Tariff

(Revised Effective Date August 18, 2026)

Fort Belknap Water Supply Corporation
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TABLE OF CONTENTS

SECTION A.	***RESOLUTION AND AUTHORITY***	page 4
SECTION B.	***STATEMENTS***	pages 5 - 7
SECTION C.	***DEFINITIONS***	pages 8 - 12
SECTION D.	***GEOGRAPHIC AREA SERVED***	pages 13 - 14
SECTION E.	***SERVICE RULES AND REGULATIONS***	
	1. Service Entitlement	page 15
	2. Service Location and Classification	page 15
	3. Service Requirements	pages 15 – 16
	4. Ownership of Equipment	page 16
	5. Activation of Standard Service	pages 16 - 17
	6. Activation of Non-Standard Service	page 17
	7. Changes in Service Classification	page 17
	8. Membership	pages 17 – 20
	9. Members and Renters	page 20-21
	10. Denial of Service	pages 21
	11. Applicant's or Transferee's Recourse	page 21
	12. Insufficient Grounds for Refusal of Service	page 21-22
	13. Deferred Payment Agreement	page 22
	14. Charge Distribution and Payment Application	pages 22
	15. Due Dates, Delinquent Bills and Service Disconnection Date	page 22-23
	16. Disconnection of Service Rules	pages 23-26
	17. Billing Cycle Changes	page 26
	18. Back Billing	page 26
	19. Disputed Bills	page 27
	20. Inoperative Meters	page 27
	21. Meter Tampering and Diversion	pages 27 - 28
	22. Meter Relocation	page 28
	23. Prohibition of Multiple Connections to a Single Tap	pages 28 - 29
	24. Member's Responsibility	pages 29 – 30

SECTION F. ***DEVELOPER, SUBDIVISION, and NON-STANDARD SERVICE REQUIREMENTS*** pages 31 - 38

SECTION G. ***RATES AND SERVICE FEES***

1. Service Investigation Fee page 38
2. Membership Fee page 38
3. Easement Fee pages 38 – 39
4. Installation Fee page 39
5. Equity Buy-In Fee page 39
6. Monthly Charges pages 40
7. Assessments page 40
8. Late Payment Fee page 40
9. Owner Notification Fee page 40
10. Mortgage/Guarantor Notification Fee page 40
11. Returned Check Fee pages 41
12. Reconnect Fee page 41
13. Seasonal Reconnect Fee page 41
14. Service Trip Fee page 41
15. Equipment Damage Fee page 41
16. Meter Test Fee page 41
17. Transfer Fee page 41
18. Information Copy Fee page 41
19. Non-Disclosure Fee page 42
20. Regulatory Assessment page 42
21. Additional Assessments page 42
22. Customer Service Inspection Fee page 42
23. Certified Notice Fee page 42
24. Other Fees page 42
25. Meter Tampering and Diversion Penalty page 42
26. Line Extension Reimbursement Fee page 42

SECTION H. **DROUGHT CONTINGENCY AND EMERGENCY WATER DEMAND MANAGEMENT PLAN**

1. Introduction page 43
2. Public Involvement page 43
3. Public Education page 43
4. Coordination with Regional Water Planning Groups and City of Graham page 44
5. Violations page 44
6. Trigger Conditions page 44
   - Stage 1-Mild Water Shortage page 44-45
   - Stage 2-Moderate Water Shortage page 45-46
   - Stage 3-Severe Water Shortage page 46-47
   - Stage 4-Critical Water Shortage page 47-48
   - Stage 5-Emergency Water Shortage page 48-49
7. Initiation and Termination Procedures Once a trigger condition occurs Page 49
8. Exemptions or Waivers page 49-50
9. Implementation page 50

SECTION A.
RESOLUTIONS

THE BOARD OF DIRECTORS OF FORT BELKNAP WATER SUPPLY CORPORATION ESTABLISHES THAT:

1. This Tariff of the Fort Belknap Water Supply Corporation, serving in Young, Stephens, Throckmorton and Palo Pinto counties, consisting of Sections A. through I. and forms inclusive, is adopted and enacted as the current regulations and policies effective as of August 18, 2026.

2. Only those preexisting written contracts or agreements executed by the present or previous Board of Directors shall remain in effect, unless the contract or agreement requires compliance with changes of the tariff from time to time.

3. The revisions of this tariff do not prohibit or limit the Corporation from enforcing previous penalties or assessments from before the current effective date.

4. An official copy of this and all policies or records shall be available during regular office hours of the Corporation and a copy may be viewed on the Corporation's website. The Secretary of the Corporation shall maintain the original copy as approved and all previous copies for exhibit.

5. Rules and regulations of state or federal agencies having jurisdiction shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, word, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected.

6. This tariff has been revised in compliance with the Open Meeting Act, Chapter 551 of the Texas Government Code.

PASSED and APPROVED this 18th day of August, 2026.

Charles Birdwell
Charles Birdwell, President
Fort Belknap Water Supply Corporation

ATTEST:
Brent Hawkins
Brent Hawkins, Secretary/Treasurer
Fort Belknap Water Supply Corporation

SECTION B.
STATEMENTS

1. **Organization.** The Fort Belknap Water Supply Corporation is a member-owned, non-profit corporation incorporated pursuant to the Texas Water Code Chapter 67, and the provisions of the Texas Business Organizations Code applicable to member owned member controlled non-profit corporations for the purpose of furnishing potable water service. Corporation operating policies, rates, and regulations are adopted by the Board of Directors elected by the Members of the Corporation.

2. **Non-Discrimination Policy.** Membership in the Corporation and service is provided to all Applicants who comply with the provisions of this Tariff regardless of race, creed, color, national origin, sex, disability, or marital status.

3. **Policy and Rule Application.** These policies, rules, and regulations apply to the water service provided by the Fort Belknap Water Supply Corporation, also referred to as Corporation or FBWSC. Failure on the part of the Member, Consumer, or Applicant to observe these policies, rules and regulations gives the Corporation the authority to deny or discontinue service according to the terms of this Tariff as amended from time to time by the Board of Directors of the Corporation.

4. **Corporation Bylaws.** The Corporation Members have adopted bylaws which establish the make-up of the Board of Directors and other important regulations of the Corporation. The bylaws are on file at the Corporation's office.

5. **Fire Protection Responsibility.** The Corporation does not provide nor imply that fire protection is available on any of the distribution system. All hydrants or flush valves are for the operation and maintenance of the system and may be used by authorized fire departments in accordance with a contract with Fort Belknap Water Supply Corporation for refill only. The Corporation reserves the right to remove any hydrant, due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or compensation to the contributors unless such hydrants are installed pursuant to the terms of a Non-Standard Service Contract as provided for in Section F, in which event the terms and conditions of the Contract shall apply.

6. **Damage Liability.** The Fort Belknap WSC is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limit of liability of the Fort Belknap WSC is the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability.

7. **Information Disclosure.** The records of the Corporation shall be kept in the Corporation office in Graham, Texas. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Public Information

Act. In no event and under no circumstances shall the Corporation disclose the Social Security Number of any member or customer to any person other than an employee of the Corporation. Chapter 182, Subchapter B of the Texas Utilities Code makes confidential a water utility customer's address, telephone number, account records, and information related to the volume or units of utility usage, or the amounts billed to or collected from the individual for utility usage. An individual customer may request in writing that this information be released upon request. The Corporation shall give its applicants and customers notice of their right to request disclosure of this information under this policy. Such confidentiality does not prohibit the utility from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the Corporation acting in connection with the employee's duties. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each member entitled to vote on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with a meeting of the Corporation's members.

8. **Customer Notice of Rate Change.** The Corporation shall give written notice of monthly rate changes by mail, hand delivery or via Corporation's website, if applicable, to all customers as soon as possible prior to the effective date of the new rate. The notice shall contain the old rates, new rates, effective date of the new rate, date of Board authorization, and the name and phone number of the Corporation's contact person designated to address inquiries about the rate change.

9. **Grievance Procedures.** Any Member of the Corporation or individual demonstrating an interest under the policies of this Tariff in becoming a Member of the Corporation shall have an opportunity to voice concerns or grievances to the Corporation by the following means and procedures:
    a. By presentation of concerns to the Corporation's manager or authorized staff member. If not resolved to the satisfaction of the aggrieved party then,
    b. By presenting a letter to the Board of Directors stating the individual's grievance or concern and the desired result.
    c. The Board of Directors shall respond to the complaint by communicating the Board's decision in writing.
    d. Any charges or fees contested as a part of the complaint in review by the Corporation under this policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors.

10. **Customer Service Inspection.** The Corporation requires that a customer service inspection certification be completed prior to providing continuous water service to new construction and for all new members as part of the activation of standard and some non-standard service. Customer service inspections are also required on any existing service when the corporation has reason to believe that cross-connections or other potential contaminant hazard exists, or after any material improvement, correction or addition to the member's water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential containment hazards and illegal lead materials. (30 TAC 290.46 (j)). (See Tariff Section G.22.)

11. **Sub-metering Responsibility.** Sub-metering and Non-Sub-metering by Master Metered Accounts may be allowed in the Corporation's water distribution system provided the Master Metered Account customer complies with the Public Utility Commission (PUC) Chapter 24 Subchapter I rules pertaining to Sub-metering. The Corporation has no jurisdiction or responsibility to the tenants; tenants receiving water under a Master Metered Account are not considered customers of the Corporation. Any interruption or impairment of water service to the tenants is the responsibility of the Master Metered Account Customer. Any complaints regarding sub-metering should be directed to the PUC.

    NOTE: The Corporation will check with the Master Metered Account Customer to:

    1. See if they have registered with the PUC, (Texas Water Code Chapter 13 Subchapter M.)
    2. See that they do not charge their tenants more than the total amount of charges billed. If the aggregate bill is greater than the Corporation's charge, the Master Metered Account Customer is considered by the PUC to be a separate Public Water System and will be required to comply with all PUC regulations.
    3. Should the Master Metered Account Customer continue to violate these or other State regulations, the Corporation will request a Cease and Desist Order from the PUC. (Texas Water Code Section 13.252 and TAC Section 24.255)

12. Prohibition Against Resale of Water. The meter is for the sole use of the Member or customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to share or resell water to any other person, dwellings, businesses, or property, etc., is prohibited.

SECTION C.
DEFINITIONS

Active Service - Status of any Member receiving authorized service under the provisions of this Tariff.

Active Connection – Water connections currently being used to provide retail water service or wholesale water service.

Applicant - A Person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with the Fort Belknap Water Supply Corporation. A person must have reached the age of majority (18 in Texas) to apply for service. (Section 129.001, Civil Practice & Remedies Code)

Base Rate – The monthly charge assessed each Member/Customer for the opportunity to receive service. The Base Rate is a fixed rate based on the meter size as set forth in the equivalency chart in Section G.

Board of Directors - The governing body elected by the Members of the Fort Belknap Water Supply Corporation that is vested with the management of the affairs of the Corporation. (Section 22.001 (1), Texas Business Organizations Code)

Bylaws -- The rules pertaining to the governing of the Fort Belknap Water Supply Corporation adopted by the Corporation Members. (Section 22.001 (2), Texas Business Organizations Code)

Certificate of Convenience and Necessity (CCN) -- The authorization granted under Chapter 13, Subchapter G of the Texas Water Code for Fort Belknap Water Supply Corporation to provide water utility service within a defined territory. Fort Belknap Water Supply Corporation has been issued Certificate Number 11042. Territory defined in the CCN shall be the Certificated Service Area. (see Tariff Section D. Certificated Service Area Map).

Corporation -- The Fort Belknap Water Supply Corporation. (Section B.1 of this Tariff).

Debt Owed to Corporation – All debts accrued by an individual customer that shall include but not be limited to past due bills from the current or other/former service location(s) of the customer, deferred payment agreements, fees and penalties incurred in accordance with this Tariff, disconnect/reconnect fees, Corporation assessments, and any other monetary amount accrued and owed to the Corporation.

