit and Activation Fee, the District shall charge accumulated Reserved Service Fees which have been assessed to the inactive account on a monthly basis. This will allow the District to recover the costs of reserving capacity to the location for which re-service has been requested.

(c) Performance of Work. The District shall install all standard service taps and equipment necessary to provide service within five (5) working days after approval and receipt of payment of all quoted fees and charges for the property designated to receive service, unless service requires construction of a line extension from the District's water system. Where service previously existed, this shall occur within one (1) day. This time may be extended for installation of facilities and equipment necessary to serve a request for non-standard service. [See, Section F; 30 TAC § 291.85].

(d) Inspection of Customer Service Facilities. The District shall inspect an applicant's property to insure compliance with state required Minimum Acceptable Operating Practices For Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. [30 TAC § 290.46(j)].

4. [RESERVED]

5. Changes in Service Classification. If at any time the District determines that the service classification of a customer has changed from that originally applied for and that additional or different facilities are necessary to provide adequate service, the District shall require the customer to re-apply for service under the terms and conditions of this Rate Order. Customers failing to comply with this provision shall be subject to Disconnection with Notice under subsection 14(a) below.

6. Landlords and Tenants.

(a) In cases of landlord/tenant relationships, the District may require both parties to sign an agreement specifying which party is responsible for monthly bills, deposits and other fees. This agreement may be included as a provision of the District's approved service application form. The District shall not require the landlord to guarantee the tenant's customer deposit or monthly service bill as a condition of service. However, if the landlord signs a guarantee of payment for deposits, monthly service bills and fees, the guarantee shall remain in full force and effect until the guarantee is withdrawn in writing by the landlord and copies are provided to both the District and the tenant.

(b) The owner of property designated to receive service under this Rate Order shall be solely responsible for payment of service extension fees if the facilities will remain in service to the property after the tenant vacates the premises.

7. Refusal of Service. The District may refuse to serve an applicant for the following reasons:

(a) failure of an applicant to complete all required easement forms and pay all required fees and charges;

(b) failure of an applicant to comply with the rules, regulations and policies of the District;

(c) existence of a hazardous condition at the applicant's property which would jeopardize the welfare of other customers of the District upon connection;

(d) failure of an applicant to provide representatives or employees of the District reasonable access to property, for which service has been requested;

(e) failure of an applicant to comply with all rules and regulations of the District which are in this Rate Order on file with the state regulatory agency governing the service applied for by the applicant;

(f) failure of an applicant to provide proof of ownership of the property designated to receive service to the satisfaction of the District; and/or

(g) the District has determined that the applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.

8. Applicant's Recourse. In the event the District refuses to serve an applicant under the provisions of this section, the District shall inform the applicant in writing of the basis of its refusal and that the applicant may file a written complaint with the Board of Directors.

9. Insufficient Grounds for Refusal of Service. The following shall not constitute sufficient cause for the refusal of service to an applicant:

(a) delinquency in payment for service by a previous owner or tenant of the property designated to receive service;

(b) failure to pay a bill to correct previous underbilling more than six (6) months prior to the date of application;

(c) violation of the District's rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;

(d) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the District as a condition precedent to service, re-service or re-activation;

(e) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill;

(f) failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations.

10. Deferred Payment Agreement. The District may enter into a Deferred Payment Agreement, not to exceed a term of one (1) year, with a customer who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the District, including any late payment penalties or interest on the monthly balance to be determined as per agreement. [See Appendix C, Form C-03].

11. [RESERVED]

12. Charge Distribution and Payment Application.

(a) Base Rate. The applicable Base Rate shall be charged for each monthly billing period from the first day of the billing period to the last day of the billing period. Charges shall be prorated for meter installations and service terminations falling during the billing period. All service connections shall be subject to this charge whether or not there is use of service.

(b) Gallonge Charge. A Gallonge Charge shall be billed at the rate specified in Appendix B and shall be calculated in one thousand (1000) gallon increments. Charges for water usage are based on monthly meter readings and are calculated from reading date to reading date. The District shall take all meter readings used in calculating billing.

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

(d) Forms of Payment. The District will accept the following forms of payment: cash, personal check, cashier's check, money order or credit cards. The District will not accept two-party checks, pay checks or any other instrument of payment that is not made payable solely to the District. The District reserves the right to require exact change and may refuse to accept payments made using more than \$1.00 in coins.

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

(a) The District shall mail all bills on or about the twenty-ninth (29th) day of each month. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill, allowing approximately fifteen (15) days to pay, after which time a penalty shall be applied pursuant to Section G. Payments made by mail will be considered late if postmarked after the past due date. The District may allow a five (5) day grace period for delayed payments prior to mailing of final notices. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for a regular or final bill falls on a weekend or holiday, the past due date for payment purposes shall be the next day the District office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings.

