

Tariff

OF

HOLIDAY BEACH WATER SUPPLY CORPORATION

HOLIDAY BEACH WATER SUPPLY CORPORATION

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TABLE OF CONTENTS

SECTION A.

RESOLUTION AND AUTHORITY

1. Date Tariff is Effective
2. Pre-existing Contracts
3. Enforcement of Policies
4. To Obtain an Official Copy of this Tariff
5. Federal, State, and Local Jurisdiction

SECTION B.

STATEMENTS

1. Organization
2. Non-Discrimination Policy
3. Policy and Rule Application
4. Corporation Bylaws Adoption
5. Fire Protection Responsibility
6. Damage Liability
7. Information Disclosure in Accordance with the Texas Open Records Act
8. Customer Notice Provisions
9. Grievance Procedures for Members/Applicants
10. Plumbing Standards, Requirements, and Authority
11. Submetering Responsibility and Master Metered Accounts

SECTION C.

DEFINITIONS

- Active Service (see Section E. 1.)
- Applicant
- Board of Directors
- Bylaws
- Capital Recovery Fee (also see Section G. 5, Miscellaneous)
- Certificate of Convenience and Necessity (CCN)
- Corporation (also see Section B. 3)
- Disconnection of Service (also see Section E. 14.)
- Easement; Right of Way (also see Section E. 2. c. (2))
- Final Plat; Plan, Map of Extension Area (also see Section F. 4. b)
- Hazardous Condition
- Indication of Interest Fee (see Section E. 6. b. and Service Agreement)
- Liquidated Membership (see Section E. 6. e.)
- Member (see Bylaws, Section E. 6. b.)
- Membership Certificate (Section E. 6. b.)
- Membership Fee (see Section G. 2.)
- Proof of Ownership
- RUS (Rural Utilities Service)
- Renter (see Section E. 7.)
- Re-Service (see Section E. 3. b., E. 4. b., Miscellaneous)
- Reserved Service Charge (see Section G. 6. b.)
- Service Availability Charge (see Section G. 6. a.)
- Service Application and Agreement (see Sample Application Packet)

Service Unit
Tariff
Temporary Service (see Section E. 6. b. Note 2)
Transferee (see Section E. 6. c.)
Transferor (see Section E. 6. c.)

SECTION D.

GEOGRAPHIC AREA SERVED

Certificate of Convenience and Necessity
Map

SECTION E.

SERVICE RULES AND REGULATIONS

1. Service Entitlement
2. Application Procedures and Requirements (Sample Application Packet)
 - a. Standard Service
 - b. Non-Standard Service
 - c. Requirements for Standard and Non-Standard Service
3. Activation of Standard Service
 - a. New Tap
 - b. Re-Service (Miscellaneous)
 - c. Performance of Work
 - d. Inspection of Customer Service Facilities (G. 20.)
4. Activation of Non-Standard Service
 - a. Activation as Per Section F. of this Tariff
 - b. Re-Service of Non-Standard Service
5. Changes in Service Classification (also see Temporary Service E. 6. b., Note 2)
6. Membership
 - a. Eligibility
 - b. Membership Certificates (Section C., G. 2.)
 - c. Transfers of Membership (Miscellaneous Transaction Forms)
 - d. Cancellation of Membership (Section B. 3.)
 - e. Liquidation Due to Delinquency
 - f. Cancellation Due to Policy Non-Compliance
 - g. Re-Assignment of Canceled Membership
 - h. Mortgaging of Memberships (Miscellaneous Transaction Forms)
7. Owners and Renters (Section C., Miscellaneous Transaction Forms)
8. Denial of Service
 - a. Failure to Pay Fees and Complete Forms (Section B. 3, E. 1., E. 2. c., E. 3.)
 - b. Failure to Comply with Rules and Policies
 - c. Existence of Hazardous Condition (Section C.)
 - d. Failure to Allow Access to Property
 - e. Failure to Comply with State and Federal Rules and Regulations

- f. Failure to Provide Proof of Ownership (Section E. 2. c. (6))
- g. Applicants Service Facilities (Section E. 10. c., E. 14. a.(3), E. 23. b.)
- 9. Applicant's or Transferee's Recourse
- 10. Insufficient Grounds for Refusal of Service
 - a. Delinquency by Previous Occupant
 - a) Failure to Pay for Underbilling of Longer than 6 Months
 - c. Violation of Corporation's Without Notice
 - d. Failure to Pay Bill of Another Customer as Guarantor
 - e. Failure to Pay Bill of Another Customer at same Address
 - f. Failure to Comply with Other Rules
- 11. Deferred Payment Agreement (Miscellaneous Transaction Forms)
- 12. Indigent Care Policy (see Tab on Indigent Care Policy)
- 13. Charge Distribution and Payment Application
 - a. Service Availability Charge (see Section G. 6. a.)
 - b. Gallonage Charge (see Section G. 6. c.)
 - c. Posting of Payments
- 14. Due Dates, Delinquent Bills, and Service Disconnection Date
- 15. Rules for Disconnection of Service
 - a. Disconnection with Notice (Section E. 8.)
 - b. Disconnection without Notice (Section E. 8. c.)
 - c. Disconnection Prohibited (Section E. 10.)
 - d. Disconnection on Holidays and Weekends
 - e. Disconnection Due to Utility Abandonment
 - f. Disconnection for Ill and Disabled
 - g. Disconnection of Master Metered Accounts and Non-Standard Sewer Services
 - h. Disconnection of Temporary Service (Section C., E. 6. b.)
- 16. Billing Cycle Changes
- 17. Back-Billing
- 18. Disputed Bills
- 19. Inoperative Meters
- 20. Bill Adjustment Due to Meter Error
- 21. Meter Tampering and Diversion
- 22. Meter Relocation
- 23. Prohibition of Multiple Connections to a Single Tap
- 24. Member's Responsibility
 - a. Member to Provide Access to Meter
 - b. Member is to Comply with All On-Site Plumbing Requirements for Traps
 - c. Member Owning More than One Membership
 - d. Extent of Corporation's Ownership and Maintenance
 - e. Cut Off Valve Required

SECTION F.

**DEVELOPER, SUBDIVISION, and
NON-STANDARD SERVICE REQUIREMENTS**

- 1. Corporation's Limitations
- 2. Purpose
- 3. Application of Rules
- 4. Non-Standard Service Application (see Sample Application Packet)

5. Design
6. Non-Standard Service Contract
7. Property and Right-of-Way (See Sample Application Packet)
8. Bids For Construction
9. Pre-Payment For Construction and Services
10. Construction
11. Corporation's Obligation for Service

SECTION G.

RATES AND SERVICE FEES

1. Service Investigation Fee
 - a. Standard Service Request (Section E. 1., E. 2.)
 - b. Non-Standard Service Request (Section F.)
2. Membership Fee
 - a. Membership Fee For Water Service
 - b. Membership Fee For Sewer Service
3. Easement Fee (Sample Application Packet)
4. Installation Fee
 - a. Standard Service Fee
 - b. Non-Standard Service Fee
 - c. Standard and Non-Standard Service Installations
5. Equity Buy-In Fee (Section C., also Miscellaneous Section)
 - a. Water Fee
 - b. Sewer Fee
6. Monthly Charges
 - a. Service Availability Charge (Section C.)
 - 1) Water Service Charge
 - 2) Sewer Service Charge
 - b. Reserved Service Charges (Section C., also Miscellaneous Section)
 - c. Gallonage Charge
 - 1) Water Charge
 - 2) Sewer Charge
 - d. TNRCC Regulatory Assessment
7. Late Payment Fee
8. Owner Notification Fee (Miscellaneous Transaction Form)
9. Mortgagee/Guarantor Notification Fee (Miscellaneous Transaction Form)
10. Returned Check Fee (Miscellaneous Transaction Form)
11. Reconnect Fee
12. Service Trip Fee
13. Equipment Damage Fee
14. Customer History Fee
15. Meter Test Fee (Miscellaneous Transaction Fee)
16. Transfer Fee (Miscellaneous Transaction Fee)
17. Membership Certificate Copy Fee
18. Non-Disclosure Fee
19. Information Disclosure Fee
20. Customer Service Investigation Fee
21. Franchise Fee
22. Other Fees

SECTION H.

**EMERGENCY WATER DEMAND MANAGEMENT PLAN
AND EMERGENCY RATIONING PROGRAM**

- A. Introduction
- B. Trigger Conditions
- C. Stage Levels of Rationing
- D. Initiation and Termination Procedures
- E. Penalties for Violations
- F. Exemptions or Waivers
- G. Implementation

SAMPLE APPLICATION PACKET

- 1. Standard Application and Agreement Form (USDA Form RUS-TX 1942-11) (Rev. 8/96)
- 2. Specific Type Right-of-Way Easement (Form FmHA 442-8)
- 3. General Type Right-of-Way Easement (Form FmHA 442-9)
- 4. Non-Standard Application and Agreement
- 5. Agreement for Temporary, Non-Potable Construction Water Service

MISCELLANEOUS TRANSACTION FORMS

- 1. Alternate Billing Agreement for Rental Accounts
- 2. Confidentiality of Utility Records Form
- 3. Customer Notice (For Rationing)
- 4. Deferred Payment Agreement
- 5. Installment Agreement
- 6. Line Extension Refund Agreement
- 7. Membership Mortgage Agreement
- 8. Membership Transfer Authorization
- 9. Meter Test Authorization and Test Report
- 10. Notice to Owner of Rental Property
- 11. Notice of Requirement to comply with the Subdivision and Service Extension Policy
- 12. Notice of Returned Check
- 13. Request for Service Discontinuance
- 14. Right-of-Way Easement Denial Form and Affidavit
- 15. Termination Notice
- 16. Wastewater Billing Services Agreement

INDIGENT CARE POLICY

MISCELLANEOUS

- 1. Tariff Filing Requirements (TNRCC)
- 2. Re-Service Illustration
- 3. Equity Buy In Fee Calculation example
- 4. AWWA Equivalency Chart

Tariff

OF

**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

SECTION A. RESOLUTION AND AUTHORITY

SECTION A. **RESOLUTIONS**

THE BOARD OF DIRECTORS OF HOLIDAY BEACH WATER SUPPLY CORPORATION ESTABLISHES THAT :

1. This Tariff of the Holiday Beach Water Supply Corporation, serving in Aransas County, Texas consisting of Sections A. through H. and forms inclusive, is adopted and enacted as the current regulations and policies on April 11, 1998 to be effective upon the acquisition of the Baumgart Water Supply Corporation water system.
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 adoption of this tariff does 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. 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.

PASSED and APPROVED this ____ day of April, 1998.



President, Holiday Beach Water Supply Corporation

SEAL

ATTEST:

Secretary, Holiday Beach Water Supply Corporation

Tariff

OF

**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

SECTION B. STATEMENTS

SECTION B. **STATEMENTS**

1. ***Organization.*** The Holiday Beach Water Supply Corporation is a member-owned, non-profit corporation incorporated pursuant to the Water Supply/Sewer Service Corporation Act, Article 1434a, Tex. Rev. Civ. Stat. (West 1980, Vernon Supp. 1996 as amended) and as supplemented by the Texas Non-Profit Corporation Act, Tex. Rev. Civ. Stat. Ann., Article 1396-1.01, et seq. (West 1980, Vernon Supp. 1996 as amended) for the purpose of furnishing potable water and or sewer utility 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, in conjunction with the Corporation's articles of incorporation and bylaws, apply to the water provided by the Holiday Beach Water Supply Corporation, also referred to as Corporation, WSC, or HBWSC. 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 (see Article 1396-2.09) 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 for refill only by authorized fire departments. 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 Holiday Beach WSC is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in water service whatever the cause. The limits of liability of the WSC is the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability. The utility is not required by law and does not provide fire prevention or fire fighting services. The utility therefore does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies.

7. **Information Disclosure.** The records of the Corporation shall be kept in the Corporation office in Aransas County, Texas. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Open Records Act. An individual customer may request in writing that their name, address, telephone number, or social security number be kept confidential. 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 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. The Corporation shall give its applicants and customers notice of rights to confidentiality under this policy and all prevailing associated fees for such request.
8. **Customer Notice Provisions.** The Corporation shall give written notice of monthly rate changes by mail or hand delivery to all consumers at least 30 days prior to the effective date of the new rate. The notice shall contain the old rates, new rates, effective date of the new rate, date of 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. **Plumbing Standards.** The Corporation adopts applicable sections of the Uniform Plumbing Code as guidance in the design, installation, and maintenance of plumbing systems and service facilities connecting or connected to the utility's water facilities, to the extent appropriate under the applicable statutes and regulations governing public water and sewer utility systems. Any Member may be required to retrofit plumbing systems and service facilities as determined to be necessary by the Corporation for the purposes of compliance with the Uniform Plumbing Code. (30 TAC 290.46(i))
11. **Submetering Responsibility.** Submetering and Non-Submetering by Master Metered Accounts may be allowed in the Corporation's water distribution or sewer collection system provided the Master Metered Account customer complies with the Texas Natural Resource Conservation Commission's Chapter 291 Subchapter H rules pertaining to Submetering. 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 submetering should be directed to the Texas Natural Resource Conservation Commission.

