

TARIFF and RULES and REGULATIONS OF MILITARY HIGHWAY WATER SUPPLY CORPORATION

This Tariff is effective in Cameron and Hidalgo Counties for
Water Utility Service under Certificate of Convenience and Necessity Number 10551 and for
Wastewater Utility Service Under Certificate of Convenience and Necessity Number 20571.

**Amended and Restated
July 27, 2023**

MILITARY HIGHWAY WATER SUPPLY CORPORATION
PO Box 250
Progreso, TX 78579-0250
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SECTION A. RESOLUTIONS




**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MILITARY HIGHWAY WATER SUPPLY CORPORATION**

THE BOARD OF DIRECTORS OF MILITARY HIGHWAY WATER SUPPLY CORPORATION ESTABLISHES THAT:

1. This Tariff of the Military Highway Water Supply Corporation, serving in Cameron and Hidalgo Counties consisting of Sections A. through I. and forms inclusive, is adopted and enacted as the current regulations and policies effective as of **July 27, 2023**.
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 (or revisions) 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 and a copy may be viewed on the Corporation's website. The Secretary of the Corporation shall maintain the original copy as approved and all previous copies for exhibit.
5. Rules and regulations of state or federal agencies having jurisdiction shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, word, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected.
6. This tariff has been adopted in compliance with the Open Meetings Act, Chapter 551 of the Texas Government Code.

PASSED and APPROVED this 27th day of July, 2023


Santiago Sanchez, President
Military Highway Water Supply Corporation


Cipriano Naranjo, Secretary
Military Highway Water Supply Corporation



Military Highway Water Supply Corporation

Tariff, Rules, and Regulations

Updated: July 2023 "This institution is an equal opportunity provider and employer"

Military Highway Water Supply Corporation

P.O. Box 250 • Progreso, Texas 78579

Phone (956) 565-2491 • Fax (956) 565-9471

SECTION B. STATEMENTS

MILITARY HIGHWAY WATER SUPPLY CORPORATION STATEMENTS

1. **Organization.** The Military Highway Water Supply Corporation (“Corporation” or “MHWSC”) is a member-owned, nonprofit corporation incorporated pursuant to the [Texas Water Code Chapter 67](#), and the provisions of the Texas Business Organizations Code applicable to member owned member controlled nonprofit corporations 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 apply to the water and *or* sewer services provided by the Corporation. Failure on the part of the Member, Customer, or Applicant to observe these policies, rules and regulations gives the Corporation the authority to deny or discontinue service according to the terms of this Tariff as amended from time to time by the Board of Directors of the Corporation.
4. **Corporation Bylaws.** The Corporation Members have adopted bylaws which establish the make-up of the Board of Directors and other important regulations of the Corporation. The bylaws are on file at the Corporation’s office.
5. **Fire Protection Responsibility.** The Corporation does not provide nor imply that fire protection is available throughout the distribution system, except where expressly required by municipal ordinance or agreed to by WSC. All hydrants or flush valves are for the operation and maintenance of the system and may be used by authorized fire departments in accordance with a contract with the Corporation to supply water for use in fire suppression. The Corporation reserves the right to remove any hydrant, or assign specific refill hydrants/valves 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 Nonstandard Service Contract as provided for in Section I, in which event the terms and conditions of the Contract shall apply.
6. **Damage Liability.** The Corporation is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limits of liability of the Corporation is the extent of the cost of service provided. By acceptance of Membership, the Member consents to waiver of such liability.
7. **Information Disclosure.** The records of the Corporation shall be kept in the Corporation office in Relampago, Texas. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Public Information Act and other applicable law. In no event and under no circumstances shall the Corporation disclose the Social Security Number of any member or customer to any person other than an employee of the Corporation. [Chapter 182, Subchapter B of the Texas Utilities Code](#) makes confidential a water utility customer’s address, telephone number, account records, and information relating to the volume or units of utility usage, or the amounts billed to or collected from the individual for utility usage. However, an individual

customer may request in writing that this information be released upon request. The Corporation shall give its applicants and customers notice of their right to request disclosure of this information under this policy. The confidentiality provision in Chapter 182, Subchapter B of the Texas Utilities Code does not prohibit the utility from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the Corporation acting in connection with the employee's duties. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each member entitled to vote on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with a meeting of the Corporation's members.