(b) Upon written request, any residential customer sixty five (65) years of age or older who occupies the entire premises of a dwelling receiving water utility service from the District shall receive an extension of the past due date, without penalty. The extension shall not exceed ten (10) days beyond the usual fifteen (15) day payment period, for a total of no more than twenty-five (25) days from the date the bill is issued. [See Utilities Code §§ 182.001 - 182.005].

14. Rules for Disconnection of Service. The following describes the rules and conditions for disconnection of service.

(a) Disconnection with Notice. Water service may be disconnected after proper notice for any of the following reasons:

- (1) returned checks (see Section E.15 Returned Check Policy);
- (2) failure to pay a delinquent account for utility service provided by the District, failure to timely provide a deposit, or failure to comply with the terms of a Deferred Payment Agreement;
- (3) violation of the District's rules pertaining to the use of service in a manner which interferes with the service of others;
- (4) the operation of non-standard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;
- (5) failure to comply with the terms of a service agreement, Non-Standard Service Contract or this Rate Order;
- (6) failure to provide District personnel or designated representatives access to a meter or to property designated to receive service is received for purposes of inspecting and verifying the existence of potential hazardous conditions or policy violations;
- (7) any misrepresentation of fact by an applicant or customer on any form, document or agreement required by the District;
- (8) failure to re-apply for service upon notification by the District that customer no longer meets the service classification originally applied for under the original service application; or
- (9) violation of any applicable regulation or statute pertaining to on-site sewage disposal systems if the District has been requested in writing to disconnect service by the TCEQ or the TCEQ's designated representative under Chapter 366 of the Texas Health & Safety Code.

(b) Disconnection Without Notice. Water service may be disconnected without prior notice for the following reasons:

- (1) a known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a violation of Chapter 341 of the Health and Safety Code and regulations adopted pursuant thereto, or where the District has reason to believe a dangerous or hazardous condition exists and the

customer refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition [See Section E.3.(d); 30 TAC § 290.46 (j)];

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

(3) in instances of tampering with the District's meter or equipment, by-passing the meter or equipment, or other diversion of service; or

(4) a returned check is received on an account that was scheduled for disconnection, service shall be immediately disconnected in accordance with the District's standard delinquent account policy. Notice shall be provided by same day mail or hand delivery that an insufficient check was received. Notice shall state the hours and location where the insufficient check can be redeemed to allow service to be reconnected.

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

(1) failure to pay for merchandise or charges for non-utility service provided by the District, unless there is an agreement whereby the customer guaranteed payment of non-utility service as a condition of service;

(2) failure to pay for a different type or class of utility service unless a fee for such service is included in the same bill;

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

(4) failure to pay the account of another customer as guarantor thereof, unless the District has in writing the guarantee as a condition precedent to service;

(5) failure of the customer to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under subsection 20 below (Inoperative Meters);

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

(7) in response to a request for disconnection by an owner of rental property where the tenant is billed directly by the District as authorized by the owner, and the renter's account is not scheduled for disconnection under the rules for disconnection of service in this Rate Order.

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

(e) Disconnection Due to Utility Abandonment. The District may not abandon a customer or a certificated service area without written notice to its customers and all similar neighboring utilities, and obtained approval from the TCEQ.

(f) Disconnection Due to Illness or Disability. The District may not discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. To avoid disconnection under these circumstances, the customer must provide a written statement from a physician to the District prior to the stated date of disconnection. Service may be disconnected in accordance with subsection 14(a) of this section if the next month's bill and the past due bill are not paid by the due date of the next month's bill, unless the customer enters into a Deferred Payment Agreement with the District. [See Appendix C, Form C-03].

(g) Disconnection of Master-Metered Accounts. When a bill for service to a Master-Metered Account customer is delinquent, the following shall apply:

(1) The District shall send a notice to the customer as required. This notice shall also inform the customer that notice of possible disconnection will be provided to the customer's tenants or occupants of the master-metered property in five (5) days if payment is not rendered before that time.

(2) At least five (5) days after providing notice to the customer, and at least five (5) days prior to disconnection, the District shall post notices, stating "Termination Notice," in public areas of the master-metered property to notify tenants or occupants of the scheduled date for disconnection of service.

(3) The tenants or occupants may pay the District for any delinquent bill on behalf of the customer to avert disconnection or to reconnect service to the master-metered property.

(h) Payment During Disconnection. The District is not obligated to accept payment of a bill when a District employee or designated representative is at a customer's property for the purpose of disconnecting service.

(i) Disconnection of Temporary Service. When a customer receiving Temporary Service fails to comply with the conditions stated in the Temporary Service Request Form or other rules of this Rate Order, service may be terminated with notice.

15. Returned Check Policy. Payment by check which has been rejected for insufficient funds, closed account, or for which a stop payment order has been issued is not deemed to be payment to the District. The District shall mail, via the U.S. Postal Service, a Notice of Returned Check requiring that a returned instrument be redeemed at the District office within ten (10) days of the date of the notice. [See Appendix C, Form C-08]. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall result in disconnection of service. A customer shall be considered a bad credit risk for having an instrument returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period, and shall be placed on a "cash-only" basis for a 12-month period during which the District will only accept payment by means of a certified check, money order or cash. [See Section G.10, Returned Check Fee].

