

SEWER UTILITY TARIFF

Tariff Control No. 58124

Aqua Texas, Inc. dba Aqua Texas
(Utility Name)

1106 Clayton Lane, Suite 400W
(Business Address)

Austin, Texas 78723
(City, State, Zip Code)

(512) 990-4400
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

21059, 21065, and 21116

This tariff is effective the following counties:

Bexar, Brazoria, Burnet, Caldwell, Chambers, Cherokee, Denton, Fort Bend, Harris, Hays, Hood, Jefferson, Marion, Montgomery, Polk, Rockwall, Tarrant, Travis, Trinity, Victoria, Wise.

The following is a list of cities where Aqua Texas provides sewer service:

Alvin, Austin, Beach City, Boerne, Brownsboro, Cedar Park, Chandler, Conroe, Cove, Cut N Shoot, Dayton, Elmendorf, Granbury, Granite Shoals, Houston, Ingram, Lakewood Village, Little Elm, Kerrville, Kyle, New Fairview, Old River Win-Free, Pearland, Port Arthur, Rhome, San Antonio, Shady Shores, Stagecoach, Stockton Bend, Waco, Weston Lakes, Wimberley, Woodcreek.

The rates set of approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility. This tariff applies to outside city customers of systems that provide service inside and outside of a city's corporate boundary.

This tariff is effective in the following subdivisions and public sewer systems:

See attached List of Subdivisions and Systems.

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LIST OF SUBDIVISIONS AND SYSTEMS

System/Subdivision Name	WQ ID	County
B & W Gathering	WQ0011332-001	Burnet
West by Northwest Industrial Park (Brittmoore)	WQ0012222-001	Harris
Brittmoore (City Customers) Houston		Harris
Willow Oaks MHP	WQ0013619-001	Harris
Timberwild	WQ0012519-001	Harris
Goforth Village PUD	WQ0013293-001	Hays/Travis
Treaty Oaks	WQ0014147-001	Hood
Hemphill - Sunset Oaks	WQ0016112-001	Caldwell
Sunset Oaks / Hymeadow	WQ0015293-001	Hays/Caldwell
Hickory Ridge	WQ0015962-001	Bexar
Weybridge	WQ0014324-001	Brazoria
Ashley Oaks Mobile Home	WQ0014039-001	Brazoria
Village Trace	WQ0012822-001	Brazoria
Palm Crest	WQ0014279-001	Brazoria
Veranda Wastewater Treatment Facility System	WQ0011449-001	Chambers
Eagles Bluff	WQ0013994-001	Cherokee
Eagles Bluff	WQ0013994-001	Cherokee
Brookfield (Shale Creek WWTP)	WQ0014186-001	Denton
Happy Country Homes: Shale Creek / Stone Creek	WQ0014186-001	Rockwall
Niagra Subdivision (Astro Commercial)	WQ0013600-001	Fort Bend
Rosemeadows III	WQ0014175-001	Fort Bend
Riverwood Forest	WQ0014194-001	Fort Bend
Lakes of Mission Grove	WQ0014243-001	Fort Bend
Deer Run Meadows	WQ0015642-001	Fort Bend
Greenwood Village	WQ0011255-001	Harris
Industrial Utilities Services, Lne.	WQ0012122-001	Harris
Colonial Hills	WQ0010694-001	Harris
Redwood Estates MHP	WQ0012996-001	Harris
Candlelight Hills	WQ0011314-001	Harris
Candlelight Service		Harris
Pine Trails Subdivision	WQ0011701-001	Brazoria
Pine Trails Subdivision		Brazoria
Blazer Business Park (Brittmoore)		Harris
Brittmoore I & II	WQ0011193-001	Harris

System/Subdivision Name	WQ ID	County
Brittmoore III	WQ0014117-001	Harris
Hahls Suburban Farms (Brittmore)		
Harcourt Farms (Brittmore)		
Independence Farms (Brittmore)		
Independence Gardens (Brittmore)		
Jersey Acres (Brittmore)		
N W Business Park (Brittmore)		
Petro Park & PAR (Brittmore)		
Tanner Heights (Brittmore)		
Creek Side Estates South	WQ0011375-001	Harris
Oakwood Village	WQ0012303-001	Harris
Heron Lakes	WQ0013433-001	Harris
Stable Gates	WQ0014032-001	Harris
Classic Pines Subdivision	WQ0013870-001	Harris
Imperial Valley	WQ0014106-001	Harris
Country Club Green		Harris
Estates of Willow Creek	WQ0014181-001	Harris
Willow Creek Industrial Park	WQ0015284-001	Harris
Woodcreek Woodcreek Phase 1 Woodcreek Phase 11 Wimberley	WQ0013989-001	Hays
Woodcreek (In City)	WQ0013989-001	Hays
Woodcreek (65 and Older)	WQ0013989-001	Hays
Woodcreek (Commercial)	WQ0013989-001	Hays
Wimberley (In City)	WQ0013989-001	Hays
Canyon Creek	WQ0013786-001	Hood
Blue Water Shores	WQ0013022-001	Hood
The Ridge	WQ0013025-001	Hood
Country Side Estates	WQ0011249-001	Jefferson
Crestwood Lodge	WQ0012563-001	Marion
Lake Conroe Forest - Tejas Creek	WQ0014357-001	Montgomery
Lake Conroe Forest Subdivision		
Decker Woods		
Shadow Bay	WQ0011419-001	Montgomery
Westwood I & II Subdivision	WQ0011419-001	Montgomery
Lake Conroe Village	WQ0014018-001	Montgomery
Brushy Creek	WQ0012898-001	Montgomery

System/Subdivision Name	WQ ID	County
Timberloch Estates	WQ0014007-001	Montgomery
Woodland Ranch		
Greenfield Forest	WQ0014013-001	Montgomery
Old Egypt	WQ0014141-001	Montgomery
White Oak Ranch	WQ0014114-001	Montgomery
Black Oak	WQ0015158-001 (Spring Creek Regional)	Montgomery
WOODLANDS 50MF	WQ0014973-001	Montgomery
Cedar Point	WQ0012454-001	Polk
Lake Livingston Village	WQ0013209-001	Polk
The Resort at Eagle Mountain lake	WQ0014125-001	Tarrant
Sandy Creek Ranches Leander Hills	WQ0013337-001	Travis
Barton Creek Lakeside Lakecliff on Lake Travis Travis Lakeside Shady Creek McDaniels Tract Red Bluff Estates	WQ0013477-001 R13477-001	Travis/Burnet
Briarcreek Manor, Briarcreek Subdivision (Residential)	WQ0014061-001	Travis
Briarcreek Manor, Briarcreek Subdivision (Non-Residential)	WQ0014061-001	Travis
Port Adventure	WQ0014096-001	Trinity
Brentwood Manor Wastewater Treatment Facility	WQ0010742-001	Victoria
Chisholm Springs	WQ0014910-001	Wise

