

SECTION 1.0 – RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes <u>1,000</u> gallons)	<u>Gallonage Charge</u> <u>\$2.30</u> per 1000 gallons over the minimum
5/8" x 3/4"	<u>\$38.85</u>	
3/4"	<u>\$57.13</u>	
1"	<u>\$93.68</u>	
1 1/2"	<u>\$185.08</u>	
2"	<u>\$294.70</u>	
3"	<u>\$550.55</u>	

FORM OF PAYMENT:

The utility will accept the following forms of payment: Cash Check Money Order Credit/Debit Card
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT.....1.0%
 TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 – Miscellaneous Fees

- TAP FEE.....
 TAP FEE COVERS THE UTILITY’S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8” OR 3/4” METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.
- TAP FEE (Unique Costs)..... Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.
- TAP FEE (Large Meter)..... Actual Cost
 TAP FEE IS THE UTILITY’S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.
- METER RELOCATION FEE..... Actual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.
- METER CONVERSION FEE..... Actual Cost to Convert the Meter
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMER’S SERVICE DEMAND.
- METER TEST FEE..... \$25.00
 THIS FEE WHICH SHOULD REFLECT THE UTILITY’S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THIS FEE MAY NOT EXCEED \$25.00.

SECTION 1.0 – RATE SCHEDULE (Continued)

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non payment of bill (Maximum \$25.00).....\$25.00
- b) Customer’s request that service be disconnected.....\$40.00

TRANSFER FEE.....\$30.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL).....\$5.00

TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELIQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE.....

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY’S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT.....1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION, AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0—EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

Increase in inspection fees and water testing costs imposed by state or federal law may be passed through as an adjustment to the monthly basis rate charge under the terms and conditions of 30 T.A.C. 291.21(k)(2) after notice to customers and upon written approval by the TCEQ.

MAILS ON THE 10TH	DUE IN OFFICE BY 27TH 5:00 PM	LATE FEE \$5.00 THE 28TH	LOCK OFF DAY 16TH
10-Nov	27-Nov	27-Nov	16-Dec
10-Dec	27-Dec	28-Dec	16-Jan
10-Jan	27-Jan	28-Jan	16-Feb
10-Feb	27-Feb	28-Feb	16-Mar
10-Mar	27-Mar	28-Mar	16-Apr
10-Apr	27-Apr	28-Apr	16-May
10-May	27-May	28-May	16-Jun
10-Jun	27-Jun	28-Jun	16-Jul
10-Jul	27-Jul	28-Jul	16-Aug
10-Aug	27-Aug	28-Aug	16-Sep
10-Sep	27-Sep	28-Sep	16-Oct
10-Oct	27-Oct	28-Oct	16-Nov
10-Nov	27-Nov	28-Nov	16-Dec
10-Dec	27-Dec	28-Dec	16-Jan
MAILS	DUE	LATE FEE	LOCK OFF

*RECONNECT FEE **CAMP JOY \$20.00**
ALL OTHER \$25.00

TEXAS WATER SYSTEMS, INC.
7891 U.S. HIGHWAY 271
TYLER, TX 75708
(903) 595-2128 (903) 714-3700

CONTRACT / APPLICATION FOR UTILITY SERVICE

This Contract / Application for Utility Service (Contract / Application) is by and between Texas Water Systems, Inc., a corporation organization under the laws of the State of Texas, its successors and assigns (Utility) and the applicant (Customer or Applicant) whose name and signature is shown below on the last page of this document.

CUSTOMER LIABILITY: Customer shall be liable for any damage or injury to Utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others under his control. By accepting service under this agreement, customer agrees to take no action to create a health hazard or otherwise endanger, injure, damage, or threaten utility's plant, its personnel, or its customers. Failure to comply with this provision shall be grounds to terminate customer's service.