Developer -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who subdivides land or requests two (2) or more water service connections on a single contiguous tract of land [as defined in Section 13.2502(e)(1) of the Water Code].

Disconnection of Service -- The discontinuance of water service by the Corporation to a Member/Customer.

Easement -- A private perpetual dedicated right-of-way for the installation of water pipelines and necessary facilities which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable) for both service to an Applicant and system. This may also include restrictions on the adjacent area to limit the installation of sewer lines or other facilities that would restrict the use of any area of the easement. (See Application Packet, Form RUS-TX 442-8 (Rev. 9-02) or Form RUS-TX 442-9 Rev. 9-02)). The easement will be filed in the real property records of the appropriate county or counties.

Equity Buy-In Fee -- Each Applicant for new service where a new service tap is necessary shall be required to achieve parity with the contributions to the construction or acquisition of the Corporation's assets related to capacity that have been made previously by existing Members. This fee shall be assessed prior to providing (or reserving service for non-standard service applicants) on a per service unit basis for each property and shall be assigned and restricted to that property for which the service was originally requested. (Tariff Section G.5.)

Extreme Weather Emergency – a period beginning when the previous day's highest temperature recorded for the Corporation's service area did not exceed 28 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service reports for that area. An extreme weather emergency is over on the second business day the temperature exceeds 28 degrees Fahrenheit (as defined in 16 TAC 24.173(b)(2)).

Final Plat -- A complete plan for the subdivision of a tract of land showing or referencing Local Tax Appraisal Maps, access to public road(s), number and size of lots, location of dedicated water/sewer easements, and location(s) of lakes, streams, or rivers through the property. The Fort Belknap Water Supply Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. For purposes of evaluating subdivision service requests under Section F. the Corporation may accept preliminary plats or plats awaiting final approval pending execution of agreement for service by the Corporation.

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

Home Inspection – This classification is assigned for home inspection needs as part of a real estate transaction. A Request for Temporary Service for Home Inspection must be completed.

Inactive Connection –A water connection tapped at the Applicant's property that is not currently receiving service from the Fort Belknap Water Supply Corporation.

Indication of Interest Fee -- A fee paid by a potential Member of the Corporation for the purpose of determining the feasibility of a construction and /or expansion project. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. This fee also applies to applicants applying for or receiving Temporary Service. (Tariff Section E.2.c)

Installation Fee – a fee charged for all costs necessary for installation of the type of service requested. (See Section G.)

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

Member -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who holds a membership in the Corporation and who is a record owner of a fee simple title to the property in an area served by the Fort Belknap Water Supply Corporation or a person who is granted a membership and who either currently receives or will be eligible to receive water service from the Fort Belknap Water Supply Corporation. The member shall be qualified for service and been certified as a member in accordance with the Corporation's Tariff. Texas Water Code Section 13.002(11), Texas Water Code Section 67.016(d).

Membership-- A non-interest bearing stock or right of participation purchased from the Corporation evidencing a Member's interest in the Corporation. (See Tariff Section E.8 and Texas Business Code Section 22.151(c).

Membership Fee -- A fee qualified as such under the terms of the tariff and the bylaws of the Corporation assigned to the real estate designated to receive service. The membership fee shall be refundable upon termination of service and surrendering the Membership. The membership fee cannot be more than 12 times the minimum monthly base rate. (16 TAC Section 24.3(26) Definitions, Texas Water Code Section 13.043(g)).

Meter Test Fee – A fee assessed by the Corporation upon written request for testing the accuracy of the meter.

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

Proof of Ownership --For the purpose of this tariff, applicants for service and membership shall provide proof of ownership of the real estate to be served by deed of trust, warranty deed, or other recorded documentation. (See Texas Property Code, Title 3 Chapter 12, Section 12.001 and 120011).

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

Renter -- A consumer who rents or leases property from a Member or who may otherwise be termed a tenant. (See Tariff Section E. 9.).

Re-Service -- Providing service to an Applicant at a location for which service previously existed and where there is an existing tap for a meter. Costs of such re-servicing shall be based on justifiable expenses in connection with such re-servicing. (See Tariff Section E.5.b).

Reserved Service Charge -- A monthly charge for each active account at a specific location for which a meter has not been installed but for which the Corporation and the Applicant have entered into agreement and/or contract for reserving service. This monthly charge shall be based on the Corporation's fixed costs to service the Applicant's dedicated facilities on a per Service Unit basis. This charge reserves service to the Applicant's property designated to receive service. This fee is determined on a case by case basis but shall never exceed the Service Availability Charge for Metered Service on a per Service Unit basis.

Seasonal Disconnect Request – A written request from the Member to suspend service for a period of time not exceeding nine (9) months within a twelve-month period. If service is not re-established after the ninth month, then service will be in be in accordance with re-service requirements. (See Tariff Section E.5.b)

Seasonal Reconnect Fee -- The fee charged for resumption of service at a location where the member has voluntarily suspended service, in a written request, for a period of time not exceeding nine months within a twelve month period. The fee is based on the total months for which service is suspended multiplied by the amount of the monthly minimum fee the Corporation charges active customers.

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

Service Application and Agreement -- A written agreement between the Member/Applicant and the Corporation defining the specific type of service requirements requested on the current service application and agreement form, and the responsibilities of each party required before service is furnished.

Service Investigation Fee-- A fee for costs associated with determining if service is available and determining cost of service. (See Tariff Section G.1.)

Service Trip Fee – A fee charged for any service call or trip to the Member's tap as a result of a request by the Member or tenant for response to damage of the Corporation's or another Member's facilities: for customer service inspections due to suspicion of meter tampering, bypass or diversion of service, or for the purpose of disconnecting or collecting payment for service.

Service Unit -- The base unit of service used in facilities design and rate making. For the purpose of this Tariff, a service unit is a 5/8" X 3/4" water meter. (see Tariff Section G. 6. a.).

Subdivide -- To divide the surface area of land into lots or tracts intended primarily for residential use. (Texas Local Government Code, Section 232.021(11)).

Sub-divider -- An individual, firm, corporation or other legal entity that owns any interest in land and that directly or indirectly subdivides land into lots as a part of a common promotional plan in

the ordinary course of business. (Texas Local Government Code Section 212.012(i)(2)& 232.021(12) Definitions)

Subdivision -- An area of land that has been subdivided into lots or tracts. (Local Government Code, Section 232.021(13) Definitions).

Tap Fee -- All current labor and materials necessary to provide individual metered water service.

Tariff-- The operating policies, service rules, service extension policy, service rates, and water use restriction policies adopted by the Board of Directors. A copy of this Board approved tariff is on file at the Corporation office and as required by law, at the State Office of the PUC.

Temporary Service -- The classification assigned an applicant that is in the process of construction. This could also apply to service for uses other than permanent (agricultural, road construction, drilling, livestock, etc.). The Board will set the length of time associated with this classification. This classification will change to permanent service after requirements in Tariff Section E are met. Applicant must have paid an Indication of Interest Fee.

Texas Commission on Environmental Quality (TCEQ) -- State regulatory agency having jurisdiction over drinking water, water supply and water quality issues for Non-Profit Water and Sewer Service Corporations.

Transfer Fee – A fee assessed by the Corporation for costs associated with transferring membership.

Transferee -- An Applicant receiving a Fort Belknap WSC Membership by legal means from a Transferor desiring to forfeit and transfer current rights of Membership to another person or entity. (See Tariff Section E.8. c., G.17, and Texas Water Code Section 67.016).

Transferor -- A Member who transfers Membership by legal means to another person or entity desiring to qualify for service at a property for which the Membership is currently issued or to the Corporation. (Texas Water Code, Section 67.016).

Usage -- Amount billed for water based on actual or estimated usage.

1) Actual usage – Amount billed or to be collected based on actual meter reading.
2) Estimated Usage – Amount billed or to be collected based on either the members' historical average usage for the prior month or for the same month of the previous year where date is available. (See Section E.21.b; Also PUC Rules 16 TAC 24.87(i))

Water Conservation Penalty -- A penalty that may be assessed under Section H of this Tariff to enforce customer/member water conservation practices during drought contingency or emergency water demand circumstances. (Texas Water Code Section 67.011(b)).

SECTION D.
GEOGRAPHIC AREA SERVED

CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide Water Service Under V.T.C.A., Water Code
and Texas Commission on Environmental Quality Substantive Rules

Certificate No. 11042

I. Certificate Holder:

Name: Fort Belknap Water Supply Corporation

Address: 315 Fifth Street
Graham, Texas 76450

II. General Description and Location of Service Area:

The general area covered by this certificate is:

Southern and western Young County, Texas including the communities of Lake Graham, Fort Belknap, South Bend, Eliasville, Bunger, Jean, and Proffitt

A small portion of Stephens County, Texas south of the Eliasville Community and a small area south of the Young County, Texas line on FM 1287

A small portion of Throckmorton County, Texas, west of the Young County, Texas line, including the community of Elbert

A small portion of Palo Pinto County, Texas, south of the Young County, Texas line.

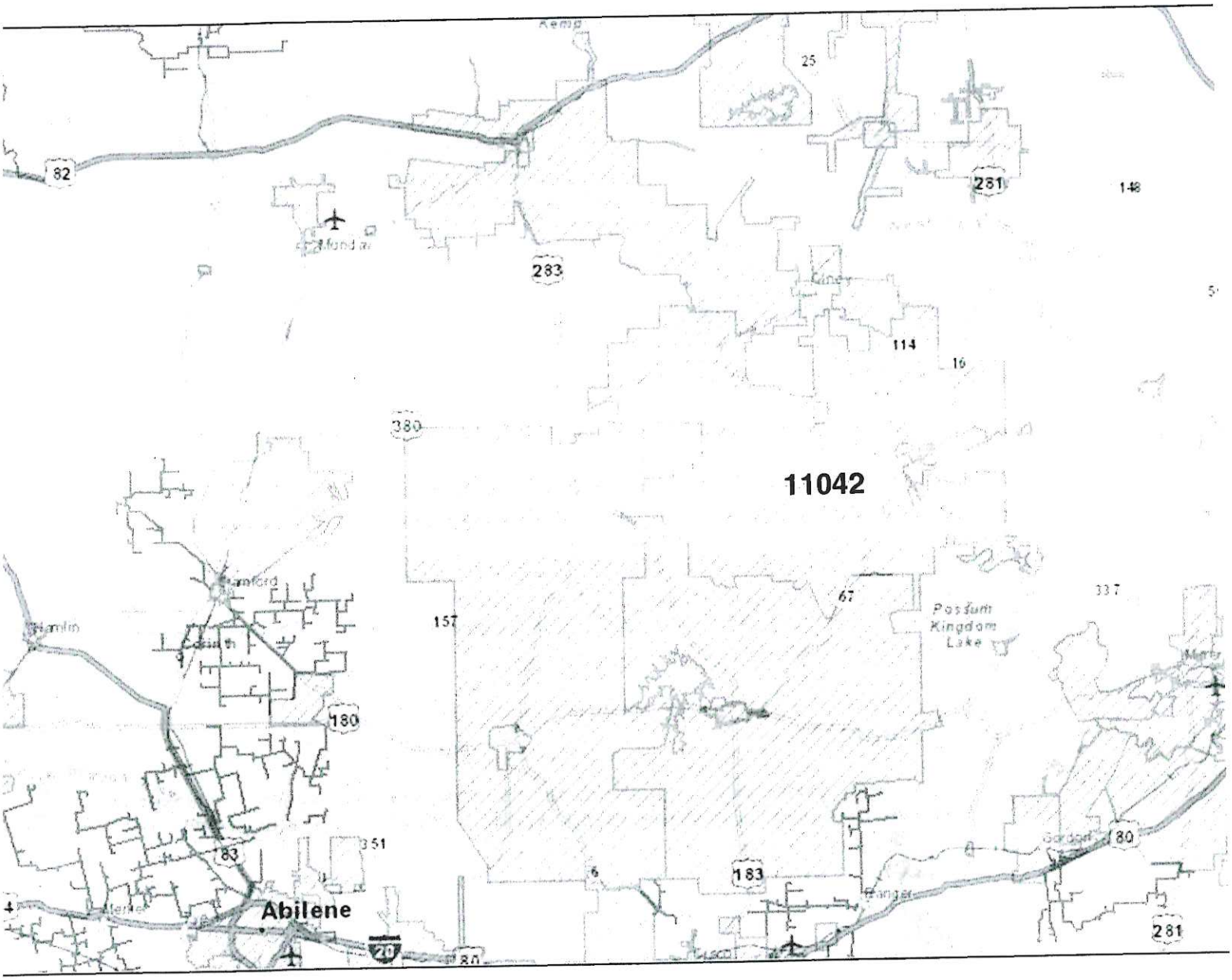
III. Certificate Maps:

The certificate holder is authorized to provide water service in the area identified on the Commission's official service area map, WRS 215, 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 and subject to the rules and orders of the Commission, the laws of the State of Texas, conditions contained herein and may be revoked for violations thereof. The certificate is valid until amended or revoked by the Commission.