SECTION 1.0 – RATE SCHEDULE

Section 1.01 – Rates

Minimum Monthly Charge (Includes 0 gals)		Non-Metered	Metered
Meter Size		Flat Rate by Meter Size	Metered Customer Charges
5/8" x 3/4"		\$96.93	\$65.31
3/4"		\$145.40	\$97.97
1"		\$242.33	\$163.28
1 1/2"		\$484.65	\$326.55
2"		\$775.45	\$522.49
3"		\$1,453.95	\$979.65
4"		\$2,423.28	\$1,632.77
6"		\$4,846.54	\$3,265.53
8"		\$7,754.47	\$5,224.84
10"		\$11,146.95	\$7,510.65
12"		\$20,839.95	\$14,041.65
Volumetric Charges			
		Charge per 1,000 gals	Charge per 1,000 gals
Metered Residential Consumption Charge			\$5.27
Metered Non-Residential Consumption Charge			\$5.27

Non-residential customers who purchase sewer service only and who have no reliable sewer consumption data available will be charged the applicable monthly fee for their meter size multiplied by 1.69. If a sewer meter is not available, a meter size will be imputed by the utility based upon the size of the sewer service pipe.

Surcharge for Rate Case Expense (Docket No. 58124)

To be collected through a monthly surcharge of \$1.88 per customer. The monthly surcharge will be collected for 24 months from the effective date of the rates approved by the Commission in Docket No. 58124 or until the full \$1,124,551 for rate-case expenses related to Docket No. 58124 is collected, whichever occurs first. This charge is applicable to customers of the systems identified in the application.

SECTION 1.0 – RATE SCHEDULE (CONTINUED)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X Check X Money Order X Credit Card X Other (specify) ____

UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

UNAFFILIATED THIRD PARTIES WHO ACCEPT AND PROCESS CASH, CREDIT CARD, OR ELECTRONIC PAYMENTS FOR UTILITY BILLS MAY REQUIRE PAYMENT OF AN ADDITIONAL CONVENIENCE CHARGE FOR THIS SERVICE.

REGULATORY ASSESSMENT.....1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THE FEE TO THE TCEQ.

Section 1.02 – Miscellaneous Fees

TAP FEE.....\$3,200.00

TAP FEE COVERS THE UTILITY’S COST FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8” X 3/4” METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs).....Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE A SUBDIVISIONS IS A UNIQUE COST. UNIQUE COSTS WILL BE DETERMINED ON A CASE-BY-CASE BASIS.

TAP FEE (Large meter).....Actual Cost

THIS TAP FEE IS BASED ON THE UTILITY’S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8” X 3/4" METERS. UNIQUE COSTS, SUCH AS ROAD BORES, WILL BE CHARGED IN ADDITION TO THIS TAP FEE AT THEIR ACTUAL COST OF INSTALLATION.

SERVICE INITIATION FEE.....\$50.00

THE SERVICE INITIAL FEE WILL BE CHARGED FOR INITIATING AN ACCOUNT AT THE SERVICE LOCATION.

SECTION 1.0 – RATE SCHEDULE (CONTINUED)

RECONNECTION FEE.....\$25.00

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

A) Nonpayment of a bill (Maximum of \$25.00).....\$25.00

B) Non-residential customer failure to correct improper wastewater discharges.....\$45.00

IF A NON-RESIDENTIAL CUSTOMER FAILS TO CORRECT IMPROPER GREASE TRAP CONDITIONS OR TO BRING SEWER DISCHARGES FROM ANY GREASE TRAP OR OTHER PRETREATMENT UNIT INTO COMPLIANCE WITH THE “CONDITIONS FOR NON-RESIDENTIAL SEWER SERVICE” INCLUDED IN [APPENDIX B] WITHIN 10 DAYS AFTER WRITTEN NOTICE IS PROVIDED, SERVICE BE DISCONNECTED UNTIL THE IMPROPER CONDITIONS ARE CORRECTED. RECONNECTION OF SERVICE WILL REQUIRE PAYMENT OF THIS FEE AND AN ONSITE INSPECTION OF THE GREASE TRAP OR OTHER PRETREATMENT UNIT BY UTILITY PERSONNEL.

SERVICE RELOCATION FEE.....Actual Cost

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE.....\$25.00

THIS FEE WHICH SHOULD REFLECT THE UTILITY’S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.00.

LATE CHARGE (10% OF THE BILL)

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

RETURNED CHECK CHARGE.....\$25.00

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

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

COMMERCIAL & NON-RESIDENTIAL DEPOSIT.....1/6th of Estimated Annual Bill

SECTION 1.0 – RATE SCHEDULE (CONTINUED)

STANDARD METER INSTALLATION FEE.....\$150.00

TO BE CHARGED WHEN UNMETERED SERVICE EXISTS ON THE SYSTEM THAT SHOULD BE METERED TO BE IN COMPLIANCE WITH THE UTILITY’S TARIFF BUT THE CONVERSION OF THE SERVICE WOULD NOT REQUIRE A FULL TAP AND ALL OF ITS COSTS. THIS FEE WILL BE A SHARING OF COSTS BETWEEN THE CUSTOMER AND THE UTILITY. THE CUSTOMER MAY HAVE THE OPTION OF PAYING THE FEE OVER NO MORE THAN THREE (3) MONTHS.