16. Billing Cycle Changes. The District retains the right to change monthly billing cycles at any time and for any reason.

17. Back-billing. If a customer was undercharged, the District may backbill the customer for the amount which was underbilled. The backbilling shall not exceed six (6) months unless such undercharge was the result of meter tampering, bypass, or diversion of service by the customer as defined in Subsection 23 below. If the underbilling is \$25 or more, the District shall offer to enter into a Deferred Payment Agreement with such customer for the same length of time as that of the underbilling. In cases of meter tampering, bypass, or diversion of service, the District may, but is not required to, offer a customer a deferred payment plan.

18. Disputed Bills. In the event of a dispute between a customer and the District regarding any monthly bill, the dispute shall be resolved or disposed of in accordance with the Grievance Procedures set forth in the following subsection 19, except as follows:

(a) Notice of the bill dispute must be submitted to the District, in writing, and a payment equal to the customer's average monthly usage at current rates must be received by the District prior to the due date posted on the disputed bill.

(b) The customer shall not be required to pay the disputed portion of a bill which exceeds the amount of that customer's average monthly usage at current rates pending the completion of the determination of the dispute. For purposes of this subsection, the customer's average monthly usage shall be the average of the customer's usage for the preceding 12-month period. Where no previous usage history exists, consumption for calculating the average monthly usage shall be estimated on the basis of usage levels of similar customers under similar conditions.

(c) Notwithstanding any other section of this Rate Order, a utility customer's service shall not be subject to discontinuance for nonpayment of that portion of a bill under dispute pending the completion of the determination of the dispute. The customer is obligated to pay any billings not disputed as established in subsection 14 of this Rate Order (relating to Disconnection of Service).

19. Grievance Procedures. Any customer of the District or person demonstrating an interest under the policies of this Rate Order in becoming a customer shall have an opportunity to voice concerns or grievances to the District by the following means and procedures:

(a) The aggrieved party must first submit written notice to the general manager or authorized staff member stating the concern or grievance and the desired result. The general manager shall investigate the matter and provide a response to the aggrieved party within fourteen (14) days after receipt of the written notice of grievance.

(b) If the general manager does not resolve the grievance to the satisfaction of the aggrieved party, the party may appeal the general manager's decision, in writing, to the President of the Board of Directors for disposition. The written notice of appeal must be submitted to the District within seven (7) days after the date of the general manager's written response to the notice of grievance.

(c) Upon receipt of an appeal, the President of the Board of Directors shall review the request and determine the best means by which the grievance shall be resolved. The President may direct that a grievance be heard by the Board of Directors for final disposition, or initially by District staff appointed by the President and serving in an advisory capacity to the Board of Directors. The President shall also determine a reasonable time and place for the grievance to be heard, but such hearing shall take place within sixty (60) days of the date that the President received the written notice of appeal. Final disposition by the Board of Directors shall be reported to the aggrieved party in writing.

(d) If under this subsection an aggrieved party contests a charge or fee as sole or partial basis of a grievance, the contested charge or fee shall be suspended until such time as the grievance is satisfactorily resolved by the general manager, the deadline for delivering an appeal to the President of the Board of

Directors has passed, or the Board of Directors has rendered its final disposition of the dispute. This provision does not apply to disputed monthly bills pursuant to subsection 18 above.

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

21. Bill Adjustment Due To Meter Error. The District shall test any customer's meter upon written request of the customer. In the event the meter tests within the accuracy standards of The American Water Works Association, a meter test fee as prescribed in Section G. 15 of this Rate Order shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The customer must complete and sign a Meter Test Authorization and Test Report prior to the test. [See Appendix C, Form C-05].

22. Leak Adjustment Policy.

(a) A customer who receives an unusually high monthly bill due to a leak on the customer's property is eligible for a one-time billing adjustment provided all of the following conditions apply:

(1) the customer has not previously requested a leak adjustment by the District for any property owned by the customer; and

(2) the water usage reflected in the high monthly bill must show a minimum of five-times (5x) the customer's average monthly usage for the property where the leak occurred; and

(3) on or before the due date of the high monthly bill, the customer must submit to the District a written request for a leak adjustment together with payment equal to the customer's average monthly water usage at current rates and documentary evidence that the leak was repaired (such as a plumber's invoice or receipt for parts purchased to repair the leak).

(b) If the General Manager determines that the absence of a frost-proof lockable faucet contributed to the water loss for which an adjustment is requested, then the General Manager may require the customer to install a frost-proof lockable faucet as an additional condition to receiving a leak adjustment.

(c) Customers eligible for an adjustment will be charged the District's wholesale rate for water use in excess of the customer's average monthly usage as indicated on the high monthly bill. For purposes of this section, a customer's "average monthly usage" shall mean the average of the customer's monthly water usage at the subject property during the preceding 12 months, or lesser history if the customer has not received service at the subject property for 12 months, or, where no previous usage history exists for that customer at the subject property, the average monthly usage shall be estimated by the General Manager of the District based on usage levels of similar customers under similar conditions.