- 8. Customer Notice of Rate Change.** The Corporation will give written notice of rate changes by mail or hand delivery and by email and the Corporation's website, if applicable, to all customers at least 30 days prior to the effective date of the new rate. The notice will contain the old rates, new rates, effective date of the new rate, meaning the first date of the applicable billing cycle where the new rate will take effect, 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. The Board of Directors, committee thereof, and/or legal counsel shall hear the complaint as directed by the Board. Any hearings by committees or staff delegated to hear complaints shall report its recommendation to the full Board of Directors for a decision by the Board.
- 10. Floodplain Resolution.** In order to prevent further construction of structures within the floodplains of the areas served by MHWSC, the extension of service in the form of water or wastewater service to any structure not existing or where no construction permits have been issued in the floodplain as of the date of this tariff is prohibited.
- 11. Plumbing Code.** The Corporation adopted the Uniform Standard Plumbing Code as guidance in the design, installation, and maintenance of plumbing systems and service facilities connecting or connected to the corporation's water and/or wastewater facilities, to the extent appropriate under the applicable statutes and regulations governing public water and wastewater utility systems. Any member may be required to retrofit plumbing systems and service facilities as determined to be necessary by the Corporation for purposes of compliance with the Uniform Standard Plumbing Code.
- 12. Plumbing Restrictions.** The member is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. MHWSC will notify

each customer of the plumbing restrictions which are in place to insure this protection. The corporation will enforce these restrictions to ensure the public health and welfare.

The following undesirable plumbing practices are prohibited:

- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination must be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
- 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 must be eliminated at the service connection by the installation of an air- gap or a reduced pressure-zone backflow prevention device.
- C. No connection which allows water to be returned to the public drinking water supply is permitted.
- D. No pipe or pipe fitting which contain more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
- E. No solder or flux which contains more than 0.2% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

13. Customer Service Inspections. The Corporation requires that a customer service inspection certification be completed prior to providing continuous water service to new construction and for all new members as part of the activation of standard and some nonstandard service. Customer service inspections are also required on any existing service when the Corporation has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction or addition to the members' water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contaminant hazards and illegal lead materials. ([30 TAC 290.46\(j\)](#))

14. Requirement To Comply With The Subdivision Service Policies Of Corporation. Pursuant to Chapter 13.2502 of the Texas Water Code, Military Highway Water Supply Corporation hereby gives notice that any person who subdivides land by dividing any lot, tract, or parcel of land, within the water service area of MHWSC's Certificate of Convenience and Necessity No. 10551 and wastewater service area of MHWSC's Certificate of Convenience and Necessity No. 20571, in Hidalgo and Cameron Counties, 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 or wastewater service connections on a single contiguous tract of land must comply with the service extension policy and/or subdivision policy contained in this tariff.

MHWSC is not required to extend retail water or wastewater utility service to a service applicant in a subdivision where the developer of the subdivision has failed to comply with the Subdivision Policy.

15. 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 Public Utility Commission, [Chapter 24](#), Subchapter I 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 Public Utility Commission.

- 16. Prohibition Against the Resale of Water.** The meter and/or sewer 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 share or resell water to any other persons, dwellings, businesses, or property, etc., is prohibited.

SECTION C. DEFINITIONS

DEFINITIONS

The definitions provided in this section serve as a guide to the terms used within the Tariff for the Military Highway Water Supply Corporation (MHWSC). However, they are subject to the established statutory definitions as per the laws of Texas, including but not limited to those in the Texas Water Code, the Texas Business Organizations Code, and any other applicable statutes within the state Codes of Texas. Furthermore, they are subject to relevant federal definitions and standards, such as those provided in USDA Bulletins or other guidance issued by administrative authorities.