NOTE: The system should check with the Master Metered Account Customer to:

1. See if they have registered with the TNRCC, (Chapter 13 Texas Water Code Subchapter M.)
2. See that they do not charge their tenants more than the total amount of charges that you have billed. If the aggregate bill is greater than the Corporation's charge, the Master Metered Account Customer is considered by the TNRCC to be a separate Public Water System and will be required to comply with all TNRCC regulations.
3. Protect the System's CCN. Should the Master Metered Account Customer continue to violate these or other STATE regulations, the Corporation will need to request a Cease and Desist Order from the TNRCC. (Texas Water Code chap. 13.252 and 30 TAC Chapter 291.118)

Tariff

OF

**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

SECTION C. DEFINITIONS

SECTION C. **DEFINITIONS**

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

Applicant -- Person, partnership, cooperative corporation, corporation, agency, public or private organization of any type or combination thereof applying for service with the Holiday Beach Water Supply Corporation.

Board of Directors -- The governing body elected by the Members of the Holiday Beach Water Supply Corporation. (Art. 1396-1.02 (7))

Bylaws -- The rules pertaining to the governing of the Holiday Beach Water Supply Corporation adopted by the Corporation Members. (Art. 1396-1.02 (5))

Capital Recovery Fee -- A fee assessed of new Applicants for service for the purpose of acquiring capital to defray the costs of expanding the system facilities to replace capacity lost to meet new service requests. A service applicant at a location where service has never been provided is required to pay the Capital Recovery Fee. The only time this fee can be collected is when the first service application is made. Once this Fee is charged on a tract on which a meter is set, it cannot be charged on that tract again. This fee is charged for each meter equivalent or service unit for which service has been requested. The terms “equity buy-in fee” and “impact fee” whenever used in this tariff shall mean the capital recovery fee. (Section G. 5, also see Miscellaneous)

Certificate of Convenience and Necessity (CCN) -- The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for Holiday Beach Water Supply Corporation to provide water and/or sewer utility service within a defined territory. Holiday Beach Water Supply Corporation Certificate Number will be issued at a later date. Territory defined in the CCN shall be the Certificated Service Area. (see Section D. Certificated Service Area Map)

Corporation -- The Holiday Beach Water Supply Corporation. (Section B. 3 of this Tariff)

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

Easement -- A private perpetual dedicated right-of-way for the installation of water and or sewer 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). 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 Sample Application Packet, FmHA Form 442-8 or FmHA Form 442-9)

Final Plat -- A complete plan for the subdivision of a tract of land. The Holiday Beach Water Supply Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. (30 TAC 291.85) A plat which has been approved and signed by all applicable municipal, county, state and federal agencies or political bodies shall be presumed to be a final plat absent any findings by to the contrary by the Holiday Beach WSC Board of Directors.

Hazardous Condition -- A condition which jeopardizes the health and welfare of the Members/Consumers of the Corporation as determined by the Corporation or regulatory authority. Any condition which is in or creates a violation of any public drinking water system rule of the Texas Natural Resource Conservation Commission or the United States Environmental Protection Agency shall automatically be deemed to be a hazardous condition unless otherwise certified by the applicable regulatory agency.

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 also applies to applicants applying for, or receiving, Temporary Service. (Section E. 6. b., and Sample Application Packet - USDA Form RUS-TX 1942-11 (Rev. 8/96) and "Agreement for Temporary, Non-Potable Construction Water Service")

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

Member -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization that has qualified for service and received a Membership in accordance with the Corporation's Tariff.

Membership Certificate -- A non-interest bearing stock certificate purchased from the Corporation evidencing a Member's interest in the Corporation. (see Tariff Section E. 6 b and ART. 1396-2.08 D)

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 Certificate. (30 TAC 291.3 Definitions, Texas Water Code 13.043(g), Article 1434a, Tex. Rev. Civ. Stat. Sec. 9. A.(c))

Proof of Ownership — Article 1434a, Tex. Rev. Civ. Stat. Sec. 9A(c) gives authority to the corporation to require ownership of real estate designated to receive service as a condition of membership and service. For the purpose of this tariff, applicants for service and membership shall provide proof of ownership by deed of trust, warranty deed, or other recordable documentation of fee simple title to real estate to be served.

Rural Utilities Service (RUS) -- An Agency of the United States Department of Agriculture Rural Development Mission Area, previously called Farmers Home Administration Mission Area (FmHA), 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, includes successor agencies.

Renter -- A consumer who rents or leases property from a Member or who may otherwise be termed a tenant. (Section E. 7.)

Re-Service -- Providing service to an Applicant at a location for which service previously existed. Costs of such re-servicing shall be based on justifiable expenses. (See Section E. 3. b., E. 4. b., Miscellaneous)

Reserved Service Charge -- A monthly charge assessed for each property where service is being reserved. (see Section F. 6. d., e)

Service Availability Charge -- (Also known as "minimum monthly charge", "minimum", or the "base rate") The 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. (see Sample Application Packet RUS Form 1942-11 or Non-Standard Service Contract)

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. Sewer facilities are designed and rates are based on the basis of population served or demand. (see Section G. 6. a., Miscellaneous)

Tariff -- The operating policies, service rules, service extension policy, service rates, rationing policies, sample application packet, and miscellaneous transaction forms adopted by the Board of Directors. A copy of this, Board approved, tariff is on file at the Corporation office and as required since September 1, 1989 at the State office of the TNRCC.

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 length of time associated with this classification will be set by the Board. This classification will change to permanent service after requirements in Section E. 1, E. 2, E. 3, and E. 5 are met. Applicant must have paid an Indication of Interest Fee.

Texas Natural Resource Conservation Commission (TNRCC) -- State regulatory agency having jurisdiction of water and sewer service utilities and appellate jurisdiction over the rates and fees charged by Non-Profit Water and Sewer Service Corporations. (30 TAC - Texas Administrative Code)

Transferee -- An Applicant receiving a Holiday Beach WSC Membership by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity. (see Section E. 6 c., Miscellaneous Transaction Forms)

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. (Art. 1434a Sec. 9A)

Tariff

OF

**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

SECTION D. **GEOGRAPHIC AREA SERVED**

**SECTION D.
GEOGRAPHIC AREA SERVED**

This section should include an area map which shows the Corporation's Certified Service Area, consequently the Corporation should make sure that its service area corresponds to its Certified Area. **It is the responsibility of the Corporation to properly file a map showing its service area with the TNRCC. This copy of the Commission's official service map will serve as documentation in the event of future disputes over service areas.**

**[Replace with a copy of signed CCN from TNRCC]
**To be issued at a later date
CERTIFICATE OF CONVENIENCE AND NECESSITY**

To Provide (Water or Sewer) Service Under V.T.C.A., Water Code
and Texas Natural Resource Conservation Commission Substantive Rules

Certificate No. XXXXX

I. Certificate Holder:

Name: ABC Water Supply Corporation

Address: 500 Straight Street
Somewhere, Texas 71234

II. General Description and Location of Service Area:

The area covered by this certificate is located approximately 2 miles north of Somewhere, Texas on US Highway 92. The service area is generally bounded on the east by US Highway 92, on the south by Longtree Creek, on the west by County Road 33 and on the north by Lake Coldwater in Longtree County, Texas.

III. Certificate Maps:

The certificate holder is authorized to provide (water or sewer) service in the area identified on the Commission's official service area map, WRS-255, maintained in the offices of the Texas Natural Resource Conservation Commission, 12015 Park 35 Circle, Austin, Texas with all attendant privileges and obligations.

This certificate is issued under Application No. 30999-C 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:

ATTEST: _____

For the Commission

MAP OF CCN AREA

(Insert your map here. It will come with staff recommendations on CCN.)

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**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

SECTION E. SERVICE RULES AND REGULATIONS

SECTION E.
SERVICE RULES AND REGULATIONS

1. **Service Entitlement.** An Applicant shall be considered qualified and entitled to water and or sewer 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. (30 TAC 291.85 (a))

2. **Application Procedures and Requirements.** For the purposes of this Tariff, service requested by an Applicant shall be for real estate designated to receive the service provided by the Corporation and shall be divided into the following two classes:
 - a. **Standard Service** is defined as service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines or 4" gravity sewer taps, pressure collection facilities installed or connected to collection lines no more than five feet in depth.
 - 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. c. (4) of this section), or an addition to the supply, storage and/or distribution/collection 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.
 - c. **Requirements for Standard and Non-Standard Service.**
 - 1) The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant. (See Sample Application - RUS-TX 1942-11 (Rev. 8/96))
 - 2) A Right-of-Way Easement Form, Sanitary Control Easement, or other such easement forms, required by the Corporation, must be completed by the Applicant for the purpose of allowing future facility additions. (See Sample Application - RUS-TX 1942-11 (Rev. 8/96), 30 TAC 290.47 Appendix C.) **NOTE:** This requirement may be delayed for Non-Standard Service requests.
 - 3) 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 fee simple title to the real estate designated to receive service. (ART. 1434a, Sec.9A. (c) Vernon's Tex. Civ. Stat., 13.002 (11) of the Texas Water Code)
 - 4) The Corporation shall consider master metering and/or non-standard sewer service to apartments, condos, trailer /RV parks, or business centers and other similar type enterprises at an Applicant's request provided the total number of units to be served are all:
 - (a) owned by the same person, partnership, cooperative, corporation, agency, public or private organization of any type but not including a family unit,
 - (b) directly inaccessible to public right-of-way, and
 - (c) considered a commercial enterprise i.e. for business, rental, or lease purposes.
 - 5) 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. (30 TAC 291.81 (a) (1))

- 6) 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 recorded in public records file, the Applicant, prior to receiving the requested service, shall grant easement to the Corporation. In addition to the normally required fees for service, the Applicant shall pay such sums as are necessary for the removal of the water main from the public right-of-way and for relocation onto the Applicant's property pursuant to such easement. (see Miscellaneous Transaction Forms)
3. **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. All fees shall be paid or a deferred payment contract be signed in advance of installation. (30 TAC 291.86 (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 liquidated, and costs necessary to restore service. In addition, the Corporation shall charge accumulated Reserved Service Fees which have been entered on the in-active account as monthly debits. This is allowing the Corporation to recover the costs of reserving capacity at the location for which re-service has been requested. If restoration of service is not requested, this fee will accumulate monthly until the total balance of Reserved Service Fees equals the amount of the Equity Buy-In Fee previously paid for service to the property. After this time the service equipment may be removed by the Corporation and future request for service shall be treated as a new application. (see Miscellaneous Section)
 - c. **Performance of Work** -- After approval is granted by proper authorities, all tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative. The tap shall be completed within five (5) working days after approval and receipt of payment of quoted fees. This time may be extended for installation of equipment for Non-Standard Service Request. (see Section F. , 30 TAC 291.85)
 - 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 Natural Resource Conservation Commission or successor agency. (30 TAC 290.46(j))
4. **Activation of Non-Standard Service.**
- a. **Activation of Non-Standard Service** shall be conducted as prescribed by terms of Section F of this Tariff.
 - b. **Re-Service** - The same terms which apply under the Activation of Standard Service Sub-Section on Re-Servicing shall be applied to Non-Standard Re-Service requests. (Section E. 3. b)
5. **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, Sub-Section 15.a.

6. **Membership.**

- a. **Eligibility** - Eligibility for Membership shall not guarantee service to the Applicant or Transferee; however, qualification for service is a prerequisite to Membership eligibility for new Applicants or continued Membership for Transferees.
- b. **Membership Certificates** - Upon qualification for service, qualification for Membership, and payment of the required fees, the Corporation shall issue a refundable Membership Certificate to the Applicant. The Membership Certificate provides proof of Membership in the Corporation and shall entitle the Member to one (1) connection to the Corporation's water/sewer utility service and one (1) share of Corporation Stock. The Membership Certificate also entitles the Member to one (1) vote in conducting the affairs of any Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. An original or a copy of each Membership Certificate shall be held on file in the Corporation Office. Ownership of more than one (1) Membership Certificate shall not authorize the Member to cast more than one (1) vote at any annual or special meeting. (Art. 1434a Vernon's Tex. Civ. Stat.) Each Membership Certificate and Stock thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. (ART. 1434a, 9A. (c)(e) Vernon's Tex. Civ. Stat.) **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 (see Sample Application Packet - (FmHA) Form RUS TX 1942-1, Membership Survey Data Sheet), 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 Certificate) 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. (see Section C., Section E. Sub-Section 1. Service Entitlement)
- c. **Transfers of Membership.** (Art. 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9A.)
- 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 Sub-Section 6.c.(1) such transfer shall not be completed or recorded on the books and records of the Corporation until such time as the transferor has provided satisfactory evidence to the Corporation of such transfer. A transfer of Membership shall not be binding on the Corporation until such transfer has been approved as provided by Sub-Section 6.c.(3).
 - 3) Qualifications for service upon transfer of Membership set forth in Sub-Section 6.c.(1) and 6.c.(2) shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon the following terms and conditions:
 - (a) A Transfer Authorization Form has been completed by the Transferor and Transferee;
 - (b) The Transferee has completed the required Application Packet;
 - (c) All indebtedness due the Corporation has been paid;

- (d) The Membership Certificate has been surrendered, properly endorsed, by the Transferor; and
 - (e) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
- d. **Cancellation of Membership** -- To keep a Membership in good standing, a 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 Certificate, properly endorsed, to the Corporation. The Member shall also complete a Service Discontinuance Request Form prior to termination of service. (See Misc. Transaction Forms.) However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership Certificate prior to termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Service Sub-Section E.3.a. of this Tariff. (Art. 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9 A.(d))
- 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 Certificate, 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 (see section E, Subsection 15.1a.[4]). 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 Sub-Section E. 3. a. 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 of the property from which the Membership arose. (ART. 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9A. (e))
- g. **Re-assignment of Canceled Membership** -- The Corporation, upon cancellation of Membership under the provisions of this Tariff, may re-assign the Membership rights thereby granted to any person who satisfactorily demonstrates eligibility for Membership, including but not limited to proof of ownership of the property from which the Membership arose. (Art. 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9A.(e))
- 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 (See Miscellaneous Transaction Forms). Prior to the cancellation of any Membership as provided under Sub-Section E. 6.d. (Cancellation of Membership), 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.