(Amended by Ord. 2013-001, Feb. 13, 2013)

23. Meter Tampering and Diversion of Service. All meters connected to the District's water system shall be provided, owned, installed and maintained by the District. Meter-tampering, by-pass and diversion of service is prohibited. For purposes of this Rate Order, meter tampering, bypass, or diversion shall be defined as tampering with a District meter or service equipment causing damage or unnecessary expense to the District, bypassing the same, or other instances of diversion of service, such as:

- (a) removing or altering District equipment, including locks or shut-off devices installed by the District to discontinue service;
- (b) physically disorienting a meter;
- (c) attaching objects to a meter to divert service or to by-pass;
- (d) inserting objects into a meter;
- (e) other electrical and/or mechanical means of tampering with, by-passing, or diverting service;
- (f) connecting or reconnecting service without District authorization; or
- (g) connecting to the service line of adjacent customers of the District.

The burden of proof of meter-tampering, by-passing, or diversion is on the District. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by one or more employees or agents of the District upon the initiation of an action for meter-tampering under this Rate Order. A court finding of meter tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of District services shall be prosecuted to the fullest extent allowed by law under the Texas Penal Code §§ 12.21 and 28.03.

24. Service Facility Relocation.

(a) Upon customer request, relocation of service facilities on the same property designated to receive service shall be allowed by the District provided that:

(1) an easement for the proposed location has been granted to the District; and

(2) the customer pays a Meter Relocation Fee. [See Section G. 16].

(b) The District retains the right to relocate service facilities at its expense for any purpose.

25. Prohibition of Multiple Connections to a Single Tap. No more than one (1) residential, commercial, or industrial service connection is allowed per meter. The District may permit the owner of an apartment building, mobile home/RV park or other commercial account to apply for a single meter as a "Master-Metered Account". Any unauthorized submetering or diversion of service shall be considered a "multiple connection" and subject to disconnection of service. If the District has sufficient reason to believe a multiple connection exists, the District shall discontinue service under the Disconnection with Notice provisions.

26. Customer Responsibilities.

(a) District Access to Meters. Customers shall allow District employees and designated representatives access to meters for the purpose of reading, testing, installing, maintaining and removing meters and using utility cutoff valves. If access to a meter is hindered so that the District is prevented from the reading of the meter, an estimated bill shall be rendered to the customer for the month and a notice of the hindrance shall be sent to the customer. If access is denied for three (3) consecutive months after notice to the customer, then service shall be discontinued and the meter removed with no further notice.

(b) Compliance with On-Site Service and Plumbing Requirements. Customers shall be responsible for complying with all local, state and federal codes, requirements and regulations concerning on-site service and plumbing facilities.

(1) All connections shall be designed to ensure against back-flow or siphonage into the District's water system. In particular, livestock water troughs shall be plumbed above the top of the trough with an air space between the discharge and the water level in the trough. [30 TAC § 290.46].

(2) The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility

providing water for human consumption and connected to the District's facilities. Customer service pipelines shall be installed by the applicant. [30 TAC § 290.46].

(3) All sewer and potable water service pipeline installations must be a minimum of nine feet (9') apart and meet all applicable regulations for line separation and crossing.

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

(c) Payment on Multiple Accounts. A customer owning more than one service connection shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable as per Service Application and Agreement executed by the customer or the terms of this Rate Order.

(d) Extent of District Ownership and Maintenance. The District's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the District shall be subject to charges pursuant to this Rate Order.

(e) Cut-off Valve Requirement. The District shall require each customer to have a cut-off valve on the customer's side of the meter for purposes of isolating the customer's service pipeline and plumbing facilities from the District's water pressure. The valve shall meet AWWA standards (a ball valve is preferred). The customer's use of the District's curb stop or other similar valve for such purposes is prohibited. A customer shall be subject to charges for any damage to the District's meter or other service equipment. A cut-off valve may be installed as a part of the original meter installation by the District.

27. Prohibited Plumbing Practices.

(a) No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination will be isolated from the public water system by an air gap or an appropriate backflow prevention device.

(b) No cross-connection between the water supply and a private water system is permitted. These potential threats to the public drinking water supply must be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.

(c) No connection which allows water to be returned to the public drinking water supply is permitted.

(d) No pipe or pipe fitting which contains more than eight percent (8.0%) lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

(e) No solder and flux which contains more than two-tenths of one percent (0.2%) lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

28. Water Service Connections.

(a) Applications for water service connections shall be filed with the District on approved forms. Applicants shall meet all District requirements for service, including the grant of any necessary easements (as determined by the District) and the installation of a cut-off valve at the expense of the service applicant.

(b) No person, other than District employees or designated representatives, shall be permitted to tap or make any connection with the mains or service lines of the District's water system, or make any repairs or additions to or alterations in any tap, pipe, cock or other fixture connected to a water service line.