Should there be any conflict between our definitions and these statutory definitions or federal standards, the statutory or federal definition or standard will take precedence. Additionally, any terms used within this Tariff that are not explicitly defined in this section will be interpreted as per the statutory definitions set out in the laws and codes of the state of Texas, or in accordance with relevant federal definitions and standards.

This approach ensures our compliance with state and federal law, and maintains consistency with the legal interpretations set forth by Texas and federal authorities. Readers must adhere to this clause for accurate interpretation and understanding of the terms within this Tariff.

Active Service - Service status of any Member receiving authorized water and/or wastewater service under the provisions of this Tariff.

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

Base Rate – The monthly charge assessed each Member/Customer for the opportunity of receiving service. The Base Rate is a fixed rate based upon the meter size as set forth in the equivalency chart.

Board of Directors – The governing body elected by the Members of the Corporation that is vested with the management of the affairs of the Corporation ([Section 22.001\(1\), Texas Business Organizations Code](#)).

Bylaws – The rules pertaining to the governing of the Corporation adopted by the Corporation Members ([Section 22.001\(2\), Texas Business Organizations Code](#)).

Certificate(s) of Convenience and Necessity (CCN) – The authorization granted under [Chapter 13 Subchapter G of the Texas Water Code](#) for the Corporation to provide water and/or sewer utility service within a defined territory. The Corporation has been issued Certificate Number(s) 10551 for Water Utility Service and 20571 for Wastewater Utility Service. Territory defined in the CCN shall be the Certificated Service Area.

Contribution To Construction Fee - A fee paid by a Member, or potential Member, of the Corporation for the purpose of aiding the Corporation in the construction of a project. (PRO RATA FEE)

Corporation – The Military Highway Water Supply Corporation.

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

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

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) for both service to an Applicant and system-wide service. 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. The easement will be filed in the real property records of the appropriate county or counties.

Equity Buy-In Fee – Each Applicant for new service where a new service tap is necessary shall be required to achieve parity with the contributions to the construction or acquisition of the Corporations assets related to capacity that have been made previously by existing Members. This fee shall be calculated annually after receipt of the system audit and assessed prior to providing (or reserving service for nonstandard service applicants) on a per service unit basis for each property and shall be assigned and restricted to that property for which the service was originally requested.

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

Final Plat – A complete plan for the subdivision of a tract of land showing or referencing Local Tax Appraisal Maps, access to public road(s), number and size of lots, location of dedicated water/sewer easements, and location(s) of lakes, streams, or rivers through the property. The Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. For purposes

of evaluating Subdivision service requests, the Corporation may accept preliminary plats or plats awaiting final approval pending execution of agreement for service by the Corporation.

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

Impact Fee - A charge or assessment against the property for which service is requested to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development within the Corporation's service area. The term includes amortized charges, lump-sum charges, capital recovery fees, contributions in aid of construction, and any other fee that functions in that manner.

Inactive Membership - Status of any membership which has not been received active service for a period of more than one month but less than six months duration.

Inactive Service - Service status of any account which has not been active for a period of more than one month but less than six months duration.

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.

Installation Fee - A fee charged for all costs necessary for installation of the type of service requested.

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

Member – Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who holds a membership in the Corporation and who is a record owner of fee simple title to the property in an area served by the water supply or sewer service corporation or a person who is granted a membership and who either currently receives or will be eligible to receive water or sewer utility service from the corporation. An applicant must be qualified for service and must have been certified as a member in accordance with the Corporation's Tariff before service will be activated. ([Texas Water Code Section 13.002\(11\)](#), [Texas Water Code Section 67.016\(d\)](#))

Membership – A non-interest-bearing stock or right of participation purchased from the Corporation evidencing a Member's interest in the Corporation. ([Texas Business Organizations Code Sections 22.151\(c\)](#))

Membership Fee – A fee qualified as such under the terms of the tariff and the bylaws of the Corporation assigned to the real estate designated to receive service. The membership fee shall be non-refundable upon termination of service and surrendering the Membership. The membership fee cannot be more than 12 times the minimum monthly base rate.