LIMITATION ON UTILITY'S PRODUCT / SERVICE LIABILITY: Public water utilities are required to deliver water to the customer's side of the meter or service connection which meets the potability and pressure standards of the Texas Commission on Environmental Quality (TCEQ). Utility will not accept liability for any injury or damage to individuals or to their properties occurring on the customer's side of the meter when the water delivered meets these state standards. Utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruption of water service caused by: (1) acts of God, (2) acts of third parties not subject to the control of Utility if Utility has undertaken such preventative measures as are required by TCEQ rules (3) electrical power failures in water systems not required by TCEQ rules to have auxiliary power supplies, or (4) termination of water service pursuant to Utility's tariff and the TCEQ rules. Utility will accept liability for any injury or damage to individuals or their property directly caused by its defective utility plant (leaking water lines or meters) or the repair to or construction of Utility's facilities.

FIRE PROTECTION: Utility is not required by law and does not provide fire prevention or fire fighting services. Utility therefore does not accept liability for fire-related injuries or damages or persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies.

Utility may (but is not required to) contract with individual customers/applicants to provide water service capacities to their properties in excess of the TCEQ's domestic water system regulations so that such water volumes and pressures may be used by the customer/applicant or local fire department (at their sole election and responsibility) for fire fighting purposes. Such additional water service capacities shall be provided only in response to and according to design criteria and/or plans prepared by the customer/applicant's registered professional engineer. Notwithstanding any understanding or intent of such customer/applicant for the use of such excess water service capacity, Utility does not profess, state, warrant, guarantee, or imply that such additional water service capacity is, or shall ever be, adequate or sufficient for fire fighting. Utility neither possesses nor claims to possess knowledge or expertise in fire fighting or the requirements of fire fighting. No statement or action of Utility shall ever be implied or meant to suggest that any facilities or Utility comply with any state or local fire code.

EXTENSION AND FACILITIES: If the services of a registered professional engineer are required as a result of an application for service to that Applicant only, such engineer will be selected by Utility and the Applicant, and Applicant shall bear all expenses incurred therein. The applicant shall bear all extension charges and fees as may be provided in Utility's tariff and the rules of the TCEQ.

PLUMBING CODE: Utility has adopted the Uniform Plumbing Code. Any extensions and/or new facilities shall comply with that code and all standards established by TCEQ. Where conflicts arise, the more stringent standard must be followed.

If an Applicant requires service other than the standard service provided by Utility, such Applicant will be required to pay all expenses incurred by Utility in excess of the expenses that would be incurred in providing the standard service connection. Any applicant who places unique or non-standard service demands on the system may be required to maintain compliance with the TCEQ's minimum design criteria for Public Drinking Water Systems plus meeting any additional requirements needed to meet local service conditions. Utility shall bear all expenses related to main oversizing or additional production, storage or treatment facilities for individual residential customers with normal domestic service demands.

The piping and other equipment on the premises furnished by the customer will be maintained by the Customer at all times in conformity with the requirements of the applicable regulatory authorities and with the service rules and regulations of Utility. The Customer will bring out his service line to his property line at a point mutually accepted to Utility and the customer. No water service smaller than 5/8" will be connected. The Customer shall install and maintain a cut-off valve on the Customer side of the meter and within (3) feet of the meter. If the Customer desires water at a lower pressure than that which is delivered at the meter and such delivery pressure does not exceed any TCEQ rule or order pressure standard, the Customer will install, at the Customer's expense, the equipment necessary for such reduction in pressure. It shall be the Customer's responsibility to maintain such equipment in good repair and working order.

Except in cases where the customer has a contract with Utility for reserve or auxiliary service, no water service will be used by the Customer on the same installation in conjunction with Utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect or allow any other person or party to connect, onto any water lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a water main abutting the premises; each shall have separate service lines and meters. For the purpose of this paragraph, each residence shall be construed to be one entity or consuming facility.