(c) A customer must allow the District to inspect his or her property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections will be conducted by the District prior to initiating service and may be conducted periodically thereafter. All inspections will be conducted during the District's normal business hours.

(d) The customer must, at the customer's expense, properly install a backflow prevention device as required by the District.

(e) All costs to extend or oversize District water mains or service lines to serve any residential or commercial user or any undeveloped area within the District shall be the sole responsibility of the property owner and/or developer requesting service.

29. Standards for Water Service Lines. The following standards govern the installation of customer service lines for water service to residences or commercial buildings within the District:

(a) All new residential or commercial connections to the District's water system shall be made in accordance with previous subsection 28 and the Rules and Regulations for Public Water Systems issued by the TCEQ as set forth in Subchapter D, Chapter 290, Title 31 of the Texas Administrative Code. In the

event of a conflict between the provisions of subsection 28 and the TCEQ's Rules and Regulations for Public Water Systems, the more stringent shall apply.

(b) Water pipe and fittings shall be of brass, copper, cast iron, galvanized malleable iron, galvanized wrought iron, galvanized steel or other approved materials.

(c) Water service lines and wastewater service lines shall not be less than three feet (3') apart horizontally and shall be separated by undisturbed or compacted earth.

(d) Water service lines or any underground water pipe shall not be run or laid in the same trench with non-metallic sewer or drainage piping unless all three of the following conditions are met:

(1) The bottom of the water service line at all points shall be at least twelve inches (12") above the top of the wastewater line.

(2) The water service line shall be placed on a solid shelf excavated at one side of the common trench and the two lines shall be separated by a minimum of eighteen inches (18").

(3) The water service line shall be installed with water tight joints tested to a minimum of 150 PSI.

(e) *[RESERVED FOR FUTURE USE]*

(f) Water service lines shall be bedded in washed sand to provide six inches (6") of cushion below the line. The trench bottom and walls shall be cleared of all protruding rocks that may damage the pipe before the sand bedding is placed.

(g) A District-owned water meter and a District-approved meter box shall be installed by the District or its designated representative.

(h) Potable water supply piping, water discharge outlets, backflow prevention devices, or similar equipment shall not be located so as to make possible the submergence of such equipment in any contaminated or polluted substance.

(i) Lawn sprinkling systems shall be equipped with an approved reduced pressure zone (RPZ) valve. The RPZ valve shall be installed at least twelve inches (12") above the surrounding ground and above a sufficient number of heads so at no time will the RPZ valve be subjected to back pressure or drainage.

(j) The District's water system shall be protected from swimming pool makeup water by means of an approved backflow prevention device or an adequate air gap.

(k) Upon the installation of a service line, a request for inspection shall be made to the District's office, and the line shall not be back-filled until the District has inspected and approved of the installation. The District shall perform the inspection within forty-eight (48) hours of receiving the request.

(l) Back filling of service line trenches must be accomplished within twenty-four (24) hours of inspection and approval, and no debris will be permitted in any service line trench.

30. Enforcement for Violations of Rate Order.

(a) If any person violates any provision of this Rate Order, and thereby violates a state or federal statute or injunction, the District may seek prosecution of that person in the appropriate state or federal court, and may seek such penalties as are prescribed by that statute or injunction.

(b) If any person violates any provision of this Rate Order, and the violation is not punishable in state or federal courts, the District may seek an injunction for specific action and/or damages in the appropriate state or federal court.

(c) The District shall not provide water service to any applicant or customer until all requirements for service connections have been met.

SECTION F
(RESERVED FOR FUTURE USE)

SECTION G

RATES AND SERVICE FEES

(Adopted by Ord. 2012-001, July 13, 2012; Amended by Ord. 2012-002, Oct. 17, 2013)

1. Classes of Users. All users of the District's water services shall be grouped into the following classes:

(a) Residential users, consisting of residential users located within the District.

(b) Commercial users, consisting of users located within the District to which service to a non-residential structure is provided.

Water charges will be assessed in such a manner that each class of users generally pays its share of debt service and operation and maintenance expenses for water service. The District may create additional classes of users in the future at its discretion. All classes of users may be grouped into sub-classes according to the meter size provided to their residence and/or commercial establishment.

2. Service Investigation. The District will conduct a service investigation for each service application submitted to the District. Requests for standard residential service will be investigated without charge and all applicable costs for providing service will be quoted in writing to the applicant within ten (10) working days of application. The General Manager of the District will estimate the cost to investigate commercial service requests to be paid in advance by applicants.

3. Deposits.

(a) Initial Payment and Amount. At the time an application for service is approved, the applicant shall pay a Deposit to be held by the District, without interest, until settlement of the customer's final bill. The Deposit will be used to offset unpaid charges or bills.

(1) The Deposit for residential users is \$200.00 for each service unit.

(2) The Deposit for commercial users and for non-standard service customers, including Master Metered Accounts, shall be an amount equal to one-sixth of the estimated annual billings as determined by the District.