Issued Dated: 1ST day of November 1979

FORT BELKNAP WSC – CCN #11042



SECTION E.
SERVICE RULES AND REGULATIONS

1. **Service Entitlement.** The Applicant(s) shall be considered qualified and entitled to water utility service when proper application has been made, terms and conditions of Service and Membership have been met and continue to be met, and all fees have been paid as prescribed. (16 TAC 24.85 (a)).

2. **Service Location and Classification.** For the purposes of this Tariff, service requested by the Applicant(s) shall be for real estate designated to receive the service provided by the Corporation. Service shall be through a meter located on that designated real estate unless otherwise approved by the board. Service shall be divided into the following two classes:
   a. **Standard Service** is defined as service on a specific property designated to receive service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines.
   b. **Non-Standard Service** is defined as any service request which requires a larger meter service, service to a Master Metered Account (See E.2 of this Tariff) or an addition to the supply, storage and/or distribution system. The service requirements as prescribed by Section F of this Tariff shall be required of the Non-Standard Service Applicant prior to providing service.

3. **Service Requirements.** The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant(s). Where applicable in addition to the applicant any other person sharing an ownership interest in and receiving service at that property shall sign the Service Application and Agreement Form; however, even if the spouse or other person sharing an ownership interest does not sign the Service Application and Agreement Form, they are still responsible for all terms set forth therein, and any debt obligation related to
   a. A Right-of-Way Easement Form, Sanitary Control Easement, or other such easement form, required by the Corporation, must be completed by the Applicant for the purpose of allowing future facility additions.
      NOTE: This requirement may be delayed for Non-Standard Service requests.
   b. The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the Corporation. Proof of ownership shall consist of warranty deed, deed of trust or other recordable documentation of title to the real estate designated to receive service. (Texas Water Code 67.016 (d), and 13.002 (11)). Also see Uniform Partition of Heirs Property Act, Property Code Chapter 23A).
   c. On the request by the property owner or owner's authorized agent, the Corporation shall install individual meters owned by the Corporation in an apartment house manufactured home rental community, multiple use facility, or condominium on which construction begins after January 1, 2003, unless the Corporation determines that installation of individual meters is not feasible. If the Corporation determines that installation of individual meters is not feasible, the property owner or manager

shall install a plumbing system that is compatible with the installation of sub-meters or individual meters. The Corporation shall be entitled to the payment of costs, including the costs of individual meter installations, as provided in Section G. The cost of individual meter installation shall be prepaid by the property owner as well as the cost of any additional facilities or supply occasioned by the total water service demand represented by full occupancy of the property, as determined under applicable provisions of Section F. It shall be the responsibility of the property owner to obtain the memberships required for each individual meter.

d. Notice of application approval and costs of service determined by the Corporation shall be presented to the Applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the Applicant must re-apply for service. (16 TAC 24.81(a) (1)).

e. If the water main has been located in the public right-of-way and is adjacent to Applicant's property due to the current or previous landowner's refusal to grant easement to the Corporation for the purpose of installing the water main and appurtenances, and the Corporation has documentation of such refusal, the Applicant, prior to receiving the requested service, shall grant the easement(s) required under this Tariff and in addition to the normally required fees for new customer service, shall pay such sums as are reasonably necessary to cap the existing line in the ROW and construct the appropriate line or lines within that easement or easements for the Corporation's system-wide service.

f. The Corporation shall provide to each service applicant or transferee a copy of the Confidentiality of Personal Information Request Form. (Texas Utilities Code 182.052(c).

4. **Ownership of Equipment.** All water meters and equipment and materials required to provide water service to the point of connection; water meter or service tap, is the property of the Corporation upon installation, and shall be maintained by the water system only.

5. **Activation of Standard Service.**

a. **New Tap.** The Corporation shall charge a non-refundable service installation fee as required under Section G of this tariff. The service installation fee shall be quoted in writing to the Applicant. Any debt owed to the Corporation and all fees shall be paid or a deferred payment contract signed in advance of installation. (16 TAC 24.86(a)(1)(A))

b. **Re-Service.** On property where service previously existed, the Corporation shall charge the Membership Fee, (where the Membership Fee has been liquidate or refunded), reconnection costs, any debt owed to the Corporation if the applicant is the applicant is the person that previously incurred those charges, seasonal reconnect fee as appropriate, and other applicable costs necessary to restore service.

c. **Performance of Work.** All tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative after all requirements for service have been met. The tap for a standard service request shall be completed within five (5) working days after requirements for service have been met. This time may be extended for installation

of equipment for Non-Standard Service Request. (16 TAC 24.85)(a)(4), See Section (f).

d. **Inspection of Customer Service Facilities.** The property of the Applicant/ Member shall be inspected 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. The customer must, at his or her expense, properly install, inspect, test, maintain and provide all required documentation of any approved backflow prevention device required by the Corporation. (30 TAC 290.46(j))

6. **Activation of Non-Standard Service.** Activation of Non-Standard Service shall be conducted as prescribed by terms of Section F of this Tariff.

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

8. **Membership.**
   a. **Eligibility.** Eligibility for Membership shall not guarantee service to the Applicant or Transferee; however, qualification for service is a prerequisite to Membership eligibility for new Applicants or continued Membership for Transferees.
   b. **Membership.** Upon qualification for service, qualification for Membership, payment of the required fees, and any debt owed the Corporation, the Corporation shall certify the Applicant as a Member. The Membership shall entitle the Member to one (1) connection to the Corporation's water utility service. The Membership entitles the Member to one (1) vote in the election of directors and in such other matters requiring the approval of the Corporation's Members at any Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. Ownership of more than one (1) Membership shall not authorize the Member to cast more than one (1) vote at any annual or special meeting. Each Membership thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. (Texas Water Code Section 67.016).

   NOTE (1): In the event that the Corporation is conducting a potential Members survey for indications of interest in future service for the purpose of determining the feasibility of an initial construction or expansion project under RUS guidelines regular application procedures may be modified. An Indication of Interest Fee may be required prior to qualifications for receipt of service by the Applicant but shall only be used or applied as a Membership Fee for Membership purposes (upon issuance of a Membership) if service is ultimately received or reserved by the Applicant as a result of the planned project facilities. If service is not provided within the scope of this project, Indication of Interest Fees shall be refunded, less expenses, within sixty (60) days of the loan closing with the Rural Utilities Service.

NOTE (2): In the event the applicant is in the process of construction the Membership will be considered TEMPORARY until such time as the final Customer Service Inspection is completed and the forms are returned as required.

c. **Transfers of Membership.** (Texas Water Code 67.016)

1) A Member is entitled to transfer Membership in the Corporation only under the following circumstances:
   (a) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
   (b) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
   (c) The Membership is transferred without compensation or by sale to the Corporation; or
   (d) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.
2) In the event that Membership is transferred pursuant to the provisions of this Section such transfer shall not be completed or recorded on the books and records of the Corporation until such time as the transferor has provided satisfactory evidence to the Corporation of such transfer. A transfer of Membership shall be considered a new application for service and is not binding on the Corporation until such transfer has been approved as provided by this Section.
3) Qualifications for service upon transfer of Membership set forth in this section shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon the following terms and conditions:
   (a) The transferee has completed the required Application Packet including granting the Corporation with a private utility easement on the form provided by the Corporation;
   (b) The Membership has not been fully or partially liquidated;
   (c) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
4) If the application packet and other information is not completed on the day transfer of membership is requested the corporation will give the transferee written notice of 10 additional days to produce completed documentation to the Corporation office. Service will be disconnected on the day following the 10th day according to disconnection with notice requirements. Additional time may be allowed at the direction of the manager or board.

d. **Cancellation of Membership.** To keep a Membership in good standing, a base rate, a Service Availability Charge or a Reserved Service Charge must be paid monthly to the Corporation, whether or not water is used. Failure to pay this monthly charge to the Corporation shall jeopardize the Member's Membership standing and give rise to liquidation of the Membership Fee and forfeiture of the Membership. A Member may be relieved of this obligation to pay by surrendering the Membership, properly documented, to the Corporation. The Member shall also complete a Service Discontinuance Request Form prior to termination of service.

However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership prior to termination of service. Rights to future service at this tap shall be extended on an available basis and subject to the terms of the Activation of Service in Section E. of this Tariff. (Texas Water Code 67.016)

e. **Liquidation Due To Delinquency.** When the amount of the delinquent charges owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated and the Membership canceled and transferred back to the Corporation. In the event the Member leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership, the Corporation may liquidate as many of the Member Guarantor's Membership Fees as necessary to satisfy the balance due the Corporation, provided proper notice has been given. The Corporation shall collect any remaining account balances by initiation of legal action. Re-instatement of service shall be subject to the terms of the Activation of Service in Section E. of this Tariff.

f. **Cancellation Due To Policy Non-Compliance.** The Corporation may cancel a Membership anytime a Member fails to comply with policies of the Corporation, including but not limited to Member's failure to provide proof of ownership to the property from which the Membership arose. (Texas Water Code Section 67.016).

g. **Re-assignment of Canceled Membership.**

(1) The Corporation, upon cancellation of Membership under the provisions of this Tariff, may re-assign the cancelled Membership to a person or entity that has legal title to the real estate from which the cancelled membership arose and for which water service is requested. (Texas Water Code 67.016) Membership will not be re-assigned unless the person or entity that has legal title to the real estate has complied with the Corporation's current rates, charges, and conditions of service, including current membership fee set forth in the Tariff, and completion of the Service Application Packet.

(2) The Corporation shall reassign a cancelled Membership to a person or entity that acquires the real estate from which the Membership arose through judicial or non-judicial foreclosure. The Corporation will require proof of ownership resulting from the foreclosure and compliance with the Corporation's current rates, charges, and conditions of service, including current membership fee, set forth in the Tariff and completion of the Service Application Packet. In the event of foreclosure by a mortgage institution, the Corporation may allow a property management company to acquire the Membership if the management company provides written documentation showing that the management company is legally responsible for the management of the property and it is not feasible for the mortgage institution to be the Member.

h. **Mortgaging of Memberships.** Nothing herein shall preclude a Member from mortgaging his/her Membership. However, notification to the holder of any security interest (mortgagee/lien-holder) of account status of Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage Agreement. The Corporation will notify the holder of any security interest in the Membership. The holder of the

security interest also must hold a security interest in the real property at which water service is provided under the Membership. The Corporation may transfer the Membership to the holder of such security interest in lieu of cancellation, provided the holder of the security interest pays in full all delinquent and unpaid obligations and provided further that the holder of the security interest has secured title to the real property from which the Membership arose. The Corporation may withhold cancellation of a Membership pending the resolution of any foreclosure proceedings or similar legal proceedings by the holder of the security interest.

i. **Cancellation and Re-Assignment of Membership as a Result of Bankruptcy Proceedings.** Upon notice of the filing of a petition in bankruptcy, the Corporation may require the posting of a deposit or other form of security, acceptable to the Corporation, as a condition for continuing utility service. Unless special circumstances require otherwise, the amount of security shall equal the amount of charges for the month of greatest use during the preceding 12 months. The Corporation shall not require the payment of any security prior to the expiration of 20 days following the date on which the petition is filed. Failure to provide this security by the date specified by the Corporation may result in termination of service according to the Disconnection with Notice Provisions in Section E. of this Tariff, with a copy of the notice to the bankruptcy Trustee.

j. **Cancellation and Re-Assignment of Membership as a Result of Divorce (or Dissolution of Joint Tenancy).** The Corporation shall transfer the membership to a spouse (or joint tenant) who has been awarded the property designated to receive service. The Corporation must be provided adequate documentation of the ownership rights of the spouse (or joint tenant) requesting transfer, such as final divorce decree, temporary court order, or agreement. In no event shall any membership(s) be transferred if the transferee does not otherwise meet the qualifications for membership and for service.

k. **Rural Public Cemeteries and Rural Volunteer Fire Departments.** Rural Public Cemeteries and Rural Volunteer Fire Departments shall be qualified to receive water service upon completion of the Service Application Packet. The Corporation shall waive all labor costs associated with the meter installation. The monthly minimum shall be waived and the Rural Public Cemetery/Volunteer Fire Department billed only for water used. Any line extension or system improvements shall be at the Rural Public Cemetery/Volunteer Fire Department's expense.