ILLEGAL RECONNECTION OR SHUT-OFF EQUIPMENT DAMAGE FEE.....\$250.00

IN ORDER TO REIMBURSE THE UTILITY WITHOUT BURDENING OTHER CUSTOMERS WITH HIGHER RATES FOR THE ADDITIONAL COST OF SERVICE TRIPS TO MORE FORCEFULLY DISCONNECT A CUSTOMER/ACCOUNT HOLDER WHO HAS BEEN DISCONNECTED FOR NONPAYMENT, FAILURE TO CORRECT IMPROPER WASTEWATER DISCHARGES, OR OTHER LAWFUL REASONS, WHO ILLEGALLY RECONNECTED SERVICE OR BEGUN TO DISCHARGE WASTEWATER TO THE UTILITY’S SYSTEM AGAIN WITHOUT PAYING PAST DUE CHARGES, CORRECTING IMPROPER GREASE TRAP OPERATING CONDITIONS, OR OTHERWISE ACHIEVING COMPLIANCE WITH THE “CONDITIONS FOR NON-RESIDENTIAL SEWER SERVICE” INCLUDED IN [APPENDIX B], AND TO PAY THE COST OF DAMAGE TO EQUIPMENT NECESSARY TO KEEP DELINQUENT CUSTOMER DISCONNECTED, THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT DISCONNECTED FOR NONPAYMENT BY ANY PHYSICAL MEANS, INCLUDING INSTALLING A PHYSICAL BLOCKING DEVICE IN THE SERVICE LINE, WHEN NON-UTILITY PERSONNEL RECONNECT SERVICE TO THE PREMISES BY CUTTING, DAMAGING, OR REMOVING THE PHYSICAL BLOCKING DEVICE OR WHEN WASTEWATER IS OTHERWISE DISCHARGED THROUGH THE SERVICE CONNECTION WITHOUT AUTHORIZATION BY THE UTILITY. THIS FEE MAY BE CHARGED EACH TIME AN EVENT OCCURS AND SERVICE WILL NOT BE RECONNECTED UNTIL THIS FEE IS PAID IN ADDITION TO ANY OTHER BALANCES AND RECONNECT FEES. THIS FEE SHALL NOT BE CHARGED IF A FEE FOR A DAMAGED METER IS CHARGED OR IF THE ACCOUNT HOLDER OR THEIR REPRESENTATIVE INFORMS THE UTILITY WITHIN 24 HOURS AFTER DISCOVERING THAT SERVICE HAS BEEN RESTORED WITHOUT AUTHORIZATION OF THE UTILITY: (1) THAT SERVICE WAS RECONNECTED WITHOUT THE ACCOUNT HOLDER’S PERMISSION; AND (2) THE ACCOUNT HOLDER AGREES TO PAY FOR ALL WASTEWATER SERVICE PROVIDED.

DAMAGED SEWER CONNECTION FEE.....Actual Cost

THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN DISCONNECTED FOR NON-PAYMENT, OR OF AN ACCOUNT DISCONNECTED FOR FAILURE TO CORRECT IMPROPER WASTEWATER DISCHARGES OR OTHER LAWFUL REASONS, BY VALVING OFF OR LOCKING THE SEWER CONNECTION WHEN THE SEWER CONNECTION AND/OR SEWER CONNECTION APPURTENANCES ARE DAMAGED IN ORDER TO RESTORE SEWER SERVICE TO THE ACCOUNT HOLDER’S ORIGINAL PLACE OF SERVICE REQUIRING THE UTILITY TO REPAIR OR REPLACE THEM. THE ACCOUNT HOLDER SHALL BE CHARGED THE FULL COST OF REPAIRING AND/OR REPLACING ALL DAMAGED PARTS AS THE UTILITY DEEMS NECESSARY, INCLUDING LABOR AND VEHICLE COSTS.

SECTION 1.0 – RATE SCHEDULE (CONTINUED)

GREASE TRAP, PRETREATMENT UNIT, SAMPLING WELL INSPECTION, REINSPECTION, AND TESTING

IN ORDER TO ENSURE THAT DISCHARGES FROM NON-RESIDENTIAL WASTEWATER CUSTOMERS UTILIZING GREASE TRAP OR PRETREATMENT UNIT FACILITIES/EQUIPMENT CAN BE PROPERLY TREATED AND DISCHARGED ACCORDING TO TCEQ PERMIT REQUIREMENTS, INSPECTIONS OF SUCH FACILITIES/EQUIPMENT AND DISCHARGE TESTING ARE REQUIRED. THE FOLLOWING FEES WILL BE CHARGED RELATED TO THESE ACTIVITIES:

BEFORE INITIAL SERVICE (INITIAL INSPECTION

AND, IF NEEDED, RE-INSPECTION).....\$75.00

TO ENSURE PROPOSED DISCHARGES CAN MEET THE “CONDITIONS FOR NON-RESIDENTIAL SEWER SERVICE” INCLUDED IN [APPENDIX B], AN ONSITE INSPECTION OF ALL GREASE TRAPS, PRETREATMENT UNITS AND SAMPLING WELLS FOR THOSE CUSTOMERS REQUIRED TO HAVE ONE WILL BE CONDUCTED BY UTILITY PERSONNEL OR A UTILITY CONTRACTOR BEFORE SERVICE IS INITIATED. IF THE INSPECTION IDENTIFIES DEFICIENCIES THAT NEED TO BE CORRECTED, THE SAME FEE WILL BE CHARGED FOR EACH RE-INSPECTION BEFORE SERVICE BEGINS. THE INITIAL INSPECTION FEE WILL BE CHARGED WHEN THE TAP FEE IS ASSESSED AND IS TO BE PAID SIMULTANEOUSLY. ALL RE-INSPECTION FEES, IF REQUIRED, MUST BE PAID BEFORE SERVICE IS INITIATED.