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

Minimum Charge - The term Minimum Charge (proper name) is used to define the monthly charge assessed each Member of the Corporation utilizing service or each Member who has the opportunity to utilize service from the Corporation. In the text of this Tariff, a Minimum Charge (common name) may be used generically to describe Minimum Charge, Reserved Service Charge, or Service Availability Charge, the monthly charges assessed each Member entitled to service.

Public Utility Commission (PUC) – State regulatory agency having jurisdiction over water and sewer service utilities and appellate jurisdiction over the rates and fees charged by Nonprofit Water and Sewer Service Corporations

Proof of Ownership – For the purpose of this tariff, applicants for service and membership shall provide proof of ownership of the real estate. (See [Texas Property Code, Title 3, Chapter 12, Section 12.001 and 12.0011](#))

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

Renter – A customer who rents or leases property from a Member or who may otherwise be termed a tenant.

Re-Service – Providing service to an Applicant at a location for which service previously existed and where there is an existing setting for a meter. Costs of such re-servicing shall be based on justifiable expenses in connection with such re-servicing.

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

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

Service Investigation Fee – A fee for costs associated with determining if service is available and determining cost of service.

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

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.

Subdivide – To divide the surface area of land into lots or tracts.

Subdivider or Person who Subdivides Land– An individual, firm, corporation, or other legal entity that owns any interest in land and that directly or indirectly subdivides land into lots as a part of a common promotional plan in the ordinary course of business.

Subdivision – An area of land that has been subdivided into lots or tracts.

Tap fee – all current labor and materials necessary to provide individual metered water or wastewater service.

Tariff – The operating policies, service rules, service extension policy, service rates, water use restriction 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 by law at the State Office of the PUC.

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

Texas Commission on Environmental Quality (TCEQ) – State regulatory agency having jurisdiction over drinking water, water supply and water quality issues for Nonprofit Water and Sewer Service Corporation.

Transfer Fee - A fee assessed by the Corporation for costs associated with transferring membership. (see [Texas Water Code Section 67.016](#))

Transferee – An Applicant receiving a Membership by legal means from a Transferor desiring to forfeit and transfer current rights of Membership to another person or entity. (see [Texas Water Code Section 67.016](#))

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

Usage – Amount billed for water or sewer service based on actual or estimated usage.

1. Actual Usage – Amount billed or to be collected based on actual meter reading.
2. Estimated Usage – Amount billed or to be collected based on either the member’s historical average usage for the prior month or for the same month of the prior year where date is available. (See also PUC Rules [16 TAC §24.165\(i\)](#) regarding estimated bills.)

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

SECTION D. GEOGRAPHIC AREA SERVED

CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide (Water and/or Sewer) Service Under Texas Water Code
and Public Utility Commission Substantive Rules

Certificate No. 10551 for water and Certificate No. 20571 for sewer

1. Certificate Holder:
 Name: Military Highway Water Supply Corporation
 Address: P.O. Box 250
 Progreso, Texas 78579

2. General Description and Location of Service Area:
 See CCN Maps

3. Certificate Maps:
 See CCN Maps

This certificate is No. 10551 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.

Public Utility Commission of Texas

By These Presents Be It Known To All That

MILITARY HIGHWAY WATER SUPPLY CORPORATION

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity

numbered 10551, to provide water utility service to that service area or those service areas designated by final Order or Orders duly entered by this Commission, which Order or Orders are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection;

and be it known further that these presents do evidence the authority and the duty of this Granter to provide such utility service in accordance with the laws of this State and the Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