(b) Commercial and Non-standard Service Customers. If actual monthly billings of a commercial user or non-standard service customer are more than twice the amount of the estimated billings at the time service was established,

the District may require payment of an additional deposit within fifteen (15) days after the issuance of written notice.

(c) Applicants 65 Years of Age or Older. No deposit may be required of a standard service applicant who is 65 years of age or older if the applicant does not have a delinquent account balance with the District or another water utility.

(d) Reestablishment of Deposit. Every service applicant who has previously been a customer of the District and whose service has been discontinued for nonpayment of bills, meter tampering, bypassing of meter or failure to comply with applicable state regulations or regulations of the District shall be required, before service is resumed, to pay all amounts due the District or execute a deferred payment agreement, if offered, and shall be required to pay a deposit if the District does not currently have a deposit from the customer.

(e) Refund of Deposit. If service is not connected, or after disconnection of service, the District shall refund the service applicant's or customer's deposit in excess of the unpaid bills for service furnished. In the event that a surplus of \$5.00 or more exists after the final bill is paid, the balance of the Deposit will be paid to the customer within forty-five (45) days provided the customer has given the District written notice of a forwarding address. All requests for Deposit refunds shall be made in writing and must be delivered to the District within ninety (90) days of termination of service. In the event that an outstanding balance exists after the Deposit is applied, the District shall attempt to collect the outstanding balance by all lawful means available.

4. Connection Fee. In addition to a Deposit and any other applicable fees, the District shall charge a Connection Fee to establish service as follows:

(a) Standard Service. Standard service is furnished through 3/4" meters. The Connection Fee for standard service, whether residential or commercial, is \$4,000.00 and includes all labor and materials to install and inspect a tap, service line, meter vault, riser, meter, and other necessary appurtenances. The Connection Fee is charged on a per connection basis and must be paid in advance.

<u>Meter Size</u>	<u>Connection Fee</u>
3/4"	\$4,000.00

(b) Non-standard Service. The Connection Fee for non-standard service is \$4,000.00 plus the additional cost of the larger meter, if any, and includes all labor and materials to install and inspect a tap, service line, meter vault, riser, meter, and other necessary appurtenances. The Connection Fee is charged on a per connection basis and must be paid in advance.

(c) Extraordinary Expenses.

(1) *Generally.* Extraordinary expenses such as road bores, street crossings, system improvements and pipeline relocations under Section E.2(b)(6) may be added to the Connection Fee and shall be paid by the applicant.

(2) *Street Crossings.* The fee for crossing under a street with a service line is \$1,000.00 or the actual cost of the work and materials, plus a fifteen percent (15%) administrative and overhead fee.

5. Activation Fee. When service is requested by a new customer to an existing meter located on property previously served by the District, the District will charge an Activation Fee of \$25.00 prior to restoring service. In addition to the Activation Fee, the applicant shall pay a Deposit and any other applicable fees required under this Rate Order. [See Section E.3(b)].

6. Monthly Service Charges. See Appendix B to this Rate Order.

7. Late Payment Fee. Except for bills to political subdivisions and state agencies, a one time penalty of \$5.00 or 5.0%, which ever is larger, shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period. Political subdivisions and state agencies will be assessed a late penalty of 1% on any amount unpaid on the 46th day after a bill or statement for service furnished is received by the state agency or political subdivision and an additional 1% shall be assessed for each month thereafter that the bill remains unpaid. [See Gov't Code Chapter 2251].

8. Owner Notification Fee. The District may notify a customer about a tenant's delinquent account status prior to disconnection of service and charge the customer an Owner Notification Fee of \$15.00 per notification.

9. Returned Check Fee. In the event a check, draft, or any other similar instrument is given by any person for payment of services provided for in this Rate Order, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$35.00. [See Appendix C, Form C-08].

10. Reconnect Fee. The District shall charge a Reconnect Fee of \$50.00 during regular business hours or \$75.00 after regular business hours for restoration of service after disconnection for any reason stated in this Rate Order or to restore service after disconnection at a customer's request, except for re-service under Section E.3(b) of this Rate Order.

11. Service Trip Fee. The District shall charge a Service Trip Fee of \$35.00 for any service call or trip to a customer's property at the customer's request and \$50 for any service call or trip to a customer's property for the purpose of disconnecting service or

collecting payment for service. However, the District shall investigate reports of damage to District and customer facilities or equipment without charge.

(Amended by Ord. 2012-002, Oct. 17, 2013)

12. Equipment Damage Fee. The District shall charge for all labor, material, equipment, and all other actual costs necessary to repair or replace all equipment damaged due to negligence, meter tampering or bypassing, reconnecting service without authority or other service diversion. The utility may charge for all actual costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. An itemized bill of such charges shall be provided to the customer. In cases of meter tampering or service diversion, the District may disconnect the service of a customer refusing to pay damage charges. [See 30 TAC § 291.87(n)].

13. Customer History Report Fee. A fee of \$10.00 shall be charged to provide a copy of the customer's record of past water purchases in response to a customer's request for such a record.