9. **Members and Renters.** Any Member having complied with the requirements of this Tariff, renting or leasing-property designated to receive service according to the terms of this Tariff to other parties, is responsible for all charges due the Corporation. The membership for rental or leased properties shall be in the name of the Member as required by this Tariff. The Corporation may bill the renter or lessee for utility service (at Member Request) as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The Member shall be required to sign an Alternate Billing Agreement if the owner requests that the tenant be billed for utility service. The Member shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The Corporation will notify the Member of the renter's past due payment status. Such notification will be subject to the Owner Notification Fee.

If at any time the member requests that membership be cancelled thereby discontinuing service to an occupied rental property, the Corporation shall provide written notice to the tenant(s) a minimum of five (5) days prior to the scheduled disconnection date.

10. **Denial of Service.** The Corporation may deny service for the following reasons:
    a. Failure of the Applicant or Transferee to complete all application requirements, including granting an easement, completing all forms and paying all required fees and charges;
    b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the Corporation;
    c. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Members/Users of the Corporation upon connection;
    d. Failure of Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property, for which service has been requested;
    e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the Corporation's tariff on file with the state regulatory agency governing the service applied for by the Applicant;
    f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which the tap has been requested;
    g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided,
    h. Failure of Applicant or Transferee to comply with applicable regulations for on-site sewage disposal systems if the Corporation has been requested to deny service by the TCEQ or the TCEQ's designated representative under Chapter 366 of the Texas Health and Safety Code.
    i. Failure of the Applicant or Transferee to pay any previous outstanding delinquent account(s) in full. This could be delinquencies resulting from the same account location or other service location(s) within the system where the Applicant or Transferee received service.

11. **Applicant's or Transferee's Recourse.** In the event the Corporation refuses to serve an Applicant under the provisions of these rules, the Corporation must notify the Applicant, in writing, on the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the Corporation.

12. **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 member or occupant of the premises to be served;
    b. Failure to pay a bill to correct previous under billing due to misapplication of rates more than six (6) months prior to the date of application;
    c. Violation of the Corporation's rules pertaining to operation of non-standard equipment or unauthorized attachments which interfere 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 Corporation as a condition precedent to service;

e. Failure to pay the bill of another member or customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

13. **Deferred Payment Agreement.** The Corporation may offer a deferred payment plan to a Member or rental tenant who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the Corporation, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement. (See Deferred Payment Agreement form). Failure to make required and timely payments as provided in any deferred payment agreement will void that agreement and service will be immediately disconnected. Service will not be restored until the account is paid in full and all other charges resulting in the disconnection of service are fully paid. In the event the requestor is a tenant of rental property the Corporation shall notify the owner/member of the deferred payment agreement.

14. **Charge Distribution and Payment Application.**

a. **Base Rate** is for the billing period from the 15th day of the month to the 15th day of the following month. Charges shall be prorated for meter installations and service termination's falling during the billing period. Billings for this amount shall be mailed on or about the 25th of the month. All services shall be subject to this charge whether or not the service is in use by the Member.

b. **Gallonage Charge** shall be billed at the rate specified in Section G and billing shall be calculated in one hundred (100) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.

c. **Posting of Payments.** All payments shall be posted against previous balances and late fees prior to posting against current billings.

d. **Forms of Payment:** The Corporation will accept the following forms of payment: personal check, cashier's check, money order, automatic debit on customer's bank account or draft on bank. The Corporation will not accept two-party checks, pay checks, or any other instrument of payment that is not made out to the Corporation. In accordance with consumer laws, the Corporation will not assess the credit card processing fee associated with credit card payments to those customers making payment by credit card.

15. **Due Dates, Delinquent Bills, and Service Disconnection Date.**

a. The Corporation shall mail all bills on or about the 25th of the month. All bills are considered the responsibility of each person signing the Service Application and Agreement Form. 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 as described in Section G. A bill is delinquent if not paid on or before the past due date. Payments made by mail will be considered late if postmarked after the past due date. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposes shall be noon the next day the Corporation office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings.

b. The Board of Directors or General Manager may elect to not charge a late fee or disconnect fee in accordance with this Tariff during or after the occurrence of a natural disaster or other incident that impacts the property of members/customers or interrupts the management and operation of the system.

c. Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15 day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings. (Texas Utilities Code Section 182.001 – 182.005) If this request originates from a tenant at a rental property the owner/member will be notified in writing of any extension request.

d. All insufficient fund checks, accounts closed or money orders that have had a "stop payment order" issued for payment of a water bill will be deemed delinquent as if no payment was received and the meter is subject to disconnection with notice on the regular disconnection day.

16. **Disconnection of Service Rules.** The following describes the rules and conditions for disconnection of service. Notwithstanding any language to the contrary in the Service Application and Agreement Form, the Corporation may only discontinue service for the reasons set forth in this Section.

    a. Disconnection with Notice. Water utility service may be disconnected for any of the following reasons after proper notification has been given.

        1) Returned Checks. The Corporation shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the Corporation office. Redemption of the returned instrument shall be made by money order or certified check. Failure to meet these terms shall initiate disconnection of service. Any such instruments returned as insufficient or non-negotiable for any reason for any two (2) billing periods within a 12-month period shall be considered evidence of bad credit risk by the Corporation. The Member/Customer in violation shall be placed on a "money order or certified check" basis for a period of 12 months.

2) Failure to pay a delinquent account for utility service, failure to timely provide a deposit or other security under Section E.10.i., or failure to comply with the terms of a deferred payment agreement.
3) Violation of the Corporation's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation.
4) Failure of the Member to comply with the terms of the Corporation's Service Agreement, Tariff, Bylaws or Special Contract provided that the Corporation has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification.
5) Failure to provide access or hindering access to the meter under the terms of this Tariff or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify.
6) Misrepresentation by any Applicant or Transferee of any fact on any form, document, or other agreement required to be executed by the Corporation.
7) Failure of Member to re-apply for service upon notification by the Corporation that Member no longer meets the terms of the service classification originally applied for under the original service application.
8) Cancellation of membership by Member on an account that the Member holds for water service to the Member's renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement.

Note: The cancellation of membership must be in writing and signed by the Member. CORPORATION ASSUMES NO LIABILITY TO RENTER/LESSEE; MEMBER IS SOLELY RESPONSIBLE FOR COMPLANCE WITH, AND LIABILITY UNDER ANY FEDERAL, STATE OR LOCAL LAW CREATING OR PROTECTING RIGHTS OF RENTERS/LESSEES.

9) Violation of any applicable regulation pertaining to on-site sewage disposal systems if the Corporation has been requested in writing to disconnect service by the TCEQ or the TCEQ's designated representative under Chapter 366 of the Texas Health and Safety Code.
10) Failure to pay charges arising from service trip fee or meter re-read fee.
11) Failure by a Member to pay for all repair or replacement costs resulting from the Member damaging system facilities including, but not limited to water lines, service taps, meter boxes, valves, or meters by engaging in activities such as property excavations, installment of a driveway or roadway requiring encasements, lowering or rerouting of lines or system components or by any other action. The Corporation will provide the Member with notice detailing the extent of the damage, the location of the damage, the cost of repair, and whether the damage occurred on private property or on a public right of way. Failure to pay the cost of repair or replacement will result in the Member's service being disconnected in accordance with the Disconnection with Notice Provisions in this Section. Service will remain disconnected until payment is received or an acceptable payment plan is approved.
12) Failure to disconnect or secure additional service tap(s) for an RV or other service connection after notification by the Corporation of violation of the Prohibition of Multiple Connections.

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

1) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a public health nuisance as defined in Texas Health and Safety Code Sections 341.011 or 343.011. If there is reason to believe a dangerous or hazardous condition exists, the Corporation may conduct a customer service inspection (CSI) to verify the hazardous condition and may notify the local county health office. The Corporation will disconnect without notice if the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (30 TAC Section 290.46 (j) and 290.46(i) and 290.46(j)). Service will be restored when a CSI confirms no health hazard exists, the health hazard has been removed or repaired, or the health hazard has been isolated from the Corporation's water system by the installation of a backflow prevention device.
2) A line leak on the member's side of the meter is considered a potential hazardous condition. If the Corporation conducts a CSI and discovers that the line leak has created a hazardous condition, the Corporation will provide the member up to five (5) business days, or another time period determined reasonable under the circumstances, to repair the line prior to disconnection of service.
3) Service is connected without authority by a person/entity who has not made application for service or who has reconnected service without authority following termination of service for nonpayment; and
4) In instances of tampering with the Corporation's meter or equipment, by-passing the meter or equipment, or other diversion of service.

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

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

1) Failure of the Member to pay for merchandise or charges for non-utility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of non-utility service as a condition of service;
2) Failure of the Member 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 of the Member to pay charges arising from an under-billing occurring due to any misapplication of rates more than six (6) months prior to the current billing;
4) Failure of the Member to pay the account of another Member as guarantor thereof, unless the Corporation has in writing the guarantee as a condition precedent to service;
5) Failure of the Member to pay charges arising from an under-billing due to any faulty metering, unless the meter has been tampered with or unless such under-billing charges are due under the Inoperative Meters Section of this Tariff;
6) Failure of the Member to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Corporation is unable to read the meter due to circumstances beyond its control.

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

e. **Disconnection Due to Utility Abandonment.** The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the PUC.

f. **Disconnection for Ill Customers.** The Corporation may not discontinue service to a delinquent residential Member or tenant under an Alternate Billing Agreement permanently residing in an individually metered dwelling unit when that Member or tenant 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 Member or tenant must provide a written statement from a physician to the Corporation prior to the stated date of disconnection. Service may be disconnected in accordance with 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 Member or tenant enters into a Deferred Payment Agreement. The Corporation shall provide notice to an owner of rental property in the event a tenant requests service not be discontinued due to illness.

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

1) The Corporation shall send a notice to the Member as required. This notice shall also inform the Member that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.

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

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

h. **Disconnection of Temporary Service.** When an applicant with temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this Tariff service may be terminated with notice.

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

18. **Back-billing**. If a Member/Customer is undercharged the Corporation may back-bill the Member/Customer. Back-billing may not exceed 12 months unless such undercharge is a result of meter tampering, bypass or diversion by the customer as defined in this Tariff (See 16 TAC Section 24.87 (h)). If the under-billing is $25.00 or more, the utility shall offer to such Member/Customer a Deferred Payment Plan option for the same length of time as that of the under-billing.

19. **Disputed Bills.** In the event of a dispute between the Member and the Corporation regarding any bill, the Corporation shall make and conduct an investigation as required by the particular case, and report the results in writing thereof to the Member. All disputes under this Subsection must be submitted to the Corporation, in writing, prior to the due date posted on said bill.