PERIODIC GREASE TRAP INSPECTION FEE

AFTER SERVICE COMMENCES.....\$75.00

TO ENSURE EFFECTIVENESS AND PROPER MAINTENANCE OF GREASE TRAPS, PERIODIC INSPECTIONS OF ALL GREASE TRAPS WILL BE CONDUCTED BY UTILITY PERSONNEL OR A UTILITY CONTRACTOR AFTER SERVICE COMMENCES AND THIS FEE WILL BE ASSESSED EACH TIME SUCH AN INSPECTION OCCURS. INSPECTIONS WILL TYPICALLY BE CONDUCTED QUARTERLY, BUT IF AN INSPECTION IDENTIFIES PERFORMANCE ISSUES, REVEALS IMPROPER MAINTENANCE, OR FINDS EXCESSIVE OIL/GREASE IN A MANHOLE(S) DOWNSTREAM FROM A CUSTOMER INDICATING GREASE TRAP PROBLEMS EXIST, INSPECTIONS MAY BE CONDUCTED MONTHLY FOR THE NEXT QUARTER. IF AN INSPECTION IDENTIFIES PERFORMANCE ISSUES, DEFICIENCIES, OR IMPROPER MAINTENANCE, A WRITTEN NOTICE OF SUCH DEFICIENCIES WILL BE PROVIDED TO THE CUSTOMER. A RE-INSPECTION WILL BE REQUIRED AFTER THE CUSTOMER INFORMS THE UTILITY THAT ISSUES IDENTIFIED IN THE NOTICE ARE CORRECTED. IF A RE-INSPECTION REVEALS CORRECTIONS ARE NOT SATISFACTORY, ANOTHER RE-INSPECTION WILL BE REQUIRED. RE-INSPECTIONS SHALL BE REQUIRED UNTIL ALL IDENTIFIED DEFICIENCIES ARE ADDRESSED TO THE UTILITY’S SATISFACTION. THIS FEE WILL BE ASSESSED EACH TIME A RE-INSPECTION IS PERFORMED.

SECTION 1.0 – RATE SCHEDULE (CONTINUED)

PERIODIC SAMPLING OF GREASE TRAPS OR PRETREATMENT UNITS.....\$50.00

SAMPLES FOR OIL, GREASE, OR OTHER CONSTITUENTS DETERMINED TO BE A COMPONENT OF A NON-RESIDENTIAL CUSTOMER’S DISCHARGE FROM EITHER THE CUSTOMER’S INITIAL APPLICATION FOR SERVICE OR BY LATER INVESTIGATION MAY BE COLLECTED BY UTILITY PERSONNEL OR A UTILITY CONTRACTOR DURING INSPECTIONS IF IT APPEARS A GREASE TRAP OR PRETREATMENT UNIT IS NOT FUNCTIONING PROPERLY. THIS FEE WILL BE ASSESSED IF SUCH SAMPLES ARE TAKEN. SAMPLES WILL BE ANALYZED TO DETERMINE IF THE DISCHARGE MEETS LIMITS SET FORTH IN THE “CONDITIONS FOR NON-RESIDENTIAL SEWER SERVICE” INCLUDED IN [APPENDIX B]. (IF IT DOES NOT, THE GREASE TRAP OR PRETREATMENT UNIT MUST BE CLEANED, SERVICED, OR REPAIRED AS NEEDED WITHIN 7 DAYS. UTILITY PERSONNEL OR A UTILITY CONTRACTOR WILL COLLECT SAMPLES AFTER CORRECTIONS ARE MADE TO ENSURE PROPER FUNCTIONALITY. THIS FEE WILL BE ASSESSED EACH TIME SAMPLES ARE COLLECTED AND ANALYZED

GOVERNMENT TESTING, INSPECTION, AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING [16 TAC § 24.25(b)(2)(G)].

LINE EXTENSION AND CONSTRUCTION CHARGES.....Actual Cost

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

SECTION 2.0 – SERVICE RULES AND REGULATIONS

The utility will have the most current Public Utility Commission of Texas (PUC) Rules, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Copies of the utility's state and federal wastewater discharge permits shall be available for public inspection and copying in the utility's business office during normal business hours.

This tariff contains specific utility service rules. It must be reviewed and approved by the PUC and be in compliance with the PUC Rules to be effective.

The utility adopts the administrative rules of the PUC, as the same may be amended from time to time, as its company specific service rules and regulations. These rules will be kept on file at the company's offices for customer inspection during regular business hours. In the event of a conflict between the PUC's amended rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the PUC rule in question to the degree that the utility may conduct its lawful business in conformance with all requirements of said rule.

All references to the "business office" in the utility's tariff, service contracts, or PUC Rules shall mean the utility's offices at 1106 Clayton Lane, Suite 400W, Austin, TX, 78723. Customers may apply for service and report service problems at the office.

Section 2.01— Application for Sewer Service

A customer may initiate, transfer, or terminate retail sewer service by mail, by telephone, through an Internet website, or through another electronic transmission. If a service request is initiated by mail, the utility's standard application or contract form must be signed and submitted by the applicant before sewer service is provided by the utility. Any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

The utility's standard application or contract form is attached in the Appendix to this tariff and available on the Company's website in English at:

https://www.aquawater.com/sites/default/files/2024-08/english_tx_app-_updated02012016.pdf

or in Spanish at: https://www.aquawater.com/sites/default/files/2024-08/spanish_tx_app-_updated_02012016.pdf

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

If the services of a registered professional engineer are required as a result of a service initiation request received by the utility for service to that applicant's service extension only, such engineer will be selected by the utility and the applicant, and the applicant shall bear all expenses incurred therein.

Non-Standard Service - If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by PUC Rules) for the actual costs of any additional facilities required to maintain compliance with the Texas Commission on Environmental Quality (TCEQ) minimum design criteria for sewer collection, treatment, pumping and discharge.

Pretreatment Costs - Non-residential customers electing the pretreatment option for sewage with non-standard characteristics may be charged those costs set forth in the utility's extension policy if such pretreatment fails or otherwise causes the utility's facilities to violate their waste-water discharge permits.

Non-residential customers requiring pretreatment for sewage with non-standard characteristics may be charged the costs to treat wastewater loadings in excess of the domestic waste characteristics shown above, and those costs set forth in the utility's extension policy if such pretreatment fails or otherwise causes the utility's facilities to violate their wastewater discharge permits.

Costs Not in Tariff - Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall have the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located. Unless the PUC or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

Section 2.03 - Fees, Charges & Easements Required Before Service Can Be Connected

(A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant will be required to pay a deposit as provided for in Section 1.02 of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants sixty-five (65) years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility that accrued within the last two (2) years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth (1/6) of the estimated annual billings.

Refund of deposit. - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any customer who has paid eighteen (18) consecutive billings without being delinquent.

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1.

Tap fees may be increased by unique costs not normally incurred as may be permitted by 16 TAC § 24.163(b)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission, or pressure facilities unless they are needed for adequate service to that applicant.

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions, and regulations for service, the utility will install service connections, which may include a utility cut-off valve, and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within five (5) business days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within thirty (30) days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Except for good cause, where service has previously been provided, the utility will reconnect the service within one (1) working day after the applicant has met the requirements for reconnection.