7. **Owners and Renters.** Any Member, renting or leasing real estate property designated to receive service according to the terms of this tariff to other parties, is responsible for all charges due the Corporation. 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 owner shall be required to sign an Alternate Billing Agreement. (See Miscellaneous Transaction Forms.) The Member shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The Corporation may notify the Member of the renter's past due payment status subject to service charges (see Section: Miscellaneous Transaction Forms).
8. **Denial Of Service.** The Corporation may deny service for the following reasons:
 - a. Failure of the Applicant or Transferee to complete all required forms and pay all required fees and charges;
 - b. Failure of the Applicant or Transferee to comply with 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, and/or
 - g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.
9. **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.
10. **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 occupant of the premises to be served;
 - b. Failure to pay a bill to correct previous underbilling 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 interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;
 - d. Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service;
 - e. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill;
 - f. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations.

11. **Deferred Payment Agreement.** The Corporation may offer a deferred payment plan to a Member who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the Corporation, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement. (See Miscellaneous Transaction Forms)
12. **Indigent Care Policy.** Members demonstrating an inability to pay for monthly water service shall be extended an opportunity to apply for waiver of part or all of water charges under the conditions of the Corporation's Indigent Care Policy. (See Section: Indigent Care Policy.)
13. **Charge Distribution and Payment Application.**
 - a. **The Service Availability Charge or the Reserved Service Charge** is for the billing period from the first day of the month to the last day of the 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 first of the month preceding the month for which this charge is due. All services shall be subject to this charge whether or not the service is in use by the Member.
 - b. **Gallonage Charge** 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 prior to posting against current billings.
14. **Due Dates, Delinquent Bills, and Service Disconnection Date.** The Corporation shall mail all bills on or about the first of the month. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied 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. A ten (10) day grace period may then be allowed for delayed payments prior to mailing of final notices. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposes shall be 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.
 - a. 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. (HB 670 Effective August 30, 1993)
15. **Rules for Disconnection of Service.** The following describes the rules and conditions for disconnection of service. For the purposes of disconnecting sewer service under these policies, water service will be terminated in lieu of disconnecting sewer service. In instances of nonpayment of sewer service or other violations by a Member who is not a water customer, the Corporation has the option to disconnect the sewer tap or take other appropriate actions.
 - 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 cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service. (see Miscellaneous Transaction Forms) Any such instruments returned as insufficient or non-negotiable for any reason for any two 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 "cash-only" basis for a period of 12 months.
NOTE: "cash only" means certified check, money order, or cash.
 - 2) Failure to pay a delinquent account for utility service or failure to comply with the terms of a deferred payment agreement (Miscellaneous Transaction Forms);
 - 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 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) Failure to pay a delinquent account billed by the Corporation for sewer utility service provided by [Retail Public Utility] pursuant to the Corporation's Agreement with the [Retail Public Utility]. (See Miscellaneous Transaction Forms - Figure 1: 30 TAC 291.85 (e)(2) Appendix A "SEWER BILLING SERVICES FOR A RETAIL PUBLIC UTILITY PROVIDED BY A NON-PROFIT WATER SUPPLY CORPORATION")
- b. **Disconnection Without Notice** -- Water utility service may be disconnected without notice for any of the following conditions:
- 1) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a violation of the Texas Sanitation and Health Protection Law 4477-1, or there is reason to believe a dangerous or hazardous condition exists and the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (Section E. 3. d., E. 24., 30 TAC 290.46 (j));
 - 2) Service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment; and
 - 3) 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 underbilling 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 underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the Inoperative Meters subsection E. 19. 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;
 - 7) In response to a request for disconnection by an Owner/Member of rental property where the renter is billed directly by the Corporation as authorized by the owner, and the renter's account is not scheduled for disconnection under the Rules for Disconnection of Service in this Tariff.
- d. **Disconnection on Holidays and Weekends** -- Unless a dangerous condition exists or the Member requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the Corporation are not available to the public for the purpose of making collections and reconnecting service.
- e. **Disconnection Due to Utility Abandonment** -- The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the Texas Natural Resource Conservation Commission.
- f. **Disconnection for Ill and Disabled** -- The Corporation may not discontinue service to a delinquent residential Member permanently residing in an individually metered dwelling unit when that Member establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a Member seeks to avoid termination of service under this Sub-section, the Member must have the attending physician call or contact the Corporation within sixteen (16) days of issuance of the bill. A written statement must be received by the Corporation from the physician within twenty-six (26) days of the issuance of the utility bill. The prohibition against service termination shall last sixty-three (63) days from the issuance of the utility bill or such lesser period as may be agreed upon by the Corporation and Member's physician. The Member shall enter into a Deferred Payment Agreement (see Miscellaneous Transaction Forms).
- g. **Disconnection of Master-Metered Accounts and Non-Standard Sewer Services** -- 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: (30 TAC SUBCHAPTER H. 291.126)
- 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 at 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 a 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.

16. **Billing Cycle Changes.** The Corporation reserves the right to change its billing cycles if the work load 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.
17. **Back-billing.** The Corporation may back-bill a Member for up to four (4) years (48 months) for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a Member's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service. Back-billing shall not extend beyond current Membership except in cases involving the transfer of a Membership conditioned upon payment of delinquent obligations by the Transferee, as provided in Section E. Sub-Section 6.h.
18. **Disputed Bills.** In the event of a dispute between the Member and the Corporation regarding any bill, the Corporation shall forthwith make and conduct an investigation as shall be 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 except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h.
19. **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 three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.
20. **Bill Adjustment Due To Meter Error.** The Corporation shall test any Member's meter upon written request of the Member. In the event the meter tests within the 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 but not extending beyond current Membership except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Member shall complete a Meter Test Request Form prior to the test. (See Misc. Transaction Forms.)
21. **Meter Tampering and Diversion.** For purposes of these Sections, meter-tampering, by-passing, or diversion shall all be defined as tampering with the Corporation's service equipment, by-passing the same, or other instances of diversion, such as:
 - a. removing a locking or shut-off device used by the Corporation to discontinue service,
 - b. physically disorienting the meter,
 - c. attaching objects to the meter to divert service or to by-pass,
 - d. inserting objects into the meter,
 - e. and other electrical and mechanical means of tampering with, by-passing, or diverting service.The burden of proof of meter-tampering, by-passing, or diversion is on the Corporation. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the Corporation's staff when any action regarding meter-tampering as provided for in these Sections is initiated. A court finding of meter-tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the Corporation shall be prosecuted to the extent allowed by law under the Texas Penal Code 28.03. (Is a Misdemeanor)

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

- a. No transfer of Membership is involved;
- b. An easement for the proposed location has been granted to the Corporation;
- c. The Member pays the actual cost of relocation plus administrative fees, and
- d. Service capacity is available at proposed location.

23. **Prohibition of Multiple Connections To A Single Tap.** 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 (This refers to Section E. 2. c. (4)). Any unauthorized submetering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. If the Corporation has sufficient reason to believe a Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with Notice provisions of this Tariff. (see Sample Application Packet- RUS Form 1942-11 (Rev. 8/96))

24. **Member's Responsibility.**

a. The Member shall provide access to the meter as per 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. (Section E. 3. d.)

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 connections shall be designed to ensure against 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)

2) The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant and shall be a minimum of SDR-26 PVC pipe. (30 TAC 290.46)

3) All pipe and fittings used by the customer to convey sewage from its source to the sewer line must be a minimum of D-3034, SDR-35 or equivalent, 4 inch diameter pipe. No DWV (drain waste and vent) pipe or fittings will be allowed. All joints must be water tight and pipe must be installed to recommended grade. All non-household sewer customers who have potential for dirt, grit, sand, grease, oil, or similar substances must install and maintain a trap ahead of their entrance to the Corporation's sewer collection piping. A double cleanout is required at the property line and recommended at the house. Other site-specific requirements may be imposed by the Corporation. All sewer and potable water service pipeline installations must be a minimum of nine feet apart and meet all applicable plumbing standards for crossings, etc.

Requirements for Traps:

(A) Discharges requiring a trap include but are not limited to:

(i) grease or waste containing grease in amounts that will impede or stop the flow in the public sewers;

(ii) oil, flammable wastes;

(iii) sand, and other harmful ingredients.

- (B) Any person responsible for discharges requiring a trap shall at his own expense and as required by the approving authority:
 - (i) Provide equipment and facilities of a type and capacity approved by the approving authority;
 - (ii) locate the trap in a manner that provides ready and easy accessibility for cleaning and inspection; and
 - (iii) maintain the trap in effective operating condition.

(C) Approving Authority Review and Approval (By the Board of Directors or Agency

- (iv) If pretreatment or control is required, the approving authority shall review and approve design and installation of equipment and processes.
- (v) The design and installation of equipment and processes must conform to all applicable statutes, codes, ordinances and other laws.
- (vi) Any person responsible for discharges requiring pretreatment, flow equalizing or other facilities shall provide and maintain the facilities in effective operating condition at his own expense.

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

- c. A Member owning more than one (1) Membership Certificate 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. 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 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 additional cut-off valve may be installed as a part of the original meter installation by the Corporation.)

25. **Miscellaneous Service Rules.** Unless in direct conflict with any other provision above or any TNRCC rule or Texas Water Code provision governing the subject matter, the following will also apply. In the event of a conflict these rules shall not apply:

- a. All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.
- b. Payment of an account by any means which has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order.
- c. Customers shall not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers must install customer-owned and -maintained cutoff valves on their side of the meter.

- d. All non-residential customers requiring a greater than 1" meter or any customer with irrigation or fire fighting systems, must install backflow prevention devices which have been approved by the utility or its consulting engineers on each of their customer service lines.
- e. Customer shall be liable for any damage or injury to utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others directly under his control.
- f. The utility will have the right of access to the customer's premises at all times reasonable for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.
- g. Threats to utility personnel or other actions which prevent the lawful conduct of utility business on utility property, easements or rights of entry exist may result in discontinuance of utility service until the condition is corrected or the threat is permanently removed.
- h. Threats to or assaults upon utility personnel shall result in criminal prosecution.**
- i. Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other water service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a water main abutting the premises.
- j. No connection shall be allowed which allows water to be returned to the public drinking water supply. No backflow prevention device shall be permitted to be installed in the customer's plumbing without notice to and written permission from the utility. Any backflow prevention devices so installed shall be inspected annually by a licensed backflow prevention device inspector or appropriately licensed plumber and a written report of such inspection delivered to the utility.
- k. No application, agreement or contract for service may be assigned or transferred without the written consent of the utility.
- l. It is agreed and understood that any and all meters, water lines and other equipment furnished by the utility (excepting the customer's individual service lines from the point of connection to customer's structures on customer's premises) are and shall remain the sole property of the utility, and nothing contained herein or in a contract/application for service shall be construed to reflect a sale or transfer of any such meters, lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said water lines and for installation, not purchase, of said meters and lines.
- m. Applicants for service at new consuming facilities or facilities which have undergone extensive plumbing modifications are required to deliver to the Utility a certificate that their facilities have been inspected by a state-licensed inspector and that they are in compliance with all applicable plumbing codes and are free of potential hazards to public health and safety. Service may be denied until the certificate is received or any identified violations or hazards are remedied. The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer to locate and obtain the services of a licensed inspector in a timely manner. When potential sources of contamination are identified which, in the opinion of the inspector or the Utility, require the installation of a state-approved backflow prevention device, such back flow prevention device shall be installed on the customer's service line or

- other necessary plumbing facilities by an appropriately licensed plumber/back flow prevention device specialist at the customer's expense. The backflow prevention device shall be maintained by the customer at his expense and inspected annually by a licensed inspector. Copies of the annual inspection report must be provided to the Utility. Failure to comply with this requirement may constitute grounds for termination of water service with notice.
- n. All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply. Access to meters and cutoff valves shall be controlled by the provisions of 30 TAC 291.89(c).
 - o. Service applicants may be required to comply with any pre-condition to receiving service not printed herein as may exist under TNRCC rule (customer service, health and safety, water conservation, or environmental), USEPA rule, TWDB rule, local water or conservation district rule or health department rule. Existing customer shall be required to comply with such rules, including modification of their plumbing and/or consumption patterns, after notice.**
 - p. Members wanting to keep their personal information confidential will have to complete a Confidentiality Request Form. These forms are included in all new membership packets and can be requested at the office anytime during normal working hours (8am – 4pm Mon-Fri)

Tariff

OF

**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

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

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

1. ***Corporation's Limitations.*** All Applicants shall recognize that the Corporation must comply with local, state, and federal rules and regulations as promulgated from time to time, and by covenants of current indebtedness. The Corporation is not required to extend retail utility service to an applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this policy. 13.2502 of the Texas Water Code requires that notice be given herein or by publication (See Miscellaneous Transaction Forms) or by alternative means to the Developers/Applicants. (also see Section F. 11.)
2. ***Purpose.*** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard.
3. ***Application of Rules.*** This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.
4. ***Non-Standard Service Application.*** The Applicant shall meet the following requirements prior to the initiation of a Service Contract by the Corporation:
 - a. The Applicant shall provide the Corporation a completed Service Application And Agreement giving special attention to the item on SPECIAL SERVICE NEEDS OF THE APPLICANT.
 - b. A final plat approved by the Corporation must accompany the Application showing the Applicant's requested service area. The plat must be approved by all regulatory authorities having jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such regulatory authorities shall be submitted with the plat. Applicant's 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.
 - c. At the time the Applicant submits the Application, a Non-Standard Service Investigation Fee (See Section G) to cover initial administrative, legal, and engineering fees shall be paid to the Corporation. The balance of actual expenses shall be refundable to the Applicant and any additional expenses incurred as a result of efforts by the Corporation to study service requirements of the Applicant shall be paid by the Applicant.
 - d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property outside the area dedicated in the Corporation's Certificate of Convenience and Necessity, service may be extended provided that:
 - 1) The service location is contiguous to or within one-fourth (1/4) mile of the Corporation's Certificated Service Area;
 - 2) The service location is not in an area receiving similar service from another utility; and
 - 3) The service location is not within another utility's Certificate of Convenience and Necessity.