20. **Inoperative Meters.** Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless by-passed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed six (6) 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**

a. **Due To Meter Error.** The Corporation shall test any Member's meter upon written request of the Member. In the event the meter tests within the accuracy standards of The American Water Works Association, a test fee as prescribed in Section G of this Tariff shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Member shall complete a Meter Test Request Form prior to the test.

b. **Due to Estimated Billing.** If the Corporation has estimated usage because the Corporation is unable to access the meter due to circumstances beyond the Corporation's control, such as a natural disaster; or because access is hindered or denied by a Member, the Corporation shall adjust the bill once access has been regained and actual usage is determined.

c. **Due To Leak.** Requests for adjustments to bills due to line breaks will be considered on an individual basis and must be presented to the Board of Directors. An investigation will be conducted to determine if the adjustment request is valid. A service fee will be assessed for the Corporation's investigation. Considerations for making adjustments will include the customer's past usage history, facts gathered by Corporation employees and financial need. If an adjustment is granted, the customer will pay the average use for the three (3) months prior to the onset of the leak plus an additional per thousand gallons for all water registered over that average. In cases where the customer's leak is over one (1) billing cycle, an adjustment shall be granted for only the month with the highest registered use. There will be only one adjustment made in a twenty-four (24) month period.
Before a leak adjustment can be considered the member/customer must submit documentary evidence that the leak has been repaired; including but not limited to a statement from a plumber and/or receipts(s) for the parts purchases to repair the leak. All repairs must be done within thirty (30) days of leak adjustment request.

22. **Meter Tampering and Damage to Property.**

a. For purposes of this Section, the term "Tampering" shall mean meter-tampering, by-passing, or diversion of the Corporation's service equipment, or other instances of diversion, including:

1) removing a locking or shut-off devise used by the Corporation to discontinue service,
2) physically disorienting the meter,
3) attaching objects to the meter to divert service or to by-pass,
4) inserting objects into the meter,
5) other electrical and mechanical means of tampering with, by-passing, or diverting service,
6) connection or re-connection of service without Corporation authority,
7) connection to the service line of adjacent customers of the Corporation, and
8) preventing the supply from being correctly registering by a metering device due to adjusting the valve so that flow is reduced below metering capacity.

The burden of proof of Tampering is on the Corporation. photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the Corporation's staff when any action regarding Tampering is initiated. A court finding of Tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the Corporation shall be prosecuted to the extent allowed by law under the Texas Penal Code Sections 28.03, 12.21 and 12.22.

b. If the Corporation determines under subsection (a) that Tampering has occurred, the Corporation shall disconnect service without notice as set forth in this Section and charge the person who committed the Tampering total actual loss to the Corporation, including the cost of repairs, replacement of damaged facilities, and lost water revenues.

c. A person who otherwise destroys, defaces, damages or interferes with Corporation property will be charged the total actual loss to the Corporation including, but not limited to the cost of repairs, replacement of damaged facilities, and lost water revenues. The Corporation also will prosecute the offending party to the extent allowed under law pursuant to Texas Water Code Section 49.228 and other applicable laws.

d. In addition to actual damages charged under subsection (b), the Corporation may assess a penalty against the offending party. The penalty shall not exceed six (6) times the Base Rate.

NOTE: For the purpose of this Section, "offending party" means the person who committed the Tampering or damaged the property.

23. **Meter Relocation.** Relocation of services shall be allowed by the Corporation provided that:

a. The relocation is limited to the existing property designated to receive service;
b. A current easement for the proposed location has been granted to the Corporation; and
c. The Member pays the actual cost of relocation plus administrative fees.

24. **Prohibition of Multiple Connections to a Single Tap.**

a. No more than one (1) residential, commercial, or industrial service connection is allowed per meter. The Corporation may consider allowing an apartment building or mobile home/RV park to apply as a "Master Metered Account" and have a single meter. If the Corporation has sufficient reason to believe a Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with

Notice provisions of this Tariff for a first violation and for subsequent violations, service will be disconnected without notice in accordance with this Section.

b. For the purposes of this section, the following definitions shall apply:
1) A "multiple connection" is the connection to any portion of a Member's system that is connected to a primary delivery point already servicing one residence, one commercial or industrial facility of a water line serving another residence or commercial or industrial facility. Water lines to outbuildings, barns or other accessory structures shall not be considered a multiple connection if: (i) those structures are located on the same tract as the primary point and (ii) such structures are not used as a residence or as a commercial or industrial facility.
2) A "primary delivery point" shall mean the physical location of a meter tap that is installed in accordance with this Tariff and applicable law and which provides water service to the residence or commercial or industrial facility of a member.
3.) A "residence" shall mean any structure which is being used for human habitation, which may include kitchen and bathroom facilities or other evidence of habitation as defined by the Corporation.
4) "Commercial" facility shall mean any structure or combination of structures at which any business, trade, occupation, profession, or other commercial activity is conducted. A business conducted within a Member's residence or property that does not require water in addition to that provided to the Member's residence shall not be considered a separate commercial facility.

c. The Corporation agrees to allow Members in good standing to share water usage with a visitor on their property with a recreation vehicle (RV) or travel trailer for a period of no longer than three (3) months. If the recreation vehicle/travel trailer is being used for permanent residence, this Tariff requires that an additional membership be secured and a separate meter installed. If the Member routinely has more than one visitor at a time with recreation vehicles or travel trailers or has multiple visitors throughout the year, the Corporation may require that a second or additional meter(s) be purchased. The Member must submit a written request to the Corporation's business office at least five (5) business days prior to sharing corporation water with a visitor. The Corporation has the right to refuse or deny the shared usage for any reason. The Corporation also has the right to inspect the premises for any potential cross-contamination issues as outlined in the Customer Service Inspection requirements and to ensure that the meter is properly sized for the additional usage at the time of total peak water demand. These requirements pertain to visitors ONLY. No commercial usage where fees for water are charged is allowed. If a Member is found to violate those conditions, the Member will be sent a letter of notice stating that water service will be cut off in ten (10) days if the situation is not corrected.

25. **Member's Responsibility.**

a. The Member shall provide access to the meter tap location as per the easement and service agreement. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month; and a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification to the Member, then service shall

be discontinued and the meter removed with no further notice. Conditions that may hinder access include, but are not limited to fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals.

b. The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.

1) All water connections shall be designed to ensure against on-site sewage contamination, back-flow or siphonage into the Corporation's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC 290.46, Texas Health and Safety Code, Chapter 366).

2) The use of pipe and pipe fittings that contain more than 0.25% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant. 30 TAC 290.46; RUS-TX Bulletin 1780-9 (Rev. 05/17)).

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

d. The Corporation's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment as installed. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the Corporation shall be subject to charges as determined by the Corporation's Tariff as amended from time to time by the Board of Directors.

e. The Corporation shall require each Member to have a cut-off valve within two (2) feet of the meter on the Member's side of the meter for purposes of isolating the Member's service pipeline and plumbing facilities from the Corporation's water pressure. The valve shall meet AWWA standards (a ball valve is preferred). The Member's use of the Corporation's curb stop or other similar valve for such purposes is prohibited. Any damage to the Corporation's equipment shall be subject to service charges. This cut-off valve may be installed as a part of the original meter installation by the Corporation.)

f. The Member is required to notify the Corporation 48 hours prior to digging or excavation activities along or near water lines and appurtenances.

26. Line Extension Reimbursement. An approved Applicant may have to pay on a prorated basis a line reimbursement fee to the Corporation for the purpose of reimbursing a Member or other party that made the capital outlay to extend service to that area.

27. Master Metered Account Regulations. An apartment building, condominium, manufactured housing (modular, mobile, or RV) community, business center or other similar type enterprise may be considered by the Corporation to be a single commercial facility if the owner applies for a meter as a "master metered account" and complies with the requirements set forth in PUC rules, this Tariff and applicable law. The Corporation may allow master metering service to these facilities at an Applicant's request. (16 TAC (24.124(e)(l))).

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

Part 1. General Requirements

1. **Purpose.** It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions and other kinds of Non-Standard Service are determined, including the Non-Standard Service Applicant's and the Corporation's respective costs.
   For purposes of the Section, the term "Applicant" shall refer to the individual or entity that desires to secure Non-Standard Service from the Corporation. The Applicant must be the same person or entity that is authorized to enter into a contract with the Corporation setting forth the terms and conditions pursuant to which Non-Standard Service will be furnished to the property. In most cases, the Applicant shall be the owner of real property for which Non-Standard Service is sought. In the event that the Applicant is other than the owner of real property, the Applicant must furnish evidence to the Corporation that it is authorized to request Non-Standard Service on behalf of such owner, or that it otherwise has authority to request Non-Standard Service for the real property.

2. **Application of Rules.** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required for a single tract of property. Examples of non-standard services for a single tract of land can include, but are not limited to, road bores, extensions to the distribution system, service lines exceeding ¾"diameter and service lines exceeding 300 feet. Non-residential or residential service applications requiring a larger sized meter typically will be considered non-standard. For the purpose of this Tariff, Applications subject to this Section shall be defined as Non-Standard. This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation or their designee shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.
   This section sets forth the general terms and conditions pursuant to which the Corporation will process Non-Standard Service Requests. The specific terms and conditions pursuant to which the Corporation will provide non-standard service in response to any request will depend upon the nature of such request and may be set forth in a legally enforceable, contractual agreement to be entered into by the Corporation and the Service Applicant. The agreement may not contain any terms or conditions that conflict with this Section.

3. **Non-Standard Service Application.** The Applicant shall meet the following requirements prior to the initiation of a Non-Standard Service Contract by the Corporation:
   a. The Applicant shall provide the Corporation a completed Service Application and Agreement Form. The Applicant shall specify any SPECIAL SERVICE NEEDS, such as large meter size, size of subdivision or multi-use facility.
   b. A final plat (see Section C.) approved by the Corporation must accompany the Application showing the Applicant's requested service area. The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps

involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
NOTE: It is the responsibility of the Applicant to secure all necessary approvals of the subdivision once an Agreement is in place between the Corporation and the Applicant.

c. A Non-Standard Service Investigation Fee shall be paid to the Corporation in accordance with the requirements of Section G. for purposes of paying initial administrative, legal and engineering fees. The Corporation shall refund any balance that remains after it has completed its service investigation, and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all expenses incurred by the Corporation, the Applicant shall pay to the Corporation upon the Corporation's request all additional expenses that have been, or will be incurred by the Corporation and Corporation shall have no obligation to complete processing of the Application until all remaining expenses have been paid.
d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property located, in whole or in part, outside the area described in the Corporation's Certificate of Convenience and Necessity (CCN), service may be extended provided that:
    1) The service location is not in an area receiving similar service from another retail Corporation;
    2) The service location is not within another retail Corporation's Certificate of Convenience and Necessity; and;
    3) The Corporation's Certificate of Convenience and Necessity shall be amended to include the entirety of Applicant's property for which service is requested. Applicant shall pay all costs incurred by Corporation in amending its CCN, including but not limited to engineering and professional fees. If the service location is contiguous to or within one-fourth (1/4) mile of Corporation's Certificate of Convenience and Necessity, Corporation may extend service prior to completing the amendments to its CCN, but will do so only upon Applicant's legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including legal, surveying and engineering fees incurred by Corporation in securing the amendment).

4. **Design.** The Corporation shall approve the design requirements of the Applicant's required facilities prior to initiation of a Non-Standard Service Contract in accordance with the following schedule:
    a. The Corporation's engineer shall design, or review and approve plans for, all on-site and off-site service facilities for the Applicant's requested service within the Corporation's specifications, incorporating any applicable municipal or other governmental codes and specifications.
    b. The engineer's fees shall be paid out of the Non-Standard Service Investigation Fee,
    c. The engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.
    d. The Corporation's engineer shall ensure that all facilities for any Applicant meet the demand for service as platted and/or requested in the plans or plat submitted in the application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands provided however, that the Corporation shall pay the expense of such

upgrading in excess of that which is reasonably allocable to the level and manner of service requested by the Applicant.