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the tap location to the place of use. Customers will 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 may be required to install and maintain a cutoff valve on their side of the meter.

Section 2.07 Access to Customer's Premises

All customers or service applicants shall provide access to utility cutoffs 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 or sewer system.

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other sewer service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a crossover valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any sewer lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a sewer main abutting the premises.

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

Pursuant to 16 TAC § 24.163(b)(3)(A) and (B), the customer's service line and appurtenances shall be construed in accordance with the laws and regulations of the State of Texas, local plumbing codes, or, in the absence of such local codes, the Uniform Plumbing Code. It shall be the customer's responsibility to maintain the service line and appurtenances in good operating condition, i.e., clear of obstruction, defects, or blockage.

If the utility can provide evidence of excessive infiltration or inflow or failure to provide proper pretreatment, the utility may, with the written approval of the PUC, require the customer to repair the line or eliminate the infiltration or inflow or take such actions necessary to correct the problem. If the customer fails to correct the problem within a reasonable time, the utility may disconnect service after proper notice.

Section 2.08 - Back Flow Prevention Devices

No water connection shall be made to any establishment where an actual or potential contamination or system hazard exists without an approved air gap or mechanical backflow prevention assembly. The air gap or backflow prevention assembly shall be installed in accordance with the American Water Works Association (AWWA) standards C510, C511 and AWWA Manual M14 or the University of Southern California Manual of Cross-Connection Control, current edition. The backflow assembly installation by a licensed plumber shall occur at the customer's expense.

The back flow assembly shall be tested upon installation by a recognized prevention assembly tester and certified to be operating within specifications. Back flow prevention assemblies which are installed to provide protection against high health hazards must be tested and certified to be operating within specifications at least annually by a recognized back flow prevention device tester. The maintenance and testing of the back flow assembly shall occur at the customer's expense.

Section 2.09 - Metering

It is not a requirement that the utility use meters to measure the quantity of sewage disposed of by individual customers. One connection is required for each residential, commercial, or industrial facility in accordance with the PUC Rules.

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

Section 2.10 - Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of the bills for utility service will be at least twenty-one (21) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next business after the due date.

(B) Late Fees

A late charge penalty of \$5.00 or 10.0% will be charged on bills received after the due date. Customer payments postmarked by the due date will not incur a late penalty. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly billing a telephone number (or numbers) which may be reached by a local call by customers to which customers can direct questions about their utility service. At the utility's option, a toll-free telephone number or the equivalent may be provided.

(D) Prorated Bills

If service is interrupted or seriously impaired for twenty-four (24) consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.11- Payments

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.

Payment of an account by any means that 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. If a customer has two (2) returned payments within a twelve-month (12) period, the customer shall be required to pay a deposit if one has not already been paid.

Electronic Billing and Payment

A customer may voluntarily elect to be billed through a paperless electronic billing system which uses standard forms, protocols and conformation processes established and maintained by the utility or unaffiliated third parties providing online billing and payment services that are approved by the utility. Any charges required by the third party to process the electronic bill or payment are the responsibility of the customer and are in addition to utility bill amounts. In administering this electronic billing option, the utility does not send the customer paper bills. Customers may sign up for electronic billing at www.aquaamerica.com. Required information that otherwise accompanies a paper bill is transmitted to the customer electronically, or an Internet link access to such information is transmitted electronically to the customer. Any applicable disconnection notice continues to be sent to the customer via United States mail. The utility may utilize unaffiliated third parties to electronically transmit bills to the customer. The utility is not responsible for any loss resulting from the customer's election to receive bills electronically, including but not limited to, any loss associated with damage to the customer's computer equipment or facilities and any loss associated with a third party's unauthorized use of the customer's information. Either the Utility or customer may, upon thirty (30) days' notice to the other party, terminate electronic transmission of bills without any liability to the terminating party resulting from such termination, and without affecting the customer's obligation to pay all amounts due to the utility. In such event, the utility will begin to issue paper bills via United States mail to the customer as soon as reasonably practical. The utility reserves the right to determine whether or not a customer is eligible to be billed through its paperless electronic billing system. A customer that elects electronic billing, who is a combination water and sewer service customer of the utility, will receive electronic billing for both services.

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

Section 2.12 - Service Disconnection

(A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least ten (10) days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within thirty-one (31) days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

(B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within thirty-six (36) hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.14 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the PUC in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four (4) hours. The notice will explain the cause of the interruptions.

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain and operate treatment, storage, transmission, and collection facilities of sufficient size and capacity to provide a continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge the effluent at the quality required by its discharge permit issued by the TCEQ. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Sewer Systems.

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two (2) years after the final settlement of the complaint.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the PUC.

Section 2.17 - Liability

(A) Customer Liability

Customer shall be liable for any damage or injury to utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others directly under his control.

(B) Utility Limitation on Product/Service Liability

The utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's premises. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in sewer service whatever the cause. The utility will not accept liability for injuries or damages to persons or property due to disruption of sewer service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the utility if the utility has undertaken such preventive measures as are required by PUC or TCEQ rules, (3) electrical power failures in sewer systems not required by TCEQ rule to have auxiliary power supplies, or (4) termination of sewer service pursuant to the utility's tariff and the PUC's rules.

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

Section 2.18 – Exclusivity of Service and Ownership of Facilities

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other sewer service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a crossover valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any sewer lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a sewer main abutting the premises.

No service request initiated by telephone, through an Internet website or other electronic transmission, written application, agreement, or contract for service may be assigned or transferred without the written consent of the utility.

It is agreed and understood that any and all sewer 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 whether in verbal, written, or electronic transmission format, shall be construed to reflect a sale or transfer of any such lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said sewer lines and for installation, not purchase, of said lines.

Service applicants may be required to comply with any pre-condition to receiving service not printed herein as may exist under PUC Rules, TCEQ rules (customer service, health and safety, water conservation, or environmental), U.S. Environmental Protection Agency rules, Texas Water Development Board rules, local water or conservation district rules, or health department rules. Existing customers shall be required to comply with such rules, including modification of their plumbing and/or consumption patterns, after notice.

In accordance with the requirements of utility's wastewater discharge permit, any and all repairs and maintenance of utility's lines, tanks, pumps and equipment located on Customer's premises shall be performed exclusively by the utility.