5. **Design.** The Corporation shall study the design requirements of the Applicant's required facilities prior to initiation of a Service Agreement by adopting the following schedule:
 - a. The Corporation's Consulting Engineer shall design all service facilities for the Applicant's requested service within the Corporation's specifications or within certain codes and specifications of neighboring municipalities for all Non-Standard Service Applications which lie within the enforced extra territorial jurisdiction of a municipality.
 - b. The Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee, provided the actual costs of the Engineer's services do not exceed the amount of the Non-Standard Service Investigation Fee allotted for engineering services. If the Applicant's services exceed the allotted fee, the Applicant shall pay the balance of engineering fees prior to commencing with the service investigation.
 - c. The Consulting Engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.
 - d. If no local authority imposes other design criteria on the Applicant's service request, the Corporation's Engineer shall design all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands, provided however, that the Corporation pays the expense of such upgrading above the Applicant's facility requirements.

6. **Non-Standard Service Contract.** All Applicants requesting or requiring Non-Standard Service shall enter into a written contract, drawn up by the Corporation's Attorney, in addition to submitting the Corporation's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to:
 - a. All costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid.
 - b. 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 (Front-end Capital Contributions) required by the Corporation in addition to the other costs required under this Section.
 - d. Monthly Reserved Service Charges as applicable to the service request.
 - e. Terms by which reserved service shall be provided to the Applicant and duration of reserved service with respect to the impact the Applicant's service request will have upon the Corporation's system capability to meet other service requests.
 - f. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Equity Buy In Fees.
 - g. Terms by which the Corporation shall administer the Applicant's project with respect to:
 - 1) Design of the Applicant's service facilities;
 - 2) Securing and qualifying bids;
 - 3) Execution of the Service Agreement;
 - 4) Selection of a qualified bidder for 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.
 - h. Terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuit in connection with the project contemplated.

- i. Terms by which the Applicant shall deed all constructed facilities to the Corporation and by which the Corporation shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.
 - j. Terms by which the Applicant shall grant title or easement for right-of-ways, constructed facilities, and facility sites and/or terms by which the Applicant shall provide for the securing of required right-of-ways and sites.
 - k. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.
7. ***Property and Right-of-Way Acquisition.*** With regard to construction of facilities, the Corporation shall require private right-of-way easements or private property 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 Corporation shall require the Applicant make good faith efforts to secure easements or 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. (see Sample Application Packet RUS Form 442-8 or 442-9)
 - b. All facilities required to be installed in public right-of-ways in behalf of the Applicant, due to inability to secure private right-of-way easements, shall be subject to costs equal to the original cost of facility installation for those facilities in public right-of-ways, plus the estimated cost of future relocation to private right-of-ways or subject to the cost of installation under state condemnation procedures, whichever is most desired by the Applicant.
 - c. The Corporation shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to property required for other on-site facilities.
 - d. Easements and facilities sites shall be prepared for the construction of the Corporation's pipeline and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.
8. ***Bids For Construction.*** The Corporation's Consulting Engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge, to prospective bidders. Although the Corporation reserves the right to reject any bid or contractor, the Corporation shall generally award the contract to the lowest and best bidder in accordance with the following criteria:
- a. The Applicant shall sign the Service Contract noting 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, and
 - f. The Contractor shall provide adequate certificates of insurance as required by the Corporation.
9. ***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 Service Contract.

10. **Construction.**
 - a. All road work pursuant to county and/or municipal standards (if 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, road sleeves 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 that Corporation standards are achieved.
 - c. Construction plans and specifications shall be strictly adhered to, but the Corporation reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

11. **Service Within Subdivisions** -- The Corporation's objective to provide service to any customer located within a subdivision governed by this section is strictly limited to the non-standard service specified by the Applicant. The purchaser of any lots who do not receive service because this service has not been specified or paid for by the Applicant shall have no recourse to the Corporation but may have recourse to the Applicant/Developer.

Tariff

OF

**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

SECTION G. RATES AND SERVICE FEES

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 office. 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 before service shall be provided or reserved for the Applicant by the Corporation.
 - a. The Membership Fee for water service is \$100.00 for each service unit.
 - b. The Membership Fee for wastewater service is \$100.00 for each service unit.
 - c. Members who paid a less membership fee to Holiday Beach WSC or Copano WSC prior to the acquisition of the water system from Baumgart Water Supply Corporation shall have their membership fee grandfathered at the \$50 per membership level actually paid. Future memberships or reinstatement after loss or surrender of a grandfathered membership shall be charged a fee of \$100.00.
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. (see Section E. 2. c. (2), Section F. 7. a.)
4. ***Installation Fee.*** The Corporation shall charge an installation fee for service as follows:
 - a. **Standard Service** shall include all current labor, materials, engineering, legal, customer service inspection, and administrative costs necessary to provide individual metered water or wastewater service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.
 - b. **Non-Standard Service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, 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.1.c.(6) of this Tariff.

Holiday Beach WSC's installation fee is \$325.00 for a 5/8" x 3/4" meter.

- 5. **Capital Recovery Fee.** In addition to the Membership Fee, each Applicant shall be required to pay an amount projected to defray the costs of expanding the system facilities to replace capacity lost to meet new service requests. A service applicant at a location where service has never been provided is required to pay the Capital Recovery Fee. The only time this fee can be collected is when the first service application is made. Once this Fee is charged on a tract on which a meter is set, it cannot be charged on that tract again. This fee shall be assessed immediately prior to providing or reserving service on a per service unit basis for each tap/lot and shall be assigned and restricted to the tap/lot for which the service was originally requested. The amount of the fee shall be set by the Board of Directors for 5/8" X 3/4" meters and shall be grossed up for larger meters by the meter equivalency factors set forth in the Section 6 below:

Holiday Beach WSC's capital recovery fee is \$3,000 for a 5/8" X 3/4" meter.

- 6. **Monthly Charges.**

- a. **Service Availability Charge**

- (1) Water Service - the monthly charge for metered water service is based on demand by meter size. Each charge is assessed based on the number of 5/8" X 3/4" meters (as per American Water Works Association maximum continuous flow specifications (see Miscellaneous) equivalent to the size indicated and is used as a base multiplier for the Service Availability Charge and allowable gallonage. Rates and equivalents are as follows:

RESIDENTIAL CUSTOMERS:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$ 43.00
3/4"	1.5	\$ 47.00
1"	2.5	\$ 67.00
1 1/2"	5.0	\$ 117.00
2"	8.0	\$ 177.00
3" DISP.	9.0	\$ 197.00
3" CMPD.	16.0	\$ 337.00
3" TURB.	17.5	\$ 347.00
4" CMPD.	25.0	\$ 517.00
4" TURB.	30.0	\$ 617.00
6" CMPD.	50.0	\$ 1017.00
6" TURB.	62.5	\$ 1267.00
8" CMPD.	80.0	\$ 1617.00

NON-RESIDENTIAL CUSTOMERS:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$ 51.00
3/4"	1.5	\$ 59.00
1"	2.5	\$ 87.00
1 1/2"	5.0	\$ 157.00
2"	8.0	\$ 241.00
3" DISP.	9.0	\$ 270.00
3" CMPD.	16.0	\$ 465.00
3" TURB.	17.5	\$ 507.00
4" CMPD.	25.0	\$ 717.00
4" TURB.	30.0	\$ 857.00
6" CMPD.	50.0	\$ 1417.00
6" TURB.	62.5	\$ 1767.00
8" CMPD.	80.0	\$ 2257.00

Customers (residential or non-residential) receiving service at the time of acquisition of the water system from Baumgart Water Supply Corporation who have not already paid a \$100.00 membership fee and who are not grandfather above shall be charged a surcharge of \$10.00 per month until the full membership fee has been collected. Such customers shall be given credit for any other payments they may have made towards their membership fee which was collected by Holiday Beach WSC.

- b. **Reserved Service Charges** -- The monthly charge for each active account at a specific location for which a meter has not been installed but for which the Corporation and the Applicant have entered into agreement and/or contract for reserved service. This monthly charge shall be based on the Corporation's fixed costs to service the Applicant's dedicated facilities on a per Service Unit basis. This charge reserves service to the Applicant's real estate 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.
 - c. **Gallonge Charge** - In addition to the Service Availability Charge, a gallonge charge shall be added at the following rates for usage during any one (1) billing period.
 - (1) Water- Residential Customers - \$2.25 per 1,000 gallons for 0 to 8,000 gallons; 8,001 and up - \$8.00 per 1,000 gallons..
 - (2) Water - Non-Residential Customers - \$2.45 per 1,000 gallons for 0 to 8,000 gallons, 8,001 and up - \$8.20 per 1,000 gallons.
 - (3) The Corporation shall, as required by Section 5.235, Water Code of the State of Texas, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water or wastewater 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. (30 TAC 291.76 d.(3) (i))
7. **Late Payment Fee.** Once per billing period, a penalty of \$15.00 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.

8. **Owner Notification Fee.** The Corporation may, at the expense of the Member, notify said Member of a renter/lessee delinquent account status prior to disconnection of service. The Owner Notification Fee shall be \$5.00 per notification. (See Miscellaneous Transaction Forms.)
9. **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. (See Miscellaneous Transaction Forms.)
10. **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 \$25.00. (See Miscellaneous Transaction Forms). If two or more checks are returned within any twelve-month period, the customer shall be required to make future payments in cash or by money order for a period of twelve months.
11. **Reconnect Fee.** The Corporation shall charge a fee of \$50.00 for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in this Tariff except for activation of service under Section E.3.b. Re-Service and seasonal reconnections.

Seasonal Reconnect Fee. If a customer voluntarily terminates their service or fails to restore it within 45 days after disconnection for other causes and seeks to restore that service at the same location within 12 months of the initial termination, the customer shall be required to pay a service fee equal to the Service Availability Charge above for their meter size and customer class for each month their service was inactive, not to exceed six months. If the service is inactive for more than 12 months and the same customer seeks to restore that same service at the same location, they shall pay the standard reconnect fee of only \$25.00. For purposes of this tariff, the customer shall be deemed to be the same person or entity if they are a beneficial recipient of the utility service even if the request for service is in the name of another individual. Example: If Customer A. Jones has his service terminated for non-payment for more than 45 days and a relative of A. Jones seeks to have the service restored without paying the seasonal reconnect fee, if Customer A. Jones resides at, leases for compensation or other wise benefits from restored utility service to the same premises, the seasonal reconnect fee shall be charged. Falsification of a service application or other information provided to the Corporation concerning the beneficial recipients of utility service shall be grounds for termination or refusal of service.
12. **Service Trip Fee.** The Corporation shall charge a trip fee of \$25.00 for any service call or trip to the Member's tap as a result of a request by the Member or resident (unless the service call is in response to damage of the Corporation's or another Member's facilities) or for the purpose of disconnecting or collecting payment for services.
13. **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. 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.