14. Meter Test Fee. The District shall test a customer's meter upon written request of the customer and a Meter Test Fee of the actual cost to retest, plus 15% shall be imposed on the affected account.

15. Meter Relocation Fee. The fee for moving a meter from one location to another under the terms of Section E.24 shall be the actual costs incurred by the District plus administrative charges, or a minimum fee of \$150.00. Upon removal of the existing meter, the District shall remove the existing service tap.

16. Temporary Service Charges. Prior to providing temporary water service, the District shall charge a non-refundable temporary service fee of \$50.00 plus actual installation charges for temporary water service. In addition to the tap fee, temporary service customers shall pay the gallonage charge as stated above in Section G.6(b).

17. Hydrant Meter Service. Prior to providing hydrant meter service, the District shall receive a deposit in the amount of \$100.00 which is refundable upon return of the hydrant meter and payment for all water used. Hydrant meter service customers shall pay a gallonage charge as stated above in Section G.6(b).

18. Information Disclosure Fee. All public information, except that which has been individually requested as confidential, shall be available to the public for a fee to be determined by the District based on the level of service and costs to provide such information, but not to be inconsistent with the terms of the Texas Publication Information Act, Chapter 552, Texas Government Code (f/k/a Texas Open Records Act).

19. Customer Service Inspection Fee. After the initial customer service inspection, a fee of \$50.00 will be assessed to an applicant for each additional inspection required, if any.

20. Additional Assessments. In the event any federal, state or local government imposes on the District a "per meter" fee or assessment based on a percentage of water charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.

21. Other Fees. All services outside the normal scope of utility operations that the District may be compelled to provide at the request of a customer shall be charged to the recipient based on the cost of providing such service.

22. Fees Non-refundable. All fees, rates and charges contained in this Rate Order are non-refundable unless expressly stated otherwise.

SECTION H

DROUGHT CONTINGENCY PLAN

(Adopted by Ord. 2012-001, July 13, 2012; Amended by Ord. 2012-002, Oct. 17, 2013)

1. Declaration of Policy, Purpose, and Intent. In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the Lake Kiowa Special Utility District hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Drought Watering Plan (The Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section 10 of this Plan.

2. Public Involvement. Opportunity for the public to provide input into the preparation of the Plan was provided by the Lake Kiowa SUD by means of a public meeting held at the Lake Kiowa Lodge, with notice of said meeting appearing in The Lake Kiowa Communiqué.

3. Public Education. The Lake Kiowa Special Utility District will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information can be provided by means of personal letter, entrance gate signs, local cable access channel, and our Internet site www.lksud.org.

4. Coordination with Regional Water Planning Groups. The certificated service area of the Lake Kiowa Special Utility District. is located within the Region C Water Planning Group and Lake Kiowa Special Utility District has provided a copy of this Plan to the Region C Water Planning Group.

5. Authorization. The General Manager or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The General Manager, or his/her designee, shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

6. Application. The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by Lake Kiowa Special Utility District

The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

7. Definitions. For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use - water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial water use - water use, which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation - those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer - any person, company, or organization using water supplied by Lake Kiowa Special Utility District.

Domestic water use - water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address - street addresses ending in 0, 2, 4, 6, or 8.

Landscape irrigation use - water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, parks, and rights-of-way and medians.

Non-essential water use - water uses that are neither essential nor required for the protection of public, health, safety, and welfare, including:

(a) Irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;

(b) Use of water to wash any motor vehicle, motorbike, boat, trailer, or other vehicle;

(c) Use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;

(d) Use of water to wash down buildings or structures for purposes other than immediate fire protection;

(e) Flushing gutters or permitting water to run or accumulate in any gutter or street;

- (f) Use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (g) Use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) Failure to repair a controllable leaks within a reasonable period after having been given notice directing the repair of such leaks; and
- (i) Use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd numbered address - street addresses ending in 1, 3, 5, 7, or 9.

Watering times - Outside watering is prohibited during the heat of the day between the hours of 10:00 a.m. and 6:00 p.m.

8. Criteria for Initiation and Termination of Drought Response Stages. The General Manager or his/her designee shall monitor water supply and/or demand conditions and shall determine when conditions warrant initiation or termination.

Trigger Stage 1 – Green shall be in effect beginning on October 1st of each year and ending on May 30th of each year. The goal is to achieve a 15% reduction in total outdoor water use.

Trigger Stage 2 – Orange shall be in effect beginning on June 1st of each year, and ending on September 30th of each year. The goal is to achieve a 20% reduction in total outdoor water use.

Trigger Stage 3 – Black shall be put into effect any time that an emergency condition exist that prevents the district from producing and distributing water in the amount or at the pressure required by the TCEQ. The goal is to achieve a 98% reduction in total outdoor water use.