5. **Non-Standard Service Contract.** Applicants requesting Non-Standard Service may be required to execute a written contract, drawn up by the Corporation's Attorney, in addition to submitting the Corporation's Non-Standard Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. The service contract may include, but is not limited to:
    a. All costs associated with required administration, design, construction, and inspection of facilities for water/sewer service to the Applicant's service area and terms by which these costs are to be paid.
    b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
    c. Equity Buy In Fee required by the Corporation in addition to the other costs required under this Section.
    d. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Equity Buy-In Fees.
    e. Terms by which the Corporation shall administer the Applicant's project with respect to:
        1) Design of the Applicant's service facilities;
        2) Securing and qualifying bids;
        3) Execution of the Service Contract;
        4) Selection of a qualified bidder for construction;
        5) Dispensing advanced funds for construction of facilities required for the Applicant's service;
        6) Inspecting construction of facilities; and
        7) Testing facilities and closing the project.
    f. Terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuits in connection with the project.
    g. Terms by which the Applicant shall dedicate, assign and convey to the Corporation all constructed facilities and related rights (including contracts, easements, rights-of-way, deeds, warranties and so forth) by which the Corporation shall assume operation and maintenance responsibility for the Applicant's project. The Applicant shall also provide reproducible as-built drawings of all constructed facilities. The as-built drawings must verify that all facilities have been properly located within the easements conveyed to the Corporation.
    h. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

6. **Construction of Facilities by Applicant Prior to Execution of Service Contract.** The Corporation and the Applicant must execute a Non-Standard Service Contract prior to the purchase of supplies and materials or initiation of construction of facilities by the Applicant. In the event that the Applicant commences construction of any such facilities prior to execution of a Contract with the Corporation, then the Corporation may refuse to provide service to the Applicant or, in a subdivision, to any person purchasing a lot or home from the Applicant. Alternately the Corporation may require full costs of replacing/repairing any facilities constructed without prior execution of a contract from any person buying a lot or home from Applicant. At a minimum, the Corporation

will require that all facilities be uncovered by the Applicant for inspection by the Corporation, require that any facilities not approved by the Corporation be replaced, and take any other lawful action determined appropriate by the Board of Directors of the Corporation.

7. **Dedication of Water System Extension/Improvements to Fort Belknap WSC.**
   a. Upon proper completion of construction of all on-site and off-site service facilities (the "Facilities") to meet the level and manner of service requested by the Applicant, the Facilities shall become the property of Fort Belknap WSC. The Facilities shall thereafter be owned and maintained by Fort Belknap WSC subject to the warranties required of Applicant under Subsection (b). Any connection of individual customers to the Facilities shall be made by Fort Belknap WSC.
   b. Upon transfer of ownership of the Facilities, Applicant shall warrant materials and performance of the Facilities constructed by Applicant for twelve (12) months following the date of the transfer.

8. **Property and Right-of-Way Acquisition.** With regard to construction of facilities, the Corporation shall require private right-of-way easements or purchase of private property as per the following conditions:
   a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Applicant shall secure easements or else title to facility sites in behalf of the Corporation. All right-of-way easements and property titles shall be researched, validated and filed by the Corporation at the expense of the Applicant.
   b. All additional costs associated with facilities that must be installed in public rights-of-way on behalf of the Applicant, due to the inability of the Applicant to secure private right-of-way easements, including road bores and TxDOT approvals, shall be paid by the Applicant. Alternately, Applicant shall pay all costs, including administrative, legal and other professional fees, and the condemnation award in the event Corporation secures such private easements or facility sites through eminent domain proceedings.
   c. The Corporation shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to property required for other on-site and off-site facilities.
   d. Easements and facilities sites shall be prepared for the construction of the Corporation's pipelines and facility installations in accordance with the Corporation's requirements at the expense of the Applicant.

9. **Bids for Construction.** The Corporation's Consulting Engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge (as per Engineer's determination), to prospective bidders. Although the Corporation reserves the right to reject any bid or contractor, the Corporation shall generally award the contract to the lowest qualified bidder in accordance with the following criteria:
   a. The Applicant shall execute the Service Contract evidencing willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
   b. The Contractor shall provide an adequate bid bond under terms acceptable to the Corporation;

c. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation:
d. The Contractor shall supply favorable references acceptable to the Corporation;
e. The Contractor shall qualify with the Corporation as competent to complete the work (including but not limited to current water/sewer license, OSHA competent person training, and other licenses/certificates as required to complete the project); and
f. The Contractor shall provide adequate certificates of insurance as required by the Corporation.

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

11. **Construction.**
a. All roadwork pursuant to state, county and/or municipal standards (as applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, approved road sleeves/casings may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.
b. The Corporation shall, at the expense of the Applicant, inspect the facilities to ensure compliance with Corporation standards.
c. Construction plans and specifications shall be strictly adhered to, but the Corporation reserves the right to issue change-orders of any specifications, due to unforeseen circumstances during the design phase, to better facilitate construction or operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

PART II.
Request for Service to Subdivided Property

1. **Sufficient Information.** Applicants shall provide the Corporation sufficient information describing the level and manner of service requested and the timeline for initiation of this service. The following is the minimum information needed for an engineering evaluation of the requested service to the property described in the application.
   a. Completion of requirements described in Section F. Part I. Including completing the Non-Standard Service Application
   b. Applicant shall provide the Corporation with details concerning access to the property during evaluation of application.
   c. Applicant shall be notified in writing by the Corporation or designated representative the timeframe within which the requested service can be provided and the costs for which the Applicant will be responsible in accordance with the details described on the Applicant's request for service.

2. **Service within Subdivisions.** The Corporation's obligation to provide service to any customer located within a subdivision governed by this Section is strictly limited to the level and manner of the non-standard service specified by the Applicant. The Applicant is responsible for paying for all costs necessary for non-standard service to a subdivision as determined by the Corporation under the provisions of this Tariff and specifically the provisions of this Section. If the Applicant fails to pay these costs, the Corporation has the right to require payment of these costs by any one or more of the persons purchasing lots or homes within such subdivision before the Corporation is obligated to provide water service (Texas Water Code Section 13.2502). In addition, Corporation may elect to pursue any remedies provided by the Non-Standard Service Contract if one has been executed. Applicant is advised that purchasers of lots also may have legal recourse against the Applicant under Texas Law, including but not limited to Texas Water Code Section 13.257, and the Texas Business and Commerce Code, Chapter 17, Subchapter E Deceptive Trade Practices & Consumer Protection Act.
   a. The Applicant must provide the following in addition to all other information otherwise required by this Section:
      (1). Map and legal description of the area to be served using map criteria in 16 TAC 24.105(a) (2) (A-G).
      (2). Time frame for:
         (a). Initiation of service
         (b). Service to each additional projected phase following the initial service
      (3). Detailed description of the nature and scope of the project/development for:
         (a). Initial needs
         (b). Phased and final needs, including a map showing each phase, and the projected land uses that support the requested level of service for each phase.
      (4). Any additional information requested by the Corporation necessary to determine the capacity and the costs for providing the requested service.
      (5). Copies of all required approvals, reports and studies done by or for the Applicant to support the viability of the proposed development.

Applicant must provide reasonably sufficient information, in writing, to allow the Corporation to determine whether the level and manner of service specified by the Applicant can be provided within the time frame specified by the Applicant and to generally determine what capital improvements, including expansion of capacity of the Corporation's production, treatment and/or storage facilities and/or general transmission facilities properly allocable directly to the service request are needed. If the Applicant proposes development in phases, the Applicant should specify the level and manner of service and the estimated time frame within which that service must be provided for each phase, and the Applicant must depict the currently estimated location of each phase on the maps required under 16 TAC Section 24.105(a)(2)(A-G). It is important that the Applicant written request be complete. A complete application by the Applicant should include:

(a) the proposed improvements to be constructed by the Applicant;
(b) a map or plat signed and sealed by a licensed surveyor or registered professional engineer;
(c) all intended land uses of the development, including detailed information concerning the types of land uses proposed;
(d) the projected water demand of the development when fully built out and occupied, the anticipated water demands for each type of land use, and a projected schedule of build-out;
(e) a schedule of events leading up to the anticipated date upon which service from the CCN holder will first be needed; and
(f) a proposed calendar of events, including design, plat approval, construction phasing and initial occupancy.

Applicant must establish that current and projected service demands justify the level and manner of service being requested. In making his/her written request for service, the Applicant must advise the Corporation that he/she may request expedited decertification from the TCEQ.

Upon payment of the required fees, the Corporation shall review Applicant's service request. If no additional information is required from Applicant, the Corporation will prepare a written report on Applicant's service request, subject to any final approval by the Corporation's governing body (if applicable) which must be completed within the 90 days from the date of application and payment of the required fees. The Corporation's written report, will state whether the requested service will be provided, whether the requested service can be provided within the time frame specified by the Applicant, and the costs for which the Applicant will be responsible (including capital improvements, easements or land acquisition costs, and professional fees).

In the event the Corporation's initial review of the Applicant's service shows that additional information is needed, the Corporation will notify Applicant of the need for such additional information. Notice of the need for additional information will be made in writing within 30 days of the date the Corporation receives the Applicant's payment of the required fees. Applicant shall respond to the Corporation's request for additional information within 15 days of receipt of the Corporation's written request. The Corporation will provide the written report, including any final approval by the Corporation's Board (if applicable) within 90 days from the date of the initial written application and payment of all required fees.

By mutual written agreement, the Corporation and the Applicant may extend the time for review beyond the 90 days provided for expedited petitions to the PUC.

4. Upon final approval by the Corporation and acceptance of proposal for service by the Applicant, a non-standard service contract will be executed and the Corporation shall provide service according to the conditions contained in the Non-Standard Service Contract.

SECTION G.
RATES AND SERVICE FEES

Unless specifically defined in this Tariff, all fees, rates, and charges as stated shall be non-refundable.

1. **Service Investigation Fee.** The Corporation shall conduct a service investigation for each service application submitted at the Corporation. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted and the results reported under the following terms:
   a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.
   b. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant to;
      (1) provide cost estimates of the project,
      (2) to present detailed plans and specifications as per final plat,
      (3) to advertise and accept bids for the project,
      (4) to present a Non-Standard Service Contract to the Applicant, and
      (5) to provide other services as required by the Corporation for such investigation.
      A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.).

2. **Membership Fee.** At the time the application for service is approved, a refundable Membership Fee must be paid for each service requested before service shall be provided or reserved for the Applicant by the Corporation. The Membership Fee cannot be more than 12 times the minimum monthly base rate.
   a. The Membership Fee for water service is:

¾" meter	$ 590.00
1" master meter	$1,410.00
1-1/2" meter	$2,775.00
2" meter	$4,415.00

   b. The membership fee for a rural public cemetery will be $275.00.

3. **Easement Fee.** When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way in addition to

tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites in behalf of the Applicant.

4. **Installation Fee.** The Corporation shall charge an installation fee for service as follows:
   a. **Standard Service** shall include:
      (1) Tap Fee - all current labor and, materials necessary to provide individual metered water service
      (2) Engineering Fee
      (3) Legal Fee
      (4) Customer Service Inspection Fee
      (5) Administrative costs
      (6) Any additional site-specific equipment or appurtenances necessary to provide water service
      Standard Service Fees shall be charged on a per tap basis as computed immediately prior to such time as service is requested and installed.
   b. **Non-Standard Service** shall include any and all
      (1) Facility Improvement costs, including but not limited to tanks, piping, main lines, and other labor and materials necessary to provide service at the level required by water code and as requested by the Applicant
      (2) Line and facility inspection
      (3) Administrative costs, including but not limited to contract administration costs, processing invoices, disbursement of checks to contractors
      (4) Legal Fee including but not limited to, contract development, easements and CCN amendments for the area
      (5) Engineering fees
      (6) Any additional site-specific equipment or appurtenances necessary to provide waters service as determined by the Corporation under the rules of Section F of this Tariff.
   c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E of this Tariff.