Section 2.19 – Impermissible Disposal of Waste other than Sewage

The utility only provides "sewage" collection and disposal service to the public. This service is limited to the collection, treatment and disposal of waterborne human waste and waste from domestic activities such as washing, bathing, and food preparation. This service does not include the collection, treatment or disposal of waste of such high BOD or TSS characteristics that it cannot reasonably be processed by the utility's state-approved wastewater treatment plant within the parameters of the utility's state and federal wastewater discharge permits.

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

The disposal into the utility's sewer collection system of bulk quantities of food or food scraps not previously processed by a grinder or similar garbage disposal unit and grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption for sale to the public shall be prohibited. Specifically included in this prohibition are grease and oils from grease traps or other grease and/or oil storage containers. These substances are defined as "garbage" under Texas Health and Safety Code § 361.003(10), and are not "sewage" as defined by the Texas Water Code § 26.001(7).

Domestic sewage means wastewater, that when analyzed, indicates that the concentration of BOD₅ does not exceed 200 milligram per liter (mg/L), TSS Chemical Oxygen Demand (COD) does not exceed 450 mg/L, TDS does not exceed 300 mg/L, Chlorides do not exceed 60 mg/L, and Metals do not exceed values that would be detrimental to the treatment process. Commercial/Industrial sewage means waste which, when analyzed, exceeds the concentrations of BOD₅, TSS, COD, TDS, Chlorides, and Metals as stated in the paragraph above. Any sewage other than domestic sewage will require pretreatment by the discharger, which may be waived; such waiver or non/waiver will be determined by the utility at its sole discretion.

SEWER SERVICE DOES NOT INCLUDE THE COLLECTION AND DISPOSAL OF STORM WATERS OR RUN OFF WATERS, WHICH MAY NOT BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM.

The introduction of any Clean Water by the Customer to the Service Line shall not be permitted under any circumstances, and the continuance of such practice shall be grounds for immediate discontinuance of sewer service.

No Customer may make connection of roof downspouts, foundation drains, areaway drains, sump pumps, or other sources of Clean Water, infiltration or inflow to a public sanitary sewer or to a building sewer or building drain that in turn is connected directly or indirectly to the Company's sewer system. The Customer must immediately disconnect any such connections when found. Failure to disconnect is grounds for immediate discontinuance of sewer service.

It shall be the responsibility of the Customer to keep and maintain the building Service Line connected to the Company's sewer system in good repair. The Customer shall be responsible for making necessary repairs, at his or her own expense, to the building Service Line when notified in writing by the Company that repairs are necessary. Should the Customer fail to repair the building sewer within 60 days after receiving written notification by the Company that such repairs are necessary, the Company may terminate sewer service to the property without further notice.

No unauthorized Person shall uncover, make any connections with or opening into, use, alter, or disturb any part of the Company's sewer system or appurtenance thereof without first obtaining written approval from the Company. All Costs and expenses incidental to the installation and connection of the building Service Line shall be borne by the Customer. The Customer shall indemnify the Company from any loss or damage that may directly or indirectly be occasioned by

the installation of the building sewer, provided, however, that such indemnification shall not extend to loss or damage due solely to willful misconduct or negligence on the part of the Company.

No user shall introduce, cause to be introduced, or allow to be introduced into the Company sewer system any pollutant or wastewater, including High-Strength Waste Discharges, that causes pass through or interference with the Company's sewer system. These general prohibitions apply to all users of the Company sewer system whether or not they are subject to categorical pretreatment standards or any other national or state pretreatment standards or requirements.

If in the professional opinion of the Company a violation exists that threatens the health, safety, and/or welfare of the Company's employees, the general public, or the Company's sewer system, the Company may terminate sewer service to the property without notice. In such cases, the Company shall notify the Commission as soon as practicable as to the action taken, the reasons for such action, and the corrective action required.

Under 16 TAC § 24.165(o), the utility may charge for all labor, material, equipment, and other costs necessary to repair or replace all equipment damaged due to service diversion or the discharge of wastes which the system cannot properly treat. This shall include all repair and cleanup costs associated with discharges of grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption or for sale to the public discharged from grease traps or other grease and/or oil storage containers. The utility may charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority.

The utility may not charge any additional penalty or charge other than actual costs unless such penalty has been expressly approved by the PUC and filed in the utility's tariff.

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

Section 2.20 – Pretreatment for Non-Standard Service

Any pretreatment required shall be at the sole cost and expense of the applicant. Pretreatment means the processes and actions taken that result in the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of the properties of pollutants in the wastewater prior to introducing such pollutants into the utility's sewer system. Sole costs and expenses are to be paid by the applicant for any pretreatment facilities and/or processes. The pretreatment requirements shall be such requirements that may be required by the Rules for Commercial Wastewater Pretreatment as promulgated by the TCEQ, local or county authorities having appropriate jurisdiction, and any State and Federal laws, rules or, regulations that may be adopted from time to time by the utility. The applicant is responsible and liable for and must pay for any costs of operation, maintenance, repair, compliance and fines and penalties that result from any misuse and/or any failure of any pretreatment facilities on any pretreatment facilities installed by the applicant and/or installed upon the customer's property. The applicant must acknowledge receipt of the documentation for all pretreatment requirements. As used in this tariff, the terms sewage and wastewater have the same meaning.

Section 2.21 - Residential Single-Family Grinders and Sewage Stations

Prior to the installation of a grinder or sewage station, the utility must be given a complete listing of all materials and equipment that will be used.

In order to prevent inflow and infiltration, the materials must comply with standard specifications, approved by the TCEQ and the utility.

After the utility has approved the proposed grinder or sewage station, the construction may begin. Once the work has been completed, the utility will do an inspection of the grinder / sewage station to ensure the complete installation was as specified.

The customer will retain ownership of receiving tanks or lift stations on the customer's property, and all maintenance, repairs, and replacement are the customer's responsibility, as required by 16 TAC § 24.163(b)(3)(C). The customer shall own and maintain the grinder pump and appurtenances. Additionally, all Repairs may be performed by anyone selected by the customer who is competent to perform such repairs. The utility requires that parts and equipment meet the minimum standards approved by the TCEQ, to insure proper and efficient operation of the sewer system.

All grinder pumps, storage tanks, controls, and other appurtenances necessary to provide pressurized wastewater service shall conform to the utility's specifications.