14. **Customer History Report Fee.** A fee of \$10.00 shall be charged to provide a copy of the Member's record of past water purchases in response to a Member's request for such a record. If the Member has a *bone fide* billing dispute with the Corporation which may be resolved by the production of a Customer History Report, no charge will be made for the first report. The fee shall apply to all subsequent reports.
15. **Meter Test Fee.** The Corporation shall test a Member's meter upon written request of the Member. Under the terms of Section E of this Tariff, a charge of the greater of \$25.00 or the invoiced cost of making the test shall be imposed on the affected account.
16. **Transfer Fee.** An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of \$25.00. A transfer fee shall apply whenever a new account is activated but service was never terminated at the meter.
17. **Membership Certificate Copy Fee.** A fee of \$5.00 will be charged to provide a duplicate copy of the Membership Certificate.
18. **Non-Disclosure Fee.** A fee of \$5.00 may be assessed any customer requesting in writing that personal information under the terms of this tariff not be disclosed to the public.
19. **Information Disclosure Fee.** All public information except that which has been individually requested as confidential shall be available to the public for a fee to be determined by the Corporation based on the level of service and costs to provide such information, but not to be inconsistent with the terms of the Texas Open Records Act: Chapter 552, Texas Government Code.
20. **Customer Service Inspection Fee.** The Corporation will not perform customer service inspections on applicants' or members' properties. These inspections are required to be performed by licensed customer service inspectors. It shall be the applicant's or member's responsibility to have the inspection performed by the licensed inspector of their choice. No permanent potable water service, or continue service if an inspection is required of existing plumbing, will be provided until the required certificate is delivered to the Corporation. A temporary service agreement for non-potable water may be obtained to provide a supply of water for construction purposes only. Use of the temporary water supply for human consumption or occupancy of the premises without a completed certificate being delivered to the Corporation shall be grounds for immediate termination of service.
21. **Franchise collection fee.** A fee of \$0.00 will be collected from customers located inside the corporate limits of a city that imposes a franchise tax.
22. **Other Fees.** All services outside the normal scope of utility operations which the Corporation may be compelled to provide at the request of a customer or Member shall be charged to the recipient based on the cost of providing such service.

Tariff

OF

**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

SECTION H.

**EMERGENCY WATER DEMAND MANAGEMENT PLAN
AND EMERGENCY RATIONING PROGRAM**

SECTION H. **EMERGENCY WATER DEMAND MANAGEMENT PLAN** **AND EMERGENCY RATIONING PROGRAM**

A. INTRODUCTION

The goal of this plan is to cause a reduction in water use in response to 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 rationing program.

A Conservation Committee consisting of two Board Members and the System Manager will monitor usage patterns, public education efforts and make recommendations to the Board on future conservation efforts. The Committee will develop public awareness notices, bill stuffers, 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 an emergency. This Committee will review and evaluate any needed amendments or major changes due to changes in the 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 three stages of rationing as imposed by the Board. The next section describes the conditions which will trigger these stages.

B. TRIGGER CONDITIONS

1. **Stage I - Mild Condition:** Stage I may be implemented when one or more of the following conditions exist:
 - a. Water consumption has reached 80 percent of daily maximum supply for three (3) consecutive days.
 - b. Water supply is reduced to a level that is only 20 percent greater than the average consumption for the previous month.
 - c. There is an extended period (at least eight (8) weeks) of low rainfall and daily use has risen 20 percent above the use for the same period during the previous year.
2. **Stage II - Moderate Conditions:** Stage II rationing condition may be implemented when one of the following conditions exist:
 - a. Water consumption has reached 90 percent of the amount available for three consecutive days.
 - b. The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days or as may otherwise be indicated in the Corporation's approved drought management plan.
3. **Stage III - Severe Conditions:** Stage III rationing conditions may be implemented when one of the following four conditions exist:
 - a. Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 PSI for a period of 24 hours or longer.
 - b. Water consumption of 95 percent or more of the maximum available for three (3) consecutive days.
 - c. Water consumption of 100 percent of the maximum available and the water storage levels in the system drop during one 24-hour period.
 - d. Other unforeseen events which could cause imminent health or safety risks to the public.

C. STAGE LEVELS OF RATIONING

The stage levels of rationing are to be placed in effect by the triggers in Section B. The System shall institute monitoring and enforce penalties for violations of the Rationing Program for each of the Stages listed below. The rationing measures are summarized below.

1. Stage I - Mild Conditions

- a. Alternate day, time of day, or limiting of time restrictions for outside water usage allowed. (System will notify Customers which restriction is in effect)
- b. The system should reduce flushing operations.
- c. Encourage reduction of water use through the notice on bills or other method.

2. Stage II - Moderate Conditions

- a. All outside water use is prohibited (except for livestock).
- b. Make public service announcements as conditions change via local media (TV, radio, newspapers, etc.).

3. Stage III - Severe Conditions

- a. All outside watering prohibited and the system may also prohibit livestock watering by notice.
- b. Water use will be restricted to a percentage of each member's prior months usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
- c. Corporation shall continue enforcement and educational efforts.

NOTE :

- (1) Refer to your water purchase contract for additional restrictions/requirements that may be imposed by stipulations from the wholesale supplier.
- (2) There may be additional restrictions imposed by Governmental Entities.
- (3) Meters will be read as often as necessary to insure compliance with this program for the benefit of all the customers.

D. INITIATION AND TERMINATION PROCEDURES

Once a trigger condition occurs, the Corporation, or its designated responsible representative, shall, based on recommendation from the Chairperson of the Conservation Committee, decide if the appropriate stage of rationing 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 rationing is to be instituted, written notice to the customers shall be given.

Written notice of the proposed rationing shall be mailed or delivered to each affected customer, and placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:

- 1. The date rationing shall begin,
- 2. The expected duration,
- 3. The stage (level) of rationing to be employed,
- 4. Penalty for violations of the rationing program, and
- 5. Affected area to be rationed.

A sample Customer Notice of rationing condition is included in Miscellaneous Transaction Forms of this tariff.

If the rationing period extends 30 days then the Chairperson of the Conservation Committee or manager shall present the reasons for the rationing at the next scheduled Board Meeting and shall request the concurrence of the Board to extend the rationing period.

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

E. PENALTIES FOR VIOLATIONS

For the first violation of a rationing provision a written warning shall be issued. The Corporation may install a flow restrictor in the customer's service line for the second violation. The cost of this shall be the actual cost to do the work and not exceed \$75.00 .

For subsequent violations, the Corporation may terminate service for up to 7 days and charge for the service call to restore service. These provisions apply to all customers of the Corporation.

F. EXEMPTIONS OR WAIVERS

The System may grant exemptions or waivers for individuals that can demonstrate just cause for outside or other use of water other than permitted by this Rationing Program. Some examples may include no other source for livestock, for business purposes, for other planned construction or improvement already in progress, etc.

G. IMPLEMENTATION

The Board shall establish a Conservation Committee by Resolution, the chairperson, of which, will be the responsible representative to make Emergency Water Management actions. This committee should also review the procedures in this plan annually so that modifications can be made to accommodate system growth.

The provisions which affect customers in this Plan were adopted by the Board. These procedures will be put into effect by the Board or its designated representative.

Tariff

OF

**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

SAMPLE APPLICATION PACKET

HOLIDAY BEACH WATER SUPPLY CORP.

P.O. BOX 807, FULTON, TX 78358-0807

PHONE: 361-729-0538 FAX: 361-729-0584 EMAIL: water@hbwsc.com

David Gill – President

Neil Adams – Vice President
Owen F. Jensen III – Sec/Treas
Ken Ballard – Director

Ben Gray – Director
Jim Hendry - Director
Joe Davis - Director

USDA Form RUS-TX 1942-11 (8/96)

WATER SUPPLY CORPORATION SERVICE APPLICATION AND AGREEMENT

Please Print:

DATE: _____

APPLICANT'S NAME: _____

CO-APPLICANT'S NAME: _____

HOLIDAY BEACH ADDRESS: _____

BILLING ADDRESS: _____

_PHONE: Home _____ Work _____ Cell

E-MAIL ADDRESS: _____

DRIVER'S LICENSE NUMBER OF APPLICANT: _____

PREVIOUS OWNER'S NAME: _____

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY.

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

White Hispanic or Latino Black or African American American Indian or Alaskan Native Asian Native Hawaiian or Pacific Islander

EQUAL OPPORTUNITY PROGRAM

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

The Member shall pay the Corporation for service hereunder as determined by the Corporation's tariff and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which Member acknowledges receipt hereof by execution of this agreement. A copy of this agreement shall be executed before service may be provided to the Applicant.

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

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

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

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

For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fees. All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or wastewater connection 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 transfer utility service from one property to another, to share, resell, or sub meter water to any other persons, dwellings, businesses, or property, etc., is prohibited.

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

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

- a. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices must be in compliance with state plumbing codes.
- b. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an air gap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.
- c. No connection which allows condensing, cooling or industrial process water to be returned to the public drinking water supply is permitted.
- d. No pipe or pipe fitting which contains more than 8.0 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- e. No solder or flux which contains more than 0.2 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- f. No plumbing fixture is installed which is not in compliance with a state-approved plumbing code.

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises are connected to the public water system. The Member shall allow his property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours.

The Corporation shall notify the Member in writing of any cross-connections or other undesirable plumbing practices which have been identified during the initial or subsequent

inspection. The Member shall immediately correct any undesirable plumbing practice on their premises. The Member shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation as required. Failure to comply with the terms of this service agreement shall cause the Corporation to either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Member.

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

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

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

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

By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

AGREEMENT made this ____ day of _____, 20____, between Holiday Beach Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the corporation) and _____, (hereinafter called the Applicant and/or Member).

Applicant Signature _____ Date _____

HOLIDAY BEACH WATER SUPPLY CORP.

P.O. BOX 807, FULTON, TX 78358-0807

PHONE: 361-729-0538 FAX: 361-729-0584 EMAIL: water@hbwsc.com

David Gill – President

Neil Adams – Vice President

Owen F. Jensen III – Sec/Treas

Ken Ballard – Director

Ben Gray – Director

Jim Hendry - Director

Joe Davis - Director

MEMBERSHIP APPLICATION

Please Print

Date: _____

Applicant's Name: _____

Holiday Beach Address: _____

Home

Phone: _____ Cell: _____ Work: _____

Billing Address: _____

City, State, Zip: _____

E-Mail: _____

I hereby submit my membership fee of \$100.00 to Holiday Beach Water Supply Corp. to become a duly charged member.

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

I hereby agree to all the terms and conditions as set forth in the By-Laws, copy furnished upon request, and the revised Payment Tariff, copy furnished upon request.

I hereby conditionally accept these conditions and do here indicate my duly authorized signature listed below and my payment of said membership fee of \$100.00.

Property Owner's Signature

Date

H.B.W.S.C. use only

Date Rec'd: _____ Amount: _____

Ck#, M.O., Cash: _____

Note: _____

**UNITED STATES DEPARTMENT OF AGRICULTURE
Farmers Home Administration**

**RIGHT OF WAY EASEMENT
(Location of Easement Required)**

KNOW ALL MEN BY THESE PRESENTS, That _____, (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Holiday Beach Water Supply Corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install and lay and thereafter use, operate, inspect, repair, maintain, replace, and remove over and across _____ acres of land, more particularly described in instrument recorded in Vol. _____, Page _____, Deed Records, Aransas County, Texas, together with the right of ingress and egress over Grantors' adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed 15' in width, the centerline thereof to be located across said land as follows:

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein, and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above-described lands and that said lands are free and clear of all encumbrances and liens except the following:

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

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day of _____, 19____.

Grantor

Grantor

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF _____

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the person(s) whose name(s) is (are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE _____ day of _____, 19____.

SEAL

Notary Public in and for the State of Texas
Commission expires: _____

UNITED STATES DEPARTMENT OF AGRICULTURE
Farmers Home Administration

RIGHT OF WAY EASEMENT
(General Type Easement)

KNOW ALL MEN BY THESE PRESENTS, that _____ (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Holiday Beach Water Supply Corporation, a Texas non-profit water supply and sewer service corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install, and lay and thereafter use, operate, inspect, repair, maintain, replace, and remove water distribution lines and appurtenances over and across _____ acres of land, more particularly described in instrument recorded in Vol. _____, Page _____, Deed Records, Aransas County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed 15' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 15' in width the center line thereof being the pipeline as installed.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 15' in width the center line thereof being the pipeline as relocated.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantor's premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above-described land and that said lands are free and clear of all encumbrances and liens except the following:

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

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day of _____, 19____.

_____, Grantor

_____, Grantor

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF _____.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the person(s) whose name(s) is (are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE _____ day of _____, 19____.

SEAL

Notary Public in and for the State of Texas

Print name: _____

Commission expires: _____

NON-STANDARD SERVICE AGREEMENT

THE STATE OF TEXAS
COUNTY OF ARANSAS

THIS AGREEMENT is made and entered into by and between _____, hereinafter referred to as "Developer", and Holiday Beach Water Supply Corporation, hereinafter referred to as "WSC".

WHEREAS, Developer is engaged in developing that certain _____ acres of land in Aransas, County, Texas, more particularly known as the _____ subdivision, according to the plat thereof recorded at Vol. _____, Page _____ of the Plat Records of Aransas County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, WSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, Developer has requested WSC to provide such water service to the Property through an extension of WSC's water system, such extension being hereinafter referred to as "the Water System Extension";

NOW THEREFORE: KNOW ALL MEN BY THESE PRESENTS: THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and WSC agree as follows:

1. **Engineering and Design of the Water System Extension.**

- (a) The Water System Extension shall be engineered and designed by a Texas Registered Professional Engineer in accordance with the applicable specifications of the WSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by WSC's consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by the WSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the property based on plans for the development of the Property based on plans for the development of the Property provided to WSC by the Developer. WSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of the WSC, subject to the obligation to reimburse the Developer for any such oversizing as provided below.

2. **Required Easements or Rights-of-Way.**

- (a) Developer shall be responsible for dedicating or acquiring any easements across privately owned land, which are necessary for the construction of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water System Extension in public right-of-way.