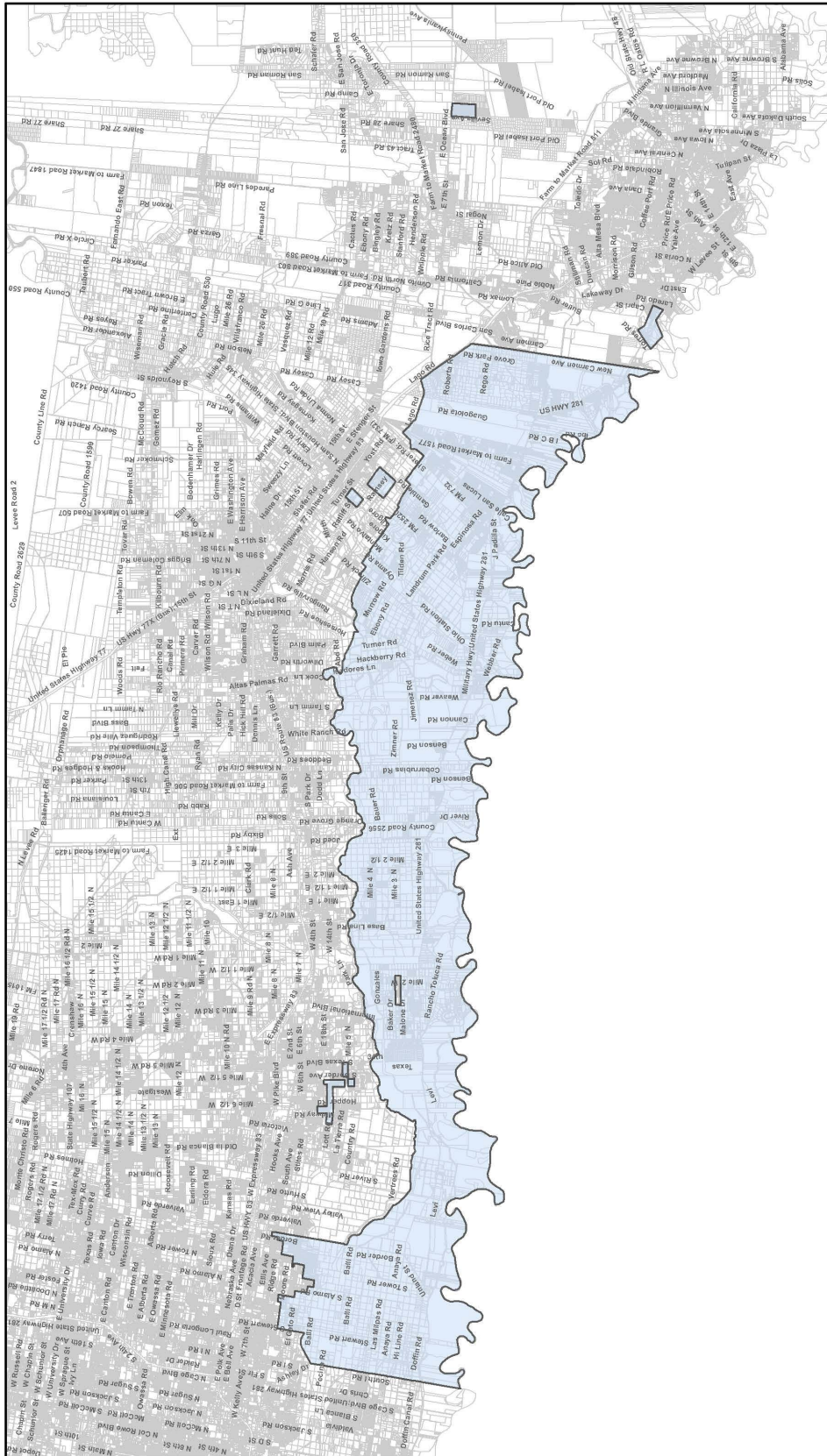
Issued at Austin, Texas, this 1st day of November, 1979.




Philip F. Ricketts

Philip F. Ricketts
SECRETARY OF THE COMMISSION





Legend

 MHWSC Water CCN