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

The utility will install the grinder pumps, storage tanks, controls and other appurtenances necessary to provide pressurized wastewater service to a residential connection at the property line with a maximum offset of three feet (3'). The utility will have ownership of all utility-installed grinder pumps, receiving tanks, lift stations or controls on the customer's property, and all maintenance, repairs, and replacements will be performed by the utility. Electric bills and electric service to the grinder pump are the customer's responsibility. In some cases, the repairs may be performed by anyone selected by the customer and approved by the utility, who is competent to perform such repairs. The utility requires that parts and equipment meet the minimum standards approved by the TCEQ, to insure proper and efficient operation of the wastewater system.

Customers are not permitted to flush materials that are known to clog grinder/sewage stations, as provided by the utility. At premises where repeated problems are due to violations of this requirement, the costs of repairs required due to customer flushing such materials shall be charged in full to said customer. Violations of this requirement will be considered as Tampering or Damaging to the Sewer Service Connection and will be subject to the additional Damage or Service Diversion Penalty.

In accordance with the requirements of utility's Wastewater Discharge Permit, any and all repairs and maintenance of utility's lines, tanks, pumps, and equipment located on Customer's premises shall be performed exclusively by the utility. Copies of the utility's state and federal wastewater discharge permits shall be available for public inspection and copying in the business office during normal business hours.

Section 2.22 - Multi-Family and Commercial Receiving Tanks and Lift Stations

Prior to the installation of a grinder or sewage station by a commercial or multi-family service applicant, the utility must be given a complete listing of all materials and equipment that will be used, along with the storage for that development. In order to minimize inflow and infiltration into the collection system, the installation and materials must comply with standard specifications approved by the TCEQ. After the utility has approved the proposed grinder / sewage station, the construction may begin. Once the work has been completed, the utility will do an inspection of the grinder / sewage station to ensure the complete installation was as specified. Prior to acceptance of an existing receiving tank or lift station that is being used as an interceptor tank for primary treatment, wastewater storage or pump tanks prior to discharge into an alternative or conventional sewage system must be cleaned, inspected, repaired, modified, or replaced if necessary to minimize inflow and infiltration into the collection system.

Existing pumps and tanks must be of adequate size to insure proper pumpage in the event of high flow or if one pump is out of service. If the existing pumps and receiving tanks or lift stations are of inadequate size the utility will not accept liability for backups due to high flows, one pump out of service, rainfall causing inflow or infiltration, power outages, lack of proper storage capacity, etc.

SECTION 2.0 – SERVICE RULES AND REGULATIONS (CONTINUED)

Regardless of who performs the initial installation, the utility shall hold title to and the responsibility to maintain and repair all equipment necessary to connect that service location to the utility's collection line. The customer shall be responsible for the monthly electric bill.

If the collection system that discharges into the receiving tank or lift station has an inflow or infiltration problem and collects rainfall discharge, the owner or P.O.A. will correct it within ninety (90) days of written notice from the utility. If no action is taken to correct the problem within ninety (90) days, the utility may take the responsibility to make corrections at the owner's or P.O.A.'s expense. The utility is not responsible for the collection system that discharges into the receiving tank or lift station.

The owner or P.O.A. shall be responsible for the monthly electric bill.

An adequate easement must encompass the receiving tank or lift station by a fifteen-foot (15') radius and also a fifteen-foot (15') access easement to the receiving tank or lift station site. If this easement does not exist, one must be created and recorded.

Section 2.23 - Access to Customer's Premises

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 sewer mains or other equipment used in connection with its provision of sewer 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 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.

All customers or service applicants shall provide access to 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.

THREATS TO OR ASSAULTS UPON UTILITY PERSONNEL SHALL RESULT IN CRIMINAL PROSECUTION. FURTHER, THE UTILITY MAY SEEK PUC APPROVAL TO DISCONTINUE SERVICE.

SECTION 3.0 – EXTENSION POLICY

This section contains the utility's specific extension policy. It has been reviewed and approved by the PUC and is in compliance with PUC Rules.

The utility adopts the PUC Rules, as the same may be amended from time to time, as its company specific extension policy. These rules will be kept on file at the business office for customer inspection during normal business hours.

Section 3.01 - Standard Extension Requirements

Line extension and construction charges. No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility is not required to extend service to any applicant outside of its certificated service area and will only do so, at the utility's sole option, under terms and conditions mutually agreeable to the utility and the applicant and upon extension of the utility's certificated service area boundaries by the PUC. Service applicants may be required to bear the cost of the service area amendment.

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certificate area, the utility will pay the cost of the first two hundred feet (200') of any sewer collection line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first two hundred feet (200'). The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility. Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the PUC Rules.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

SECTION 3.0 – EXTENSION POLICY (CONTINUED)

Within its certificated area, the utility shall bear the cost of the first two hundred feet (200') of any water main or sewer collection line necessary to extend service to an individual residential service applicant within a platted subdivision unless the utility can document:

- (a) that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility; or,
- (b) that the developer defaulted on the terms and conditions of a written agreement or contract existing between the utility and the developer or the terms of this tariff regarding payment for services, extensions, or other requirements; or in the event the developer declared bankruptcy and was therefore unable to meet its obligations; and,
- (c) that the residential service applicant purchased the property from the developer after the developer was notified of the need to provide facilities to the utility.

A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main or wastewater collection line, whether or not that line has adequate capacity to serve that residential service applicant. The following criteria shall be considered to determine the residential service applicant's cost for extending service:

1. The residential service applicant shall not be required to pay for costs of main extensions greater than two inches (2") in diameter for pressure wastewater collection lines and six inches (6") in diameter for gravity wastewater lines.
2. Exceptions may be granted by the PUC if:
 - i. adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
 - ii. larger minimum line sizes are required under subdivision platting requirements or applicable building codes; or
 - iii. the residential service applicant is located outside the CCN service area.
3. If an exception is granted, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated area, industrial, and wholesale customers shall be treated as developers.

SECTION 3.0 – EXTENSION POLICY (CONTINUED)

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond two hundred feet (200') and throughout his property including the cost of all necessary transmission facilities.

The utility will bear the full cost of any oversizing of wastewater collection lines necessary to serve other potential service applicants or customers in the immediate area. The individual residential customer shall not be charged for any additional treatment capacity or facilities. Contributions in aid of construction may not be required of individual residential customers for treatment capacity or collection facilities unless otherwise approved by the PUC under this specific extension policy.