5. **Equity Buy-In Fee.** In addition to the Membership Fee, each Applicant for new service that requires a new service tap shall be required to achieve parity with the contributions to the construction or acquisition of the Corporation's assets related to capacity that have been made previously by existing Members. This fee shall be assessed immediately prior to providing service on a per service unit basis for each service requested and shall be assigned and restricted to that property for which the service was originally requested. This fee shall be set aside for future capacity improvements such as line upgrades, new tanks, treatment, or production. The formula applied to such fee calculated annually after receipt of the system audit is as follows:
   Sample Calculation:
   Total Contributions and Assets of the Corporation minus (-)
   Accumulated Depreciation minus (-)
   Outstanding Corporation Debt Principle minus (-)
   Developer Contributions minus (-)
   Grants Received divided by Total Number of Members / Customers equals =Average Net Equity Buy-In Fee Equity Buy in Fee is $2,095.00 (for a ¾" meter)

6. **Monthly Charges.**

a. **Service Availability Charge.**

Water Service - The monthly charge for metered water service, which does include allowable gallonage, is based on demand by meter size. Rates and equivalents are as follows:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE	***GALLONS INCLUDED***
5/8" X 3/4"	1.0	**$ 53.20**	***1,000***
1" MASTER METER	**2.5**	**$126.98**	***3,000***
1 1/2"	**5.0**	**$249.93**	***5,000***
2"	**8.0**	**$397.48**	***8,000***

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

1,001 - 6,000 gallons	$18.19 per thousand
6,001 - 10,000 gallons	$19.29 per thousand
10,001 & over	$20.31 per thousand

The Corporation shall, as required by Texas Water Code Section 5, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G.6. Monthly Charges of this tariff. (16 TAC 291.76(d.).

7. **Assessments.** If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water charges to be insufficient for the payment of all costs incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by Rural Development, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment of indebtedness for the year's operations. (Article XVIII of Fort Belknap WSC's Bylaws, Section 1.).

8. **Late Payment Fee.** Once per billing period, a penalty of $5.00 shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period. NOTE: The Corporation cannot charge Political Subdivisions and state agencies the late payment fee. See Government Code Chapter 2251.021).

9. **Owner Notification Fee.** The Corporation shall assess a fee of $5.00 per notification to a Member of a renter/leasee delinquent account status prior to disconnection of service.

10. **Mortgagee/Guarantor Notification Fee.** The Corporation shall assess a fee of $5.00 for each notification to a Membership lien-holder under agreement prior to Membership cancellation.

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

12. **Reconnect Fee.** The Corporation shall charge a fee of $150.00 for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in this Tariff except for re-service. If a member or resident requests a Corporation employee to restore service after normal working hours, an additional service charge of $150.00 plus the delinquent amount will be collected before service is restored.

13. **Seasonal Reconnect Fee.** The Corporation shall charge a fee calculated based on the Base Rate multiplied by the number of months during which service is suspended, not to exceed 9 months during any 12 consecutive months.

14. **Service Trip Fee.** The Corporation shall charge a service trip fee of $75.00 for any service call or trip to the Member's tap as a result of a request by the Member or tenant for response to damage of the Corporation's or another Member's facilities, for customer service inspections due to suspicion of meter tampering, bypass or diversion of service, or for the purpose of disconnecting or collecting payment for services. For service trips that extend beyond one hour, such as when an extended line location is required, the Corporation may charge $50.00 per employee per hour for each additional hour required.

15. **Equipment Damage Fee.** If the Corporation's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions. This fee shall be charged and paid before service is re-established. If the Corporation's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Member and tenant if an Alternate Billing Agreement is in place. If the Corporation's facilities or equipment have been damaged due to negligence or unauthorized use of the Corporation's equipment, right-of-way, or meter shut-off valve, or due to other acts for which the Corporation incurs losses or damages, the Member shall be liable for all labor and material charges incurred as a result of said acts or negligence.

16. **Meter Test Fee.** The Corporation shall test a Member's meter upon written request of the Member. A charge of $225.00 shall be imposed on the affected account.

17. **Transfer Fee.** A fee of $25.00 shall be assessed for the transfer of any membership.

18. **Information Copy Fee.** A fee for the coping of any public information will be charged to the person requesting that information in compliance with the cost rules of the Texas Government Code Section 552.261 et. Seq.

20. **Regulatory Assessment.** A fee of 0.5% of the amount billed for water service will be assessed each customer; this assessment is required under Texas law and TCEQ regulations.
NOTE: The regulatory assessment is not to be collected from state agencies, wholesale customers or buyers of non-potable (not drinkable) water. (Ref. TCEQ RG-199 revised Sept. 2017 TCEQ Section 291.76(c).)

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

22. **Customer Service Inspection Fee.** A fee of $75.00 will be assessed each Applicant before permanent continuous service is provided to new construction.

23. **Certified Notice Fee.** The Corporation may at the expense of the member and tenant notify said member and tenant by certified mail prior to disconnection of service. The certified mail notice fee shall be $50.00.

24. **Other Fees.** All services outside the normal scope of utility operations that the Corporation may be compelled to provide at the request of a Member or the general public shall be charged to the recipient based on the cost of providing such service.

25. **Meter Tampering and Damage to Property Penalty**. In addition to the Equipment Damage Fee, the Corporation may charge a penalty for "Tampering" as defined in Section E.22. The penalty may only be assessed against the person who committed the Tampering. The penalty cannot be assessed against the Member for the Tampering committed by their tenant. The penalty shall not exceed six (6) times the monthly minimum.

26. **Line Extension Reimbursement Fee.** An approved Applicant may have to pay, on a prorated basis, a line reimbursement fee to the Corporation for the purpose of reimbursing a Member or other entity that made the initial capital outlay to extend service to that area.

SECTION H
DROUGHT CONTINGENCY AND EMERGENCY WATER DEMAND MANAGEMENT PLAN FOR THE FORT BELKNAP WATER SUPPLY CORPORATION

Certificate of Convenience and Necessity N. 11042
Public Water Supply No. 2520007

Revised March 16, 2021

1. Introduction

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

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

The plan will be implemented according to the five stages of water use restrictions as imposed by the Board of directors. Paragraph 4 describes the conditions that will trigger these stages.

2. Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the Fort Belknap Water Supply Corporation by scheduling and providing public notice of a public meeting to accept input on the Plan.

Notice of the meeting was provided to all customers. In the adoption of this plan, the Board of Directors considered all comments from customers.

3. Public Education

Fort Belknap Water supply corporation will periodically provide the public 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 will be provided by means of press releases to be published in both radio and newspapers in the Young, Stephens, Throckmorton and Palo Pinto counties of Texas.

4. Coordination with Regional Water Planning Groups and City of Graham

Being located within Brazos G Planning Group, a copy of this plan has been provided to that Regional Water Planning Group.

5. Violations:

First violation – The Member/Customer will be notified by a written notice of their specific violation and their need to comply with the Tariff rules.

Second violation – After written notices, Fort Belknap Water Supply Corporation may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device not to exceed $100.00. Members may also be charged a fee for violating water rules not to exceed $260.00 or six (6) times the monthly minimum (in accordance with the 30 Texas Administrative Code Section 291.41 (i)). Any income generated from fees related to water use violations will be separately accounted for and restricted for water system improvements,

Subsequent violations – Fort Belknap Water Supply Corporation may discontinue service at the meter for a period of three (3) days. The notice of termination will show the date on which water service will be terminated and the date on which service will be restored, unless the customer has failed to pay delinquent penalties or other assessments have been paid in full including a charge for the service call to restore service.

6. Trigger Conditions

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

STAGE 1 – MILD WATER SHORTAGE CONDITIONS

Goal: Achieve a voluntary 5% reduction in total water use.

Fort Belknap Water Supply Corporation will implement Stage 1 when notified by the City of Graham of implementation of Stage 1, or when a supply or demand trigger is reached.

Supply-Based Triggers:

The static water level at Lake Graham/Eddleman is equal to or less than 1067.8 feet above msl or 65% capacity.

2. Excessive demand on the system.

3. U.S. Drought Monitor indicates abnormally dry to moderate drought conditions.

Requirements for Termination:

- Stage 1 may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of thirty (30) consecutive days.

FBWSC Management Measures:

- Reduce the flushing of water mains.
- Repair all leak(s) within a reasonable time period

Voluntary Water Use Restrictions:

- Water customers are requested to voluntarily limit the irrigation of landscape areas to Sundays and Thursdays for customers with a mailing address ending in an even number (0,2,4,6, or 8), and Saturdays and Wednesdays for water customers with a mailing address ending in an odd number (1,3,5,7, or 9), and to irrigate landscapes only between the hours of 12:00 midnight and 10:00 a.m. and 8:00 p.m. to midnight on designated watering days.

Water customers are required to practice conservation and to minimize or discontinue water use for non-essential purposes.

STAGE 2 – MODERATE WATER SHORTAGE CONDITIONS

Goal: Achieve a 10% reduction in total water use.

Fort Belknap Water Supply Corporation will implement Stage 2 when notified by the City of Graham of implementation of Stage 2, or when supply or demand trigger is reached.

Supply-Based Triggers:

- The static water level at lake Graham/Eddleman is equal to or less than 1,065.3 feet above msl or 55% capacity.
- Inability to maintain 70% storage capacity overnight due to high demand.
- Demand exceeds 85% treatment capacity for 3 consecutive days.
- Demand exceeds 90% capacity for 1 day
- U.S. Drought Monitor indicates severe, extreme, or exceptional drought conditions.

Requirements for Termination:

- Stage 2 of the plan may be rescinded when all of the conditions listed above as triggering events have ceased to exist for a period of thirty (30) consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

FBWSC Management Measures:

- The Supply Management measures prescribed in Stage 1 of the Plan.
- Notify TCEQ Water Supply Division of current mandatory drought stage.
- Visually inspect lines and repair on a daily basis.
- Monthly review of customer use records and follow-up on any that are unusually high.
- Reduce flushing of water mains.

Voluntary Water Use Restrictions: Under threat of penalty for violations, the following water use restrictions apply to all persons:

- Irrigation of landscape areas with hose end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a mailing address ending in an even number (0,2,4,6, or 8), and Saturdays and Wednesdays for water customers with a mailing address ending in an odd number (1,3,5,7, or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated

watering days. However, irrigation of landscaped areas is permitted at any time if it is by means of a hand held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

- Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed shall be done with a hand held bucket or a hand held hose equipped with a positive shut off nozzle for quick rinses. Vehicle washing may be done at any time on immediate premises of commercial car wash or commercial service station. Further, such washing may be exempt from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food perishables.
- Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.
- Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- Use of water from hydrants shall be limited to firefighting, related activities, or other activities necessary to maintain public health, safety, and welfare. Except use of water from designated fire hydrants for construction purposes may be allowed under a special permit from Fort Belknap Water Supply Corporation.
- Use of water for irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by Fort Belknap Water Supply Corporation, the facility shall not be subject to these regulations
- All restaurants are prohibited from serving water to patrons except when requested.
- The following uses of water are defined as non-essential and are prohibited:
    1. Wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard surfaced areas;
    2. Use of water to wash down buildings or structures for purposes other than immediate fire protection;
    3. Use of water for dust control;
    4. Flushing gutters or permitting water to run or accumulate in any gutter or street; and
    5. Failure to repair controllable leak(s) within a reasonable time.

STAGE 3 – SEVERE WATER SHORTAGE CONDITIONS
Goal: Achieve a 20% reduction in total water use.

Fort Belknap Water Supply Corporation will implement Stage 3 when notified by the City of Graham of implementation of Stage 3 or when a supply or demand trigger is reached.

Supply-Based Triggers:

- The static water level at Lake Graham/Eddleman is equal to or less than 1,062.5 feet above msl or 45% capacity.
- Inability to maintain 50% storage capacity over-night due to high demand.
- Demand exceeds 90% treatment capacity for 3 consecutive days.
- Demand exceeds 95% capacity for 1 day.
- U.S. Drought Monitor indicated exceptional drought conditions.