9. Drought Response Stages. The General Manager or his/her designee, shall monitor water supply and demand conditions and shall determine which water condition stage exists, and shall implement the following notification procedures:

Notification

Notification of the Public: The General Manager or his/her designee at their discretion may notify the public by means of:

Notice at Lake Kiowa Entrances
Lake Kiowa SUD Website
Lake Kiowa Property Owners Association website

*Cable TV Community Access Channel
Telephone Notification
Email
U.S. Mail*

Additional Notification:

The General Manager or his/her designee may notify directly, or cause to be notified directly, the following individuals and entities:

*Lake Kiowa Special Utility District Board of Directors
Lake Kiowa Property Owners Association
Local fire departments*
County Emergency Management Coordinator(s)
Texas Commission on Environmental Quality
Critical water users*

Stage 1 – GREEN (Winter)

Voluntary Water Use Restrictions:

- (a) Water customers are to limit the irrigation of landscaped areas to **Tuesday, Thursday, and Saturday** for customers with a **street address ending** in an **even number** (0, 2, 4, 6 or 8), and **Wednesday, Friday, and Sunday** for customers with a **street address** ending in an **odd number** (1, 3, 5, 7 or 9), and there shall be **NO** un-attended outside watering *between the hours of 10:00 a.m. and 6:00 p.m.*

**** You may water only on two of the allowed days.**

- (b) There is to be **NO un-attended** outside watering on **MONDAYS!!**
(You must be present with hose in hand)
- (c) Water customers are requested to practice water conservation and to minimize water use for non-essential purposes. All paved areas should NOT be watered and all leaks be repaired as soon as possible.

Stage 2 - ORANGE (Summer) **

Mandatory Water Use Restrictions:

Automatically goes into effect June 1, of each year and ends on September 30, of each year.

Water Use Restrictions. Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to **Tuesday, Thursday, and Saturday** for customers with a **street address ending** in an **even number** (0, 2, 4, 6 or 8), and, **Wednesday, Friday, and Sunday** for customers with a **street address** ending in an **odd number** (1, 3, 5, 7 or 9), and there shall be **NO un-attended** outside watering *between the hours of 10:00 a.m. and 6:00 p.m.*

**** You may water only on two of the allowed days.**

- (b) There is to be **NO un-attended** outside watering on **MONDAYS!!**
(You must be present with hose in hand)
- (c) Use of water to wash any motor vehicle, motorbike, boat, trailer, or other vehicle is allowed on designated watering days. Such washing shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses.
- (d) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is allowed on designated watering days.
- (e) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (f) The following uses of water are defined as non-essential and are prohibited, except when an emergency condition exists:
1. Wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas.
 2. Failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).
- (g) The following uses of water are allowed on designated watering days:
1. Use of water to wash down buildings or structures.
 2. Flushing gutters

Stage 3 – BLACK (Emergency)

Water Use Restrictions. All requirements of Stage 1 and 2 shall remain in effect during Stage 3 except:

- (a) Irrigation of landscaped areas is absolutely prohibited.

(b) Use of water to wash any motor vehicle, motorbike, boat, trailer, or other vehicle is absolutely prohibited.

(c) No unnecessary water used will be tolerated.

Stage 3 will be implemented when an emergency condition exists with any major components of the water supply or distribution system.

**(Amended by Ord. 2012-002, Oct. 17, 2013)*

10. Enforcement. No person shall knowingly or intentionally allow the use of water from the Lake Kiowa Special Utility District for residential, commercial, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by General Manager or his/her designee, in accordance with provisions of this Plan.

11. Violations.

(a) First Violation. The customer will be notified by written notice of their specific violation.

(b) Subsequent Violations. Any offense discovered 72 hours following notification of the original offense.

(i) Upon a second offense, a notice will be sent to the customer, return receipt requested, assessing a fine of \$100.00. This will be included on the customer's next billing.

(ii) Upon a third offense, a notice will be sent, return receipt requested, stating that the utility will assess a fine of \$500.00, and a flow restriction device will be placed on service connection at the customers expense, for a period of seven (7) days, or until the end of the calendar month, whichever is less. The fine will be included on the customer's next billing.

(iii) Any subsequent offenses will require a disconnection of service for as long as the Lake Kiowa Special Utility District deems necessary. The customer will be required to pay all reconnection charges and fines before service is restored.

(iv) Any further violations occurring within a six (6) month period will revert back to Section 11(b)(iii).

12. Variances. The General Manager or his/her designee, may grant temporary variance for existing water uses otherwise prohibited under this Plan if it is

determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

(a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.

(b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the Lake Kiowa SUD within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the General Manager, or his/her designee, and shall include the following:

- (a) Name and address of the petitioner(s).
- (b) Purpose of water use.
- (c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- (d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- (e) Description of the relief requested.
- (f) Period of time for which the variance is sought.
- (g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- (h) Other pertinent information required by the general manager.

Variances granted by the Lake Kiowa SUD shall be subject to the following conditions, unless waived or modified by the General Manager or his/her designee:

- (a) Variances granted shall include a timetable for compliance.
- (b) Variances granted shall expire when the Plan is no longer in effect, unless the petitioner has failed to meet specified requirements.

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