- (b) Any easements acquired by the Developer shall be assigned to WSC upon proper completion of the construction of the Water System Extension. The validity of the legal instruments by which the Developer acquires any such easements and by which Developer assigns such easements to WSC must be approved by WSC's attorney.

3. **Construction of the Water System Extension.**

- a) Developer shall advertise for bids for the construction of the Water System Extension in accordance with generally accepted bidding practices and shall award the contract for the construction of the Water System Extension subject to the approval of the WSC. WSC may reject any bid.
- b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. WSC shall have the right to inspect all phases of the construction of the Water System Extension. Developer must give written notice to WSC of the date on which construction is scheduled to begin so that WSC may assign an inspector. WSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

4. **Dedication of Water System Extension to WSC.**

Upon proper completion of construction of the Water System Extension and final inspection thereof by WSC, the Water System Extension shall be dedicated to the WSC by an appropriate legal instrument approved by WSC's Attorney. The Water System Extension shall thereafter be owned and maintained by WSC.

5. **Subdivision Restrictions.**

Developer shall create and enforce subdivisions deed, plat or other restrictions and/or covenants running with the land which shall prohibit the construction of private potable water systems or water wells within the subdivision. These prohibitions need not apply to non-potable water sources used for irrigation purposes only if they do not encroach on or in any way hazard the WSC's source of water. No interconnection between a private water supply and the WSC's water supply may be constructed or maintained except in strict conformance with applicable state or federal health, safety, environmental or utility regulations.

6. **Cost of the Water System Extension.**

- (a) Developer shall pay all costs associated with the Water System Extension as a contribution in aid of construction, including without limitation to the cost of the following:
 - (1) engineering and design;
 - (2) easement or right -of-way acquisition;
 - (3) construction;
 - (4) inspection;
 - (5) attorneys' fees;
 - (6) governmental or regulatory approvals required to lawfully provide service.
- (b) Developer shall indemnify WSC and hold WSC harmless from all of the foregoing costs.

- (c) Provided, however, nothing herein shall be construed as obligating the Developer to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by WSC.
- (d) If WSC has required the Water System Extension to be oversized in anticipation of the needs of the other customers of WSC, WSC shall reimburse Developer for the additional costs of construction attributable to the oversizing, as determined by the WSC's consulting engineer, in three annual installments without interest beginning one year after dedication of the Water System Extension to WSC.

7. **Service From the Water System Extension.**

- (a) After proper completion and dedication of the Water System Extension to WSC, WSC shall provide continuous and adequate water service to the Property, subject to all duly adopted rules and regulations of WSC and the payment of the following:
 - (1) All standard rates, fees and charges as reflected in WSC's approved tariff;
 - (2) Any applicable impact fee adopted by WSC;
 - (3) Any applicable reserved service charge adopted by WSC.
- (b) It is understood and agreed by the parties that the obligation of WSC to provide water service in the manner contemplated by this Agreement is subject to the issuance by the Texas Natural Resource Conservation Commission and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (c) Unless the prior approval of WSC is obtained, the Developer shall not:
 - (1) construct or install additional water lines or facilities to service areas outside the Property;
 - (2) add any additional lands to the Property for which water service is to be provided pursuant to this agreement; or
 - (3) connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

8. **Effect of Force Majeure.**

In the event either party is rendered unable by force majeure to carry out any of its obligations under this

Agreement, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to

the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

9. **Notices.**

Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to the WSC shall be addressed:

Any notice mailed to Developer shall be addressed:

Either party may change the address for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

10. **Severability.**

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

11. **Entire Agreement.**

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

12. **Amendment.**

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of the WSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

13. **Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Aransas County, Texas.

14. **Venue.**

Venue for any suit arising hereunder shall be in Aransas County, Texas.

15. **Successors and Assigns.**

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

16. **Assignability.**

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of the WSC.

17. **Effective Date.**

This Agreement shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

"WSC"

DEVELOPER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

AGREEMENT FOR TEMPORARY, NON-POTABLE CONSTRUCTION WATER SERVICE

The water utility service applicant indicated below (“Customer”) has applied for water utility service from Holiday Beach Water Supply Corporation (“Utility”) at the service location indicated below. Under state public health and water utility service regulations [30 TAC 290.46(j)], Utility may not provide continuous potable water utility service to any new construction, to any existing service location where significant plumbing modifications have been made, or to any location where Utility has reason to believe that a cross-connection or other undesirable or unsafe condition exists until the service applicant or customer presents Utility with an executed Customer Service Inspection Certificate (30 TAC 290.47-Appendix D). It is Customer’s sole obligation and responsibility, at his/her expense, to have the necessary inspection performed by a properly licensed inspector. Neither Utility nor its operators perform customer service inspections.

Notwithstanding this inspection requirement before permanent water service can be provided, Utility is allowed to provide Customer with temporary, non-potable water service for construction purposes only. Utility agrees to provide such temporary construction water service at its standard rates and conditions of service upon Customer’s agreement that:

- 1. The water service provided will be used for construction or landscaping purposes only.**
- 2. The water provided will not be consumed by humans or animals.**
- 3. Customer will notify Utility in writing when to initiate the temporary construction service.**
- 4. Customer will notify Utility in writing when construction at the indicated service location has ended,**
- 5. Customer agrees not to occupy or reside in the indicated service location until Customer has delivered a fully executed Customer Service Inspection Certificate to Utility.**

If Customer fails to abide by any provision of this agreement, water service to the indicated service location will be terminated and will not be restored under any circumstances until a fully executed Customer Service Inspection Certificate has been delivered to Utility. Termination will be made without notice if, in the opinion of Utility’s licensed operator(s), Customer’s service creates an immediate hazard to public health and safety. If no such hazard exists, Customer shall be notified and given a limited time to come into compliance. Utility’s state-approved reconnect fee will be charged as a condition of service restoration if temporary water service is terminated for breach of this agreement.

1. Customer name: _____
2. Customer’s billing address: _____

3. Customers phone number: (____) _____-_____

4. Service location: _____

Subdivision: _____

Entered into in _____ County, Texas on the ____ day of _____,
19__.

Customer:

BY: _____

Holiday Beach Water Supply Corporation:

BY: _____

Tariff

OF

**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

MISCELLANEOUS TRANSACTION FORMS

ALTERNATE BILLING AGREEMENT FOR RENTAL ACCOUNTS

NAME: _____

METER #: _____

ADDRESS: _____

ACCT #: _____

I hereby authorize Holiday Beach Water Supply Corporation to send all billings on my account to the person(s) and address below until further written notice:

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

I also understand that I am responsible to see that this account balance is kept current, as is any other account in the Corporation. This account shall not be reinstated until all debt on the account has been retired.

Signature _____

Date _____

LAW EFFECTS CONFIDENTIALITY OF UTILITY RECORDS

The Texas Legislature passed H.B. 859 to allow various utilities to maintain confidentiality of certain records at the request of the customer. Effective September 1, 1993, H.B. 859 provides that a government operated utility which provides water, sewer, garbage, gas, or electricity for compensation, may not disclose personal information in a customer's account records if the customer requests in writing that the utility keep the information confidential. The utility is required to include with a bill sent to each of its customers a notice of the customer's right to request confidentiality of personal information as well as any applicable fee or form required to comply with such requests. Personal information means an individual's address, telephone number, or social security number. This bill applies to WSC's, cities, districts and all governmental bodies who are subject to the Open Records Act.

Such confidentiality does not prohibit a WSC from disclosing the name and address of each member on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with any annual or special meeting of the Corporation's members.

The attached forms are designed for your use and may be copied, customized to your utility's needs, and mailed to each customer as required by law. Note the following instructions:

Form is for use by water supply corporations.
Type your address in the appropriate spaces.
Fill in the charge for the service (not to exceed \$5.00).

**YOU CAN REQUEST THAT PERSONAL INFORMATION
CONTAINED IN OUR UTILITY RECORDS
NOT BE RELEASED TO UNAUTHORIZED PERSONS**

The Texas Legislature enacted a bill, effective September 1, 1993, allowing publicly owned utilities to give their customers the option of making the customer's address, telephone number, and social security number confidential.

IS THERE A CHARGE FOR THIS SERVICE?

Yes. There is a one-time charge of \$5.00 to cover the cost of postage and implementation which must be paid at the time of request.

HOW CAN YOU REQUEST THIS?

Simply complete the form at the bottom of this page and return it with your check or money order for \$5.00 to:

Holiday Beach Water Supply Corporation
P. O. Box 807
Fulton, Texas 78358-0824

Your response is not necessary if you do not want this service.

WE MUST STILL PROVIDE THIS INFORMATION UNDER LAW TO CERTAIN PERSONS.

We must still provide this information to (1) an official or employee of the state or a political subdivision of the state, or the federal government acting in an official capacity; (2) an employee of a utility acting in connection with the employee's duties; (3) a consumer reporting agency; (4) a contractor or subcontractor approved by and providing services to the utility or to the state, a political subdivision of the state, the federal government, or an agency of the state or federal government; (5) a person for whom the customer has contractually waived confidentiality for personal information; or (6) another entity that provides water, wastewater, sewer, gas, electricity, or drainage service for compensation.

Detach and Return This Section

Yes, I want you to make my personal information (address, telephone number, and social security number) confidential. I have enclosed my payment of \$5.00 for this service.

Name of Account Holder

Account Number

Address

Area Code/Telephone Number

City, State, Zip Code

Signature

CUSTOMER NOTICE OF WATER RATIONING

DATE: _____

TO: Customers of Holiday Beach Water Supply Corporation

FROM: _____, President, Holiday Beach WSC

Due to extreme water usage during the past weeks our system is unable to meet the demand of all water needs. Therefore, under our Emergency Water Rationing Program on file with the Texas Natural Resource Conservation Commission, Stage ____ - _____ Rationing will begin on _____ and will be in effect no later than _____ or until the situation improves.

Stage ____ rationing allows:

_____.

The Board has authorized the installation of a flow restrictor in your line if you are found violating these rules. Subsequent violations may result in temporary termination of service. If you feel you have good cause for a variance from this rationing program please contact us in writing at the address above. A complete copy of our approved Rationing Program is available for review at our business office.

Thank you for your cooperation.

**HOLIDAY BEACH WSC
DEFERRED PAYMENT AGREEMENT**

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

Member agrees to pay \$ _____ per month, in addition to current monthly water utility service rates, fees, and charges, as set forth in the Corporation's Tariff, until the account is paid in full. Any fees normally assessed by the corporation on any unpaid balance shall apply to the declining unpaid balance.

Failure to fulfill the terms of this Agreement shall institute the Corporation's disconnection procedures as set forth in the Corporation's Tariff unless other satisfactory arrangements are made by the Member and approved by the Corporation's authorized representative.

Member

Date

Holiday Beach WSC Authorized Representative

**HOLIDAY BEACH WATER SUPPLY CORPORATION
INSTALLMENT AGREEMENT**

AN AGREEMENT made this ____ day of _____, 19____, between Holiday Beach Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the Corporation) and _____, (hereinafter called the Applicant and/or Member).

By execution of this Agreement, the undersigned Member agrees to payment of outstanding debt for water utility service rates, fees, and charges, as set forth in the Corporation's Tariff, until the

(Capital Recovery Fee, High water bill from a leak, or other connection fee)

is paid in full. Any fees normally assessed by the Corporation on any unpaid balance shall apply to the declining unpaid balance.

Failure to fulfill the terms of this Agreement shall institute the Corporation's disconnection procedures as set forth in the Corporation's Tariff.

APPROVED AND ACCEPTED this ____ day of _____, 19____ at the regular monthly meeting of the Board of Directors of the Holiday Beach Water Supply Corporation.

President, Holiday Beach WSC

Sec/Treasurer, Holiday Beach WSC

THE STATE OF TEXAS
COUNTY OF _____

IN WITNESS WHEREOF the said Member/Applicant has executed this instrument this ____ day of _____, 19____.

BEFORE ME, the undersigned, a Notary Public in and for said County and State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS ____ day of _____, 19____.

Notary Public in and for the
State of Texas.
Commission Expires ____/____/____

Member/Applicant

**HOLIDAY BEACH WATER SUPPLY CORPORATION
LINE EXTENSION REFUND AGREEMENT**

The Holiday Beach Water Supply Corporation Board affirms that _____ will be compensated as provided in this Refund agreement approved at the regular board meeting on the _____ day of _____, 19____, on a prorated basis for construction costs for the _____ feet of _____ inch line extension which have been paid by _____. This will be collected from all approved applicants requesting service from said line extension, to a maximum of _____ connections for a period not to exceed _____ years from the _____ day of _____ in the year of _____ (date the line extension was completed and/or approved for service) after which time the Refund Agreement will expire and the Corporation shall be under no further obligation to _____. The Corporation shall transfer said compensation within _____ days of receipt.

It is to understand that the Corporation will secure this compensation through new customer service fees from applicants for service from said line extension, and from no other sources. Accordingly, the compensation provided by this Refund Agreement will be modified automatically in the event any applicant requesting service from said line extension obtains a final administrative or Judicial Determination limiting the amount of the Corporation may charge applicants for service from said line extension.

This agreement entered into on the _____ day _____ in the year of _____ by:

Holiday Beach Water Supply Corporation

Signed by Applicant

By: _____
President
P. O. Box 807
Fulton, Texas 78358-0807

address

city zip

Date filed: ____/____/____

THE STATE OF TEXAS
COUNTY OF _____

IN WITNESS WHEREOF the said Member/Applicant and President of Holiday Beach WSC has executed this instrument this _____ day of _____, 19____.