Requirement for Termination:

- Stage 3 of the plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of thirty (30) consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

FBWSC Management Measures:

- The Supply Management measure prescribed in Stage 2.
- Discontinue irrigation of public landscaped areas.
- Notify TCEQ Water Supply Division of current mandatory drought stage.
- FBWSC will discontinue flushing of water mains.

Water Use Restrictions: all requirements of Stage 2 shall remain in effect during Stage 3, except:

- Odd addresses – Wednesdays, 12:00 midnight to 10:00 a.m. and 8:00 p.m. to 12:00 midnight.
- Even addresses – Thursdays, 12:00 midnight to 10:00 a.m. and 8:00 p.m. to 12:00 midnight.
- Shall be conducted by hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler systems. Use of hose-end sprinklers is prohibited at all times.
- The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by Fort Belknap Water Supply Corporation.

The use of water for construction purposes from designated fire hydrants under special permit is discontinued.

STAGE 4 – CRITICAL WATER SHORTAGE CONDITIONS:

Goal: Achieve a 30% reduction in total water use.

Fort Belknap Water Supply Corporation will implement Stage 4 when notified by the City of Graham of implementation of Stage 4 or when a supply or demand trigger is reached.

Supply-Based Triggers:

- The static water level at Lake Graham/Eddleman is equal or less than 1,059.4 feet above msl or 35% capacity.
- Inability to maintain 35% storage capacity over-night due to high demand.
- Demand exceeds 95% treatment capacity for 3 consecutive days.
- Demand exceeds 100% treatment capacity for 1 day.
- U.S. Drought Monitor indicates exceptional drought conditions.
- Major limitations of water system components.

Requirements for Termination:

- Stage 4 of the plan may be rescinded when all of the conditions listed as trigger events have ceased to exist for 30 consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

FBWSC Management Measures:

- The Supply Management measure prescribed in Stage 3.
- Discontinue all flushing of water mains.
- Notify TCEQ Water Supply Division of current mandatory drought stage.

Water Use Restrictions: All requirements of Stage 2 and 3 shall remain in effect during Stage 4, except:

- All out-door, non-essential, and discretionary uses of water are prohibited with a hand-held hose, water can, or bucket on designated watering days:
  1. Odd addresses – Wednesday between 7:00 p.m. and 8:00 p.m.
  2. Even addresses – Thursdays between 7:00 p.m. and 8:00 p.m.
- Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle not occurring on the premises of a commercial car wash, commercial service station, or in the immediate interest of public health, safety, and welfare.
- Filling, refilling, or adding water to swimming pools, wading pools, and Jacuzzi type pools is prohibited.
- Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited, except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- No applications for new, additional, expanded, or increased in size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be allowed or approved.

STAGE 5 EMERGENCY WATER SHORTAGE CONDITIONS:

Goal: Achieve a 40% reduction in total water use.

Fort Belknap Water Supply Corporation will implement Stage 5 when notified by the City of Graham of implementation of Stage 5 or when a supply or Demand trigger is reached.

Supply-Based Triggers:

- Static water level at Lake Graham/Eddleman is equal to or less than 1,058.0 feet above msl.
- Water production or distribution system limitations.
- Supply source contamination
- System outage due to failure or damage of major water system components.
  1. Major waterline breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service; or
  2. Natural or man-made contamination of water supply source(s).

Requirements of Termination:

- Stage 5 may be rescinded when all of the conditions listed at triggering events have ceased to exist for a period of thirty (30) consecutive days. Upon termination of Stage 5, Stage 4 becomes operative.

FBWSC Management Measures:

- Supply Management measures prescribed in Stage 4.
- Will enact the following measures and/or as allocated by the City of Graham in accordance with Texas Water Code Chapter 11.039.
- In the event of contamination, appropriate emergency procedures will be implemented and appropriate emergency response officials will be notified immediately.
- Notify TCEQ Water Supply Division of current mandatory drought stage.

7. Initiation and Termination Procedures

Once a trigger condition occurs:

The Corporation, or its designated responsible representative, shall, based in recommendation from the Chairperson of the Drought/Emergency Management Committee, decide if the appropriate stage of water use restrictions shall be initiated. The initiation may be delayed if there is a reasonable possibility the water system performance will not be compromised by the condition. If water allocation is to be instituted, written notice to the customers shall be given. Written notice of the proposed water use restrictions measures shall be mailed or delivered to each affected customer upon the initiation of each stage. Notice may be sent by email only if the customer chooses the option to receive email notice instead of mailed notices and provides an email address. In addition, upon adoption of Stage 2 or Stage 3, a notice will be placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:

- The date water restriction shall begin
- The expected duration
- The stage (level) of water allocations to be employed
- Penalty for violations of the water allocation program, and
- Affected area or areas.

If the water allocation program extends 30 days then the Chairperson of the Drought/Emergency Management Committee or General Manager shall present the reasons for the allocations at the next scheduled board meeting and shall request the concurrence of the Board to extend the allocation period.

Then the trigger condition no longer exists then the responsible official may terminate the water allocations provided that such an action is based on sound judgment. Written notice of the end of allocations shall be given to customers. A water allocation period may not exceed 60 days without extension by action of the Board.

8. Exemptions or Waivers

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

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

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

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

- Variances granted shall include a time table for compliance.
- Variances granted shall expire when the water allocation is no longer in effect, unless the petitioner has failed to meet specified requirements. No variance allowed for a condition requiring water allocation will continue beyond the termination of water allocation under Section F. Any variance for a subsequent water allocation must be petitioned again. The fact that a variance has be granted in response to a petition will have no relevance to the Committee's decision on any subsequent petition.

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

Fort Belknap Water Supply Corporation will abide by Texas Water Code (TWC) 11.039

9. Implementation

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

This Plan was adopted by the Board of Directors at a properly noticed meeting held on March 16, 2021.

Charles Birdwell

President, Board of Directors

SECTION I.
CONFLICT OF INTEREST POLICY

OF THE
FORT BELKNAP WATER SUPPLY CORPORATION

1. A person is disqualified from serving as a Director on the Board for the Corporation, if:
a. He or she is an employee of any developer of property within the service area of the Corporation;
b. He or she is an employee of any Director, manager, engineer, or attorney for the Corporation;
c. He or she is serving as a consultant, engineer, attorney, manager, or in any other professional capacity for the Corporation or for a developer of property within the service area of the Corporation;
d. He or she is a party to a contract with the Corporation, except a contract for the purchase of water service furnished by the Corporation to the Corporation's members generally, or;
e. He or she is a party to a contract with any developer of property within the service area of the Corporation, other than a contract limited solely to the purpose of purchasing or conveying real property within the service area of the Corporation for the purpose of establishing a residence or establishing a commercial business within the service area of the Corporation;
f. He or she is serving as a decision-maker, managerial employee, or in some professional capacity representing a municipality, district, or utility which is currently contracting with the Corporation for water utility or other service or other conditions or considerations;
g. He or she is a member of the immediate family of any Director of the Corporation or of any other person serving in a managerial capacity, as attorney, accountant, or as engineer on behalf of the Corporation or if he or she serves as a director or as an officer for any bank or savings and loan association retained as a depository for the funds of the Corporation, or any bank or savings and loan association which holds any indebtedness of the Corporation.
h. He or she will not be 18 years of age or older on the first day of the term to be filled at the election or on the date of appointment.
i. He or she has been determined by a final judgment of a court exercising probate jurisdiction to be:
    1. totally mentally incapacitated; or
    2. partially mentally incapacitated without right to vote; or
    3. been convicted of a felony from which the person has not been pardoned or otherwise released from the resulting disabilities.

2. A person is disqualified from employment by the Corporation if he or she is a member of the immediate family of any Director of the Corporation or of any other person serving in a managerial capacity on behalf of the Corporation.

3. As used in this policy, the term "developer of property within the service area of the Corporation" refers to any person who owns land located within the area served by the Corporation, or obligated to be served by the Corporation under a certificate of

convenience and necessity, and who has divided or proposes to divide the land into two or more parts for the purpose of laying out a subdivision, or any tract of land or any addition to any subdivision, or for laying out residential lots or commercial lots, or any lots intended for any uses which require, or may require, water service from the Corporation.

4. Any relationship or employment which constitutes a disqualification as set forth herein shall be considered grounds for termination of employment

5. No Officer or Director of the Corporation shall be entitled to any compensation for or in compensation for or in consideration of the execution of his duties as such Officer or Director, provided, however that the actual, reasonable expenses of an Officer or Director incurred on the business of the Corporation may, with the approval of the Board of Directors, be paid to them.

6. No Officer or Director of the Corporation shall:

   a. Solicit or accept or agree to accept a financial benefit, other than from the Corporation, that might reasonably tend to influence his or her performance of duties for the Corporation or that he or she knows or should know is offered with the intent to influence the Officer's or Director's performance of his or her duties;
   b. Accept employment or compensation that might reasonably induce him or her to disclose confidential information acquired in the performance of official duties;
   c. Accept outside employment or compensation that might reasonably be expected to create a substantial conflict between the Officer's and Director's private interest and duties of the Corporation; or
   d. Solicit or accept or agree to accept a financial benefit from another person in exchange for having performed duties as an Officer or Director of the Corporation in favor of that person.

7. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the Corporation, provided, however, that the Board of Directors may reject any donation made upon a condition or restriction if in the discretion of the Board of Directors the acceptance of the donation as so conditioned or restricted will not be in the best interest of the Corporation.

8. The removal of any Directors of the Corporation because of disqualification under this policy shall not affect the validity of any action taken by the Corporation through its Board of Directors during the time of service by that Director, even though the Director may have been acting under the disqualification at the time of such service.

9. If at any time any Officer or Director is required to vote in his or her capacity as a Director on an issue which may create a conflict of interest, which may be deemed a conflict of interest by the Board, or which may be interpreted by the membership as a conflict of interest, the Officer or Director shall abstain from voting, as a matter of record, on that issue.

10. Except as otherwise provided by the laws of the state or federal government, the Corporation shall adhere to the following policy for awarding contracts:

a. The Board shall advertise for bids for contracts for the purchase of materials, machinery, and all things to constitute the plant, works, facilities, and improvements of the Corporation or for construction;

b. A contract may cover all the improvements to be provided by the Corporation, or the various elements of the improvements may be segregated for the purpose of receiving bids and awarding contracts. A contract may provide that the improvements will be constructed in stages over a period of years.

c. A contract may provide for the payment of a total sum that is the completed cost of the improvement or may be based on bids to cover cost of units of the various elements entering into the work as estimated and approximately specified by the Corporation's engineers, or a contract may be let and awarded in any other form or composite of forms and to any responsible person or persons that, in the Board's judgment, will be most advantageous to the Corporation and result in the best and most economical completion of the Corporation's proposed plants, improvements, facilities, works, equipment, and appliances.

d. For contracts for $25,000.00 or more, the Board shall advertise the letting of the contract, including the general conditions, time, and place of opening of sealed bids. The notice shall be published in one or more newspapers with general circulation in the state, and one or more newspapers published in each county in which part of the Corporation is located. If there are more than four counties in the Corporation's area, notice may be published in any newspaper with general circulation in the area. If no newspaper is published in the county or counties in which the Corporation is located, publication in one or more newspapers with general circulation in the state is sufficient. The notice shall be published once a week for three consecutive weeks before the date that the bids are opened, and the first publication shall be no later than the 21st day before the date of the opening for the sealed bids.

e. For contracts for $15,000.00 or more but less than $25,000.00, the Board shall solicit written competitive bids on uniform written specifications from at least three bidders.

f. For contracts of less than $15,000.00, the Board is not required to advertise or seek competitive bids.

g. The Board may not subdivide work to avoid the advertising requirements specified in this policy.

h. The Board may not accept bids that include substituted items, either before or after the Corporation enters into a construction contract, unless the substituted items were included in the original bid proposal and all bidders had the opportunity to bid on the substituted items.

i. Change orders to contracts may be issued only as a result of unanticipated conditions encountered during construction or changes in regulatory criteria, or to facilitate project coordination with other political entities.

j. These policy provisions do not apply to contracts for personal or profession services or for a utility service operator.