It is agreed and understood that any and all meters, water lines and other equipment furnished by Utility (excepting the Customer's individual service line from the point of connection to the Customer's point of ultimate use) is and shall remain the sole property of Utility and nothing contained herein shall be construed to reflect a sale or transfer of such meters, lines, or equipment to any customer. All tap charges shall be for the privilege of connecting to said water lines and for installation, not purchase, of said meters and lines.

PERIOD OF USE: Customer shall tie onto the Utility system within sixty (60) days of the date of this application or this application shall be deemed void. Any additional request for service for this location must then be made by a new Contract/Application. If major utility construction is needed prior to service being connected, the above date may be extended for another sixty (60) days, or conversely, the Customer may begin paying a monthly water bill based upon an average of the estimated annual gallons as shown below.

ASSIGNMENT: No application, agreement, or contract for service may be assigned or transferred without the written consent of Utility.

OTHER CONTRACTS: It is possible that Applicant and Utility will enter into an additional contract pertaining to water service at this location. Any such contract shall be in addition to this Contract/Application. Nothing therein will negate any provision of this Contract/Application.

RIGHTS OF ACCESS AND EASEMENTS: Utility will have the right of access to the Customer's premises at all reasonable times for the purpose of installing, inspecting, or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of Utility's system, including inspecting the customer's plumbing for code, plumbing or tariff violations. This right of access shall not include the right to construct and maintain production, storage or treatment facilities unless these facilities are required to provide continuous and adequate service to the individual property in question.

If the property to be served does not have dedicated, recorded public utility easements available for Utility's use in providing water utility service to the property that Applicant (or the Applicant's landlord in the case of a tenant applicant) shall be required to provide Utility with a suitable recorded easement as a condition of service. Such easement shall be in a location acceptable to Utility and shall be a corridor no less than fifteen (15) feet in width. The easement shall be signed by (and shall be binding upon) all record title owners of the property in question. No applicant shall be deemed to be a "qualified" applicant under the TCEQ's rules until such easement is recorded.

LANDLORD GUARANTEE: Applications by tenants must be countersigned by the owner of the property. By signing the application, the landlord grants all required rights of access. IF the landlord is designated herein as the person responsible for the bill, then the landlord GUARANTEES PAYMENT of all utility service charges and fees incurred by or compensable damages caused by their tenant.

PLUMBING RESTRICTIONS:

The following undesirable plumbing practices are prohibited by state regulations. Other prohibitions are found in the Uniform Plumbing Code and/or Utility's tariff.

- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public drinking water system by an air-gap only.
- B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap only.
- C. No connection which allows water to return to the public drinking water supply is permitted.
- D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for the human use.
- E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing of any connection which provides water for human use.

APPEAL TO THE TCEQ OR OTHER REGULATORY AGENCY: Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of Utility's approved tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or

existing customer shall have the right to appeal such costs to the TCEQ or such other regulatory authority with jurisdiction over Utility's rates in that portion of Utility's service area in which that applicant's or existing customer's property is located. Unless the TCEQ or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

PLUMBING INSPECTION: State law requires applicants for service at new consuming facilities or facilities which have undergone extensive plumbing modifications to deliver to Utility a certificate that their facilities have been inspected by a state-licensed inspector and that they are in compliance with all applicable plumbing codes and are free of potential hazards to public health and safety. In addition, Utility shall require such certificates in this case of extensive plumbing modifications to the Customer's water system made after the initial date of service to customer. Installation of a landscaping sprinkler system shall be considered extensive plumbing modifications. If the Customer installs, and/or maintains a landscaping sprinkler system, the Customer must present appropriate inspection reports, including any annual inspection reports, if required. Service may be denied until the certificate is received or any identified violations or hazards remedied. When potential sources of contamination are identified which, in the opinion of the inspector or Utility, require the installation of a state-approved backflow prevention device, such backflow prevention device shall be installed on the customer's service line or other necessary plumbing facilities by an appropriately licensed inspector. Copies of the annual inspection report shall be provided to Utility. Failure to comply with this inspection and reporting requirement may constitute grounds for termination of water service with notice.