Section 3.03 - Contributions in Aid of Construction

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the system with all facilities necessary to comply with the PUC Rules, to provide for reasonable local demand requirements, and to comply with TCEQ's minimum design criteria for facilities used in collecting, treating, transmitting, and discharging of wastewater effluent. For purposes of this subsection, a developer is one who subdivides or requests more than two (2) connections on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC 24.163(d) and this tariff. When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge based upon the capacities of collection, transmission, storage, treatment and discharge facilities, compliant with the TCEQ minimum design criteria, which must be committed to such extension. As provided by 16 TAC § 24.163(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.0 – EXTENSION POLICY (CONTINUED)

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two (2) years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 2 and 3 of this tariff shall be subject to appeal as provided in this tariff, PUC Rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall have the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located. Unless the PUC or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

Section 3.05 - Applying for Service Extensions

A service applicant shall be required to submit a service request by mail, by telephone, through an Internet website, or through another electronic transmission. The service application form may be obtained from the utility's business office during normal weekday business hours or electronically at the website address identified in Section 2.01 - Application for and Provision of Water Service, of this tariff.

A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant.

SECTION 3.0 – EXTENSION POLICY (CONTINUED)

The tap request must be accompanied with a plat, map, diagram or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the connection is to be installed, along the applicant's property line. The actual point of connection must be readily accessible to utility personnel for inspection, servicing and testing while being reasonably secure from damage by vehicles and mowers. If the utility has more than one main adjacent to the service applicant's property, the tap or service connection will

be made to the utility's nearest service main with adequate capacity to service the applicant's full potential service demand.

Beyond the initial two hundred feet (200'), the customer shall bear only the equivalent cost of extending from the nearest main.

If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the utility. If no agreement on location can be made, applicant may refer the matter to the PUC for resolution. Unless otherwise ordered by the PUC, the tap or service connection will not be made until the location dispute is resolved.

Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has met the following requirements: (1) has met all of the utility's requirements for service contained in this tariff, PUC Rules, and/or PUC orders; (2) has made all payments for tap fees and extension charges; (3) has provided all easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary; and (4) has completed the verbal, written, or electronic transmission customer service request process for each location to which service is being requested.

The utility shall serve each qualified service applicant within its certificated service area as soon as practical after receiving a request for service. All service requests will be fulfilled within the time limits prescribed by PUC Rules once the applicant has met all requirements to become a qualified service applicant. If a service request cannot be fulfilled within the required time period, the applicant shall be notified in writing of the delay, its cause, and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all requirements to becoming a qualified service applicant as defined herein or by PUC Rules.

SECTION 3.0 – EXTENSION POLICY (CONTINUED)

Section 3.07 - Developer Requirements

The utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property. The developer shall be required to obtain all necessary easements and rights-of-way required to extend the utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by TCEQ rules and local service conditions) to and throughout the developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, sewage treatment, holding tank sites, lift station sites shall convey with all permanent easements and buffers required by TCEQ rules. Unless otherwise agreed to by the utility, pipeline right-of-way easements must be at least fifteen feet (15') wide to allow adequate room to facilitate backhoe and other heavy equipment operation and meters.

Easements must be provided for all storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by TCEQ rules. All easements shall be evidenced, at developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

Prior to the extension of utility service to developers (as defined by PUC Rules) or new subdivisions, the developer shall comply with the following:

- (a) The developer shall make a written request for service to property that is to be subdivided and developed. The Developer shall submit to the utility a proposed plat on a scale of one inch (1") to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the utility may be required to cover preliminary engineering, legal, and copy cost to be incurred by the utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique sewer demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers, and/or the environment.

SECTION 3.0 – EXTENSION POLICY (CONTINUED)

- (b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the utility to the developer for final plat preparation.
- (c) Copies of all proposed plats and plans must be submitted to the utility prior to their submission to the county for approval to ensure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the utility so that necessary changes may be incorporated into the developer's final submitted plat(s) and plans.
- (d) The utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the developer will be so notified. Plat amendments must be obtained by the developer. The developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.
- (e) The developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.
- (f) At the sole option of the utility, the developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions in aid of construction and developer reimbursements, if any.
- (g) The utility may require the developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the utility may abate its construction activities until full development construction begins. If the developer stops construction of subdivision improvements for any purpose, the utility may abate its construction for a similar period.

SECTION 3.0 – EXTENSION POLICY (CONTINUED)

- (h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The developer must notify the utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.

3.08 – Non-Standard Service

Non-residential customers generating sewage creating unique or non-standard treatment demands which might reasonably be expected to cause the utility's treatment facilities to operate outside their current waste-water discharge permit parameters may be charged the cost of all studies, engineering plans, permit costs, and collection treatment or discharge facilities construction or modification costs necessary to enable the utility to treat said sewage within permit limits acceptable to the TCEQ, EPA and other regulatory agencies. In the alternative, the customer may have the option of pre-treating said sewage in such a manner to that it may not reasonably be expected to cause the utility's facilities to operate outside their permit parameters. In such case, the customer shall be required to pay the utility's costs of evaluating such pretreatment processes and cost of obtaining regulatory approval of such pretreatment processes. In the event of the pretreatment facilities of a customer making this election fail and cause the utility's facilities to operate outside their permit parameters, the customer shall indemnify the utility for all costs incurred for clean ups or environmental remediation and all fines, penalties, and costs imposed by regulatory or judicial enforcement actions relating to such permit violations.

Non-residential sewer customers producing water borne waste significantly different from waste generated by residential customers may be required to provide a suitable sampling point at the property line for testing the customer's waste for chemicals or substances, e.g., grease, oils, solvents, pesticides, etc., which can reasonably be believed to have an injurious effect on the utility's plant and/or its ability to treat and dispose of such wastes within the parameters of the utility's permit. The utility shall have reasonable access to the sampling point at all times. For any wastewater loading in excess of Domestic Wastewater the customer shall pay the prorated costs of treatment based on their wastewater load characteristics.

APPENDIX A - APPLICATION FOR STANDARD RESIDENTIAL SERVICE/SERVICE AGREEMENT

APPENDIX B - CONDITIONS FOR NON-RESIDENTIAL SEWER SERVICE