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared _____ and _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 19____.

Notary Public in and for the State of Texas

Commission expires: _____

HOLIDAY BEACH WATER SUPPLY CORPORATION MEMBERSHIP MORTGAGE AGREEMENT

This agreement hereby verifies that the Holiday Beach WSC provides or is able to provide utility service under the terms and conditions of its Tariff to the property so designated in this agreement.

The Holiday Beach WSC does meet the service requirements of the Texas Natural Resource Conservation Commission and currently holds all authorization or certification required.

The Membership available/assigned to this property is transferable to all legally qualifying interests upon compliance with the terms and conditions of the Holiday Beach WSC's Tariff, including but not limited to completion of all required forms and applications, payment of all fees, and payment of final account balances.

The Holiday Beach WSC shall notify any Loan/Membership guarantor and/or mortgagee by certified mail at least thirty (60) days prior to Membership/Service termination and guarantor/mortgagee hereby guarantees payment of any account balances required to prevent termination of Membership by the Holiday Beach WSC.

A guarantor and/or mortgagee shall qualify as a bona fide lien-holder to the Membership by providing a Deed of Trust*, to be hereto affixed, for the real property in question and designated below which clearly defines the guarantor and/or mortgagee as the lien-holder of the Membership and the real property for which Membership was issued. Holiday Beach WSC shall notify the entity so designated in the Deed of Trust*.

Legal Description of Property:

Mortgagee (Lien-Holder)

Guarantor (If Applicable)

Holiday Beach WSC Representative

Date

Note: * Please attach Deed of Trust or other proof of ownership for permanent record.

MEMBERSHIP TRANSFER AUTHORIZATION

Transferor hereby surrenders Membership in the Holiday Beach WSC by execution of the attached Stock Certificate. Water service rights granted by Membership and other qualification hereby cease contingent upon further qualification of the Transferee in accordance with the policies of the Holiday Beach WSC.

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

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

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

- (1) This Membership Transfer Authorization Form is completed by the Transferor and Transferee;
- (2) The Transferee has completed the required Application Packet;
- (3) All indebtedness due the Corporation has been paid;
- (4) The Membership Certificate has been surrendered, properly endorsed, by the record Transferor;
- (5) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose; and
- (6) Any other terms and conditions of the Corporation's Tariff are properly met.

Signature of Transferor

Signature of Transferee

MEMBERSHIP TRANSFER AUTHORIZATION (CONTINUED)

Transferor's Name

Transferee's Name

Forwarding Address

Current Address

City, State, Zip Code

City, State, Zip Code

Phone

Phone

Account Number _____ Final Reading _____ Reading Date _____

Location of Meter

Note: A fee of \$____.00 is charged to the Transferor on all transfers.

Transferor may be due a refund of the Membership Fee, and Transferee understands that he/she must place on deposit a refundable Membership Fee with the Corporation.

ACKNOWLEDGMENT

The State of Texas
County of _____

IN WITNESS WHEREOF the said Transferor and Transferee have executed this instrument this _____ day of _____, 19____.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledge to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS ___ day of _____, 19__.

(SEAL)

Notary Public in and for the State of Texas

Print name: _____

Commission expires: _____

**HOLIDAY BEACH WATER SUPPLY CORPORATION
METER TEST AUTHORIZATION
AND TEST REPORT**

NAME: _____

ADDRESS: _____

DATE OF REQUEST: _____

PHONE NUMBER (DAY): _____

ACCOUNT NUMBER: _____

METER SERIAL NUMBER: _____

REASONS FOR REQUEST:

Members requesting a meter test may be present during the test, but if not, Member shall accept test results shown by the Corporation. The test shall be conducted in accordance with the American Water Works Association standards and methods on a certified test bench. Member agrees to pay \$25.00 for the test if the results indicate an AWWA acceptable performance, plus any outstanding water utility service. In the event that the Member is required to pay for the test and for outstanding water utility service as set forth herein, said charges shall be applied to the next billing sent to the Member after the date of the test.

Signed by Member

TEST RESULTS

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

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

Meter tests accurately; no adjustments due.

Meter tests high; adjustment due on water charges by _____ %

Meter tests low; no adjustment due.

Test conducted by _____ Approved

**HOLIDAY BEACH WSC
NOTICE TO OWNER OF RENTAL PROPERTY**

You are hereby given notice that your renter/lessee is past due on your account with the Corporation. The renter/lessee has been sent a second and final notice, a copy of which is enclosed herein, and the utility service will be scheduled for disconnection unless the bill is paid by the final due date. If disconnection occurs, the Corporation's policies under the terms and conditions of its Tariff shall govern restoration of disconnected service. A fee of \$5.00 has been posted to the account for mailing of this notice. Any unpaid bills, service fees, or reconnect fees (service trip fees) are chargeable to the owner. If you have any questions concerning the status of this account, please do not hesitate to call.

HOLIDAY BEACH WSC MANAGEMENT

Amount Due Including Service Charges _____

Final Due Date _____

NOTICE OF REQUIREMENT TO COMPLY WITH THE SUBDIVISION AND SERVICE EXTENSION POLICY OF HOLIDAY BEACH WATER SUPPLY CORPORATION

Pursuant to Chapter 13.2502 of the Texas Water Code, Holiday Beach Water Supply Corporation hereby gives notice that any person who subdivides land by dividing any lot, tract, or parcel of land, within the service area of Holiday Beach Water Supply Corporation, Certificate of Convenience and Necessity No. _____, in Aransas County, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded or requests more than two water service connections on a single contiguous tract of land must comply with the subdivision service extension policies (the "Subdivision Policy" stated in Holiday Beach Water Supply Corporation's tariff).

Holiday Beach Water Supply Corporation is not required to extend retail water utility service to a service applicant in a subdivision where the developer of the subdivision has failed to comply with the Subdivision Policy.

Among other requirements, the Subdivision Policy requires:

Applicable elements of the Subdivision Policy, depending on the specific circumstances of the subdivision service, may include:

- Evaluation by Holiday Beach Water Supply Corporation of the impact a proposed subdivision service extension will make on Holiday Beach Water Supply Corporation's water supply system and payment of the costs for this evaluation;

- Payment of fees for reserving water supply capacity;

- Forfeiture of reserved water supply service capacity for failure to pay applicable fees;

- Payment of costs of any improvements to Holiday Beach Water Supply Corporation's system that are necessary to provide the water service;

- Construction according to design approved by Holiday Beach Water Supply Corporation and dedication by the developer of water facilities within the subdivision following inspection.

Holiday Beach Water Supply Corporation's tariff and a map showing Holiday Beach Water Supply Corporation's service area may be reviewed at Holiday Beach Water Supply Corporation's offices, at _____, Fulton, Texas 78358; the tariff and service area map also are filed of record at the Texas Natural Resource Conservation Commission in Austin, Texas and may be reviewed by contacting the TNRCC, c/o Utility Rates and Services [Certification and Rate Design] Section, Water Utilities Division, P. O. Box 13087, Austin, Texas 78711.

**HOLIDAY BEACH WSC
NOTICE OF RETURNED CHECK**

TO:

DATE:

CHECK NUMBER:

AMOUNT OF CHECK:

Your check has been returned to us by your bank for the following reasons:

You have ten days from the date of this notice in which to redeem the returned check and pay an additional \$15.00 Returned Check Fee. Redemption of the returned check and payment of additional fees may be made by cash, money order, or certified check. If you have not redeemed the returned check and paid the additional service fees within ten (10) days, your utility service will be disconnected. If you have two or more returned checks within a twelve month period, you will be require to make future utility bill payments in cash or by money order for a period of twelve months.

HOLIDAY BEACH WSC MANAGEMENT

**WATER SUPPLY CORPORATION REQUEST
FOR SERVICE DISCONTINUANCE**

I, _____, hereby request that my water meter (SSN# _____) or account number _____ located on _____, be disconnected from Holiday Beach Water Supply Corporation service and that my membership fee is be refunded to me. I understand that if I should ever want my service reinstated I may have to reapply for service as a new member and I may have to pay all costs as indicated in a then current copy of the _____ Water Supply Corporation Tariff. Future ability to provide service will be dependent upon system capacity, which I understand may be limited and may require capital improvements to deliver adequate service. I also understand that these improvements will be at my cost. I further represent to the Corporation that my spouse joins me in this request and I am authorized to execute this Request for Service Discontinuance on behalf of my spouse.

Signature

Date of Signature

**HOLIDAY BEACH WATER SUPPLY CORPORATION
RIGHT-OF-WAY EASEMENT DENIAL FORM AND AFFIDAVIT**

PROPERTY OWNER'S NAME

LEGAL DESCRIPTION OF PROPERTY

Holiday Beach Water Supply Corporation has attempted to acquire an easement for a community water distribution system across your property. It is now necessary to require an easement either be granted or refused by you within thirty (30) days after receipt of this notice. Attached is Holiday Beach WSC's standard easement form as furnished to us by the Farmers Home Administration. If you are not in agreement to grant easement, sign the middle portion of this document and return it to us, at which time this document will be filed in our office. Failure to return this document or the attached easement will result in a copy of this document being completed and signed by us to keep on file for future reference purposes. Failure to grant easement does not relieve Holiday Beach WSC of the obligation to serve water to the aforementioned property in the future, but does make the then current property owner, at time of application for water service, responsible for the financial burden of moving the water line from public right-of-way to private right-of-way plus any other normal charges for service. For further clarification, contact our office at P. O. Box 807, Fulton, Texas 78358-0807 (361) 729-1737, Fax (361) 729-9876.

I, _____ hereby refuse Holiday Beach WSC easement for a community water distribution system on the aforementioned property.

Signature of Property Owner

AFFIDAVIT

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

Official of Holiday Beach WSC

THE STATE OF TEXAS
COUNTY OF ARANSAS

THIS INSTRUMENT was acknowledged before me on _____, 19____ by _____.

SEAL

Notary Public in and for the State of Texas
My Commission Expires: _____

**HOLIDAY BEACH WSC
TERMINATION NOTICE**

TO:

ACCOUNT NUMBER:

DATE:

DATE OF SCHEDULED TERMINATION:

You are hereby advised that the delinquent status of your account is jeopardizing your Membership with the Corporation. If payment is not received by our office during business hours within ten days of the date of this notice, your utility service will be terminated. To regain service after termination, you must re-apply for a new Membership and pay all costs applicable to purchasing a new Membership under the terms of the Corporation's Tariff and bylaws. If you have no intentions of retaining our service, make sure the service line is capped. We will not cap your line for you, but will remove the meter regardless of the circumstances.

Total past due charges: \$_____

Estimated reconnect fees: _____ \$25 delinquent reconnect fee

_____ \$100 membership fee

HOLIDAY BEACH WSC MANAGEMENT
[office address, phone number, office hours/days]

SAMPLE

WASTEWATER BILLING SERVICES FOR A RETAIL PUBLIC UTILITY PROVIDED BY A NON-PROFIT WATER SUPPLY CORPORATION

AGREEMENT

Holiday Beach Water Supply Corporation (WSC) and the City of _____, for the consideration and purposes herein expressed enter into the following agreement regarding sewer collection services provided by _____ (city) to various businesses and residents in the areas listed in Exhibit "A", but in no other areas:

WHEREAS, _____ is a home rule city located in _____ County, Texas;

WHEREAS, WSC is a nonprofit water supply corporation organized pursuant to Tex. Rev. Civ. Stat. Art. 1434a;

WHEREAS, _____ provides retail water utility service in _____ County, pursuant to Texas Natural Resource Conservation Commission Certificate of Convenience and Necessity No. _____;

WHEREAS, _____ provides sanitary sewer service for its residents, some of whom are provided water utility service by _____; and

WHEREAS, it is recognized that the provision of sanitary sewer service to _____ residents is integrally related to WSC's separate provision of water service to the same customers such that joint billing and collection practices are in the public interest;

WHEREAS, _____ desires to enter into an agreement with _____ to facilitate the billing and collection of charges due from _____ residents for the sanitary sewer service provided;

NOW, THEREFORE, _____ (city) and WSC agree as follows:

- Agency of WSC.** Subject to the terms of this Agreement, WSC agrees to serve as the agent for city for the purposes of billing and collecting sanitary sewer service fees from customers of WSC who: (1) are recipients of sanitary sewer services from city; and (2) have executed a copy of the application for sanitary service attached to this agreement or an application in substantially similar form. During the term of this agreement, city will be solely responsible for providing to WSC, and at all times maintaining, a current list of its customers to be billed by WSC pursuant to the terms of the Agreement, which list shall contain the following information for each customer: (a) the customer's name and address; (b) the type of sanitary sewer service to be billed by WSC on city's behalf; and (c) the amount to be billed.
- Payment Based on Sewer Rate Ordinance for Sewer Collection.** WSC agrees to add the fees due to city in the amounts indicated by city, to its monthly bills to customers. Each fee for sanitary sewer service will be stated separately on such bills. City agrees to coordinate with WSC so that the payment for the sanitary sewer services billed by the WSC on city's behalf shall be due at the same time and under the same terms as the payment billed by WSC for water utility services. Upon receipt of payment due city for sanitary sewer services, WSC will deposit such sums in an account in WSC's depository bank, commingled with payments made for WSC water utility services. The funds, less unpaid fees charged by WSC for services as set forth in this Agreement, shall be forwarded to city no less frequently than once a month.

The funds shall be sent to city in the amounts due as reflected on the monthly bills to the customers, less WSC's unpaid fees as set forth in this Agreement. At the time such funds are forwarded to City, WSC will also forward an accounting of the customers from whom payment is received, the period and type of services for which payment is made, and the fees retained by WSC from payments made pursuant to this Agreement with prior notice of as least 72 hours and during WSC business hours.

3. **Priority.** When payment for water and sewer collection by any customer is made, WSC shall apply the funds paid first to any indebtedness of the customer to WSC and then to the payment of any indebtedness of city.
4. **Delinquency/Disconnection.** WSC agrees to use its best efforts, in the exercise of the discretion granted under this Agreement, to collect amounts due to city from customers for sanitary sewer service. If at any time any customer fails to pay any amounts collectible by WSC pursuant to the terms of this Agreement, WSC is authorized to terminate water utility services to the customer as deemed appropriate by WSC in accordance with the procedure specified in any applicable tariff and service regulations of WSC then in effect. WSC's failure to disconnect any service shall not be an event of default under this agreement but shall entitle city to discontinue payment of the monthly fee for that account as specified in paragraph 7 below from the date service could have been disconnected under this agreement until disconnection occurs. WSC shall notify city of all customer accounts which are delinquent and have been disconnected.
5. **Reconnection.** In the event water service is disconnected for nonpayment of sanitary sewer service charges, except as otherwise required by law or as agreed to by city, WSC agrees not to provide water services to that customer until WSC's receipt of payment of all delinquent sewer collection charges, plus any applicable charges which are then collectable in accordance with city's ordinances or other applicable law.
6. **Affect on Provision of Water.** This agreement shall not affect or in any way impair WSC's rights and obligations with respect to its customers or the provision of water utility services except as specifically and expressly set forth in the Agreement and as allowed by law.
7. **Fees.** For each sanitary sewer service account collected by WSC, City agrees to pay WSC the sum of \$ 5.00 as an initial set up fee for establishing WSC billing and collection procedures. This set up fee is to be paid when city notifies WSC that a new account is to be collected by WSC. In addition, city agrees to pay to WSC monthly on or before the 15th day of each month, a service charge of \$ 1.00 for each active account. The monthly fee will be paid until the end of the month in which city removes the account from the customer list provided to WSC under paragraph 1 of this agreement. If city subsequently requests WSC to reinstate an account which has been removed from the sewer service customer list, a reinstatement fee of \$ 5.00 per account will be paid to WSC by City.

8. **Purpose of Agreement/Indemnity.** This Agreement is made for the purpose of facilitating the billing and collection of fees for sanitary sewer services provided by city. No partnership or joint venture is intended to be created hereby. WSC's sole responsibility is that of the city's agent for billing and collection purposes and WSC shall have no responsibility for, and city shall indemnify, defend and hold WSC harmless from any damage, claims, demands, or causes of action arising from: (1) the construction, operation, maintenance, repair or existence of the sewer collection system; (2) the provision of sewer collection service; (3) any act or omission relating to such services; or (4) any act or omission of WSC or city, their agents, employees, or representatives in the performance or nonperformance of their obligations under this Agreement, specifically including the negligence or breach of this Agreement by WSC or by the City, which does not amount to gross negligence or willful misconduct on the part of city, its agents, employees, or representative. This indemnity shall also extend to, but shall not be limited to, any cost, expense or fee, including attorney's fees, costs of court or expert fees, incurred by WSC relating to or arising from any such damages, claims, demands or causes of action.
9. **Right to Terminate.** This Agreement may be terminated by any party at any time by giving the other party sixty (60) days advance notice of its intent to terminate the Agreement.
10. **Automatic Termination.** If any provision of the Agreement is determined by any regulatory or judicial body to be invalid, in violation of any law, or to be contrary to the rules, regulations, or orders of such body, or if any party to the Agreement is ordered or required by such body not to comply with any provision of this Agreement, the Agreement automatically and without notice terminates without penalty at the time such order becomes final and no longer appealable.
11. **Termination Upon Default.** Any party may terminate this Agreement following a default by the other party in the performance of this Agreement and the failure to correct said default within thirty (30) days after written notice of default has been provided by the nondefaulting party.
12. **Attorney's Fees.** The prevailing party in any legal proceeding against any other party to this Agreement brought under or which relates to the Agreement or a breach thereof shall, in addition to its damages, shall be entitled to recover its costs and reasonable attorney's fees.
13. **Notices.** Any notice or communication required or permitted to be given hereunder shall be sufficiently given when received by any other party and must be: (1) delivered by hand delivery; or (2) mailed by certified mail, postage prepaid, return receipt requested, to the address indicated on the signature page of this Agreement, or at such other addresses as may hereafter be furnished in writing by any party to all other parties, and such notice shall be deemed to have been given as of the date so delivered or mailed.
14. **No Third Party Beneficiaries.** This Agreement is not executed for the benefit of any third party and its terms shall not be enforceable by or in favor of any person or entity other than the express parties to the Agreement.

15. **Miscellaneous Provisions.** This Agreement contains all of the understandings and agreements between the parties with respect to the subject matter hereof, and the terms and conditions of the Agreement may be changed only by written amendments agreed to by both parties. This Agreement replaces and supersedes all prior agreements of the parties with respect to the subject matter hereof. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns; provided that, except as otherwise provided in this Agreement, no party may assign its interest in this Agreement without prior written consent of all the other parties. A waiver by any party of a breach of this Agreement shall not be construed as a waiver of any subsequent breach of this Agreement. The section and subsection headings in this Agreement are for convenience. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

16. **Binding Arbitration.** It is agreed that all questions as to rights and obligations arising under the terms of this Agreement are subject to binding arbitration, as governed by the provisions of the Texas General Arbitration Act, TEX. REV. CIV. STAT. ANN. ART. 224 et. seq. as amended. This paragraph is to be broadly construed.

17. Any amount due and unpaid more than thirty (30) days shall accrue interest at the maximum rate allowed by law.

EXECUTED on the ____ day of _____, 19____.

THE CITY OF _____

HOLIDAY BEACH WSC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Attest:

Attest:

City Secretary: _____

WSC Secretary: _____

App. # _____

CITY OF _____
Code Enforcement Department
Application For Sanitary Sewer Service

Date: _____ Permit #: _____ Amount: _____

Name: _____

Street Address: _____

Mailing Address: _____

Legal Description: _____

I/we _____ agree to pay monthly sanitary sewer service fees to the City of _____ through the WSC's billing office. If I/we fail to pay the monthly fees for sanitary sewer service, I/we authorize and agree to allow WSC to disconnect my/our water meter and to withhold water service until such delinquency is made current.

Signature of Applicant(s) _____ Date _____

Permit Issued By _____ Date _____

(For use by the City Utility Billing Department)

The City of _____ requests that WSC begin charging _____ for monthly sanitary sewer service at a rate of _____. Services commence on _____ (application date). Upon receipt of application, charges will be reflected in _____

Tariff

OF

**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

INDIGENT CARE POLICY

HOLIDAY BEACH WATER SUPPLY CORPORATION INDIGENT ASSISTANCE POLICY

A Member is entitled to receive water at (1) the monthly service availability charge, (2) reduced rate, (3) free of any charge, if the Member meets one or more of the following conditions as allowed by the corporation:

- a) The Member receives Aid to Families with Dependent Children (AFDC benefits) if the only people included in the AFDC benefits are minor children.
- b) The Member or the ratepayer's spouse receives Supplemental Security Income from Social Security (SSI benefits) and has no income from any other source (including income from the earnings of any other member of the Member's household) in excess of \$____.00 per month.
- c) The Member or the ratepayer's spouse receives unemployment compensation from the State of Texas and receives no income from any other source (including income from the earnings of any other member of the Member's household) in excess of \$____.00 per month.
- d) The Member or the Member's spouse receives disable veteran's benefits (VA disability benefits) and has no income from any other source (including income from the earnings of any other member of the Member's household) in excess of \$ _____.00 per month.

To qualify for indigent assistance, the ratepayer must submit the attached application to the Board of Directors and present proof of financial circumstances including, but not limited to, the following: (1) proof of receipt of benefits, where applicable, (2) wage statements, and/ or copies of federal income tax returns.

Indigent assistance is available in other hardship cases at the discretion of the Board of Directors upon application and presentation of appropriate proof of financial indigence.

The attached application form is included as an integral part of this policy. Applicants for indigent assistance shall complete only the Corporation's approved form. The indigent care applicant shall apply separately for each case on a need by need basis.

IMPORTANT NOTICE CONCERNING ADOPTION OF THIS POLICY

Attached is a rough draft of a suggested indigent assistance policy to be incorporated in the rate schedule section of the tariff of a water supply corporation. The following instructions should accompany the provisions.

- 1) If the corporation wishes to adopt an indigent assistance policy, it should be incorporated into the rate schedule provisions of the corporation's tariff.
- 2) This policy is a suggested policy only and contains several discretionary provisions which should be examined by the corporation's Board of Directors.
 - a) The first paragraph permits the Board to elect an appropriate rate for indigent assistance. The Board may restructure the entire section to provide for reduced rates for one set of circumstances, a monthly minimum rate is another set of circumstances and no charges in yet a third set of circumstances if the Board so decides. The Board can provide for a combination of rates as well.
 - b) The conditions for receiving indigent assistance are merely suggestions as to appropriate circumstances for receipt of assistance. By requiring other agencies to make a determination of eligibility for receipt of assistance as the standard for indigent care, the Board of Directors is relieved of much subjective decision making. The Board may delete, add, or modify conditions fitting the corporation's particular circumstances. The Board should tailor the "other income levels " appropriately.
 - c) The "proof" paragraph is critical. If customers wish to avail themselves of these benefits they must be prepared to present proper proof. This is a service being offered by the corporation which is discretionary with the corporation.
 - d) The final "good cause" paragraph is discretionary and is available to the Board in hardship cases which do not fit the tariff guidelines but which are just as meritorious.
- 3) Again, it should be emphasized that these guidelines are suggestions only. The corporation should secure prior acceptance by the Tax Appraisal District if possible before implementation.
- 4) The corporation should review its by-laws, loan commitments to R D and any other agreements it may have with any other lender to determine if its assistance policy violates such documents and agreements.
- 5) If the corporation has an attorney, the corporation should ask the attorney to review the policy as a precaution.

Tariff

OF

**HOLIDAY BEACH WATER
SUPPLY CORPORATION**

MISCELLANEOUS

TARIFF FILING REQUIREMENTS

Effective September 1, 1989, all non-profit water supply corporations are required to file their tariff with the Texas Natural Resource Conservation Commission for information purposes only. Tariffs should be mailed to:

**Texas Natural Resource Conservation Commission
P.O. Box 13087
Capitol Station
Austin, Texas 78711-3087
Attention: Rate Section Tariff Clerk**

The deadline for filing tariffs was January 1, 1990. Utilities failing to comply with the Commission's rules may be subject to fines and penalties. The Commission will accept voluntary compliance with the filing requirements without penalty.

**CALCULATION
OF THE AVERAGE NET EQUITY BUY IN FEE
OF A SAMPLE UTILITY**

Equity Buy-In Fee replaced by Capital Recovery Fee set by Board of Directors in original tariff adopted May 11, 1998. Capital Recovery Fee shall be the required contribution for standard service at new location for 5/8" X 3/4" meter. Shall be adjusted for larger meters per AWWA meter equivalency factors approved in tariff. Funds collected through capital recovery fees shall provide initial funding for new capacity construction to meet the additional service demand since water system demand exceeded available capacity under TNRCC at time of acquisition of the water system from Baumgart Water Supply Corporation. If new and adequate capacity is already available at the time a new service application is made, the capital recovery fee shall compensate the Corporation for this capacity without burdening other members.

**TRWA RECOMMENDED 5/8" X 3/4" METER EQUIVALENTS
BASED ON AWWA SPECIFICATIONS AND DESIGN CRITERIA**

METER SIZE METER	RECOMMENDED CONTINUOUS RATE OF FLOW EQUIVALENTS	RESIDENTIAL
5/8" X 3/4"	10.0 GPM	1.00
3/4"	15.0 GPM	1.50
1"	25.0 GPM	2.50
1 1/2"	50.0 GPM	5.00
2"	80.0 GPM	8.00
3" DISP.	90.0 GPM	9.00
3" CMPD	160.0 GPM	16.00
3" TURB.	175.0 GPM	17.50
4" CMPD	250.0 GPM	25.00
4" TURB.	300.0 GPM	30.00
6" CMPD	500.0 GPM	50.00
6" TURB.	625.0 GPM	62.50
8" CMPD	800.0 GPM	80.00
10" CMPD	1,150.0 GPM	115.00

NOTE: ALTHOUGH AWWA DOES NOT RECOMMEND A CONTINUOUS FLOW OF GREATER THAN 50 PERCENT FOR DISPLACEMENT AND MULTIJET METERS, METER EQUIVALENTS ARE CALCULATED ON A PROPORTIONAL BASIS AND REMAIN THE SAME REGARDLESS OF ALLOWABLE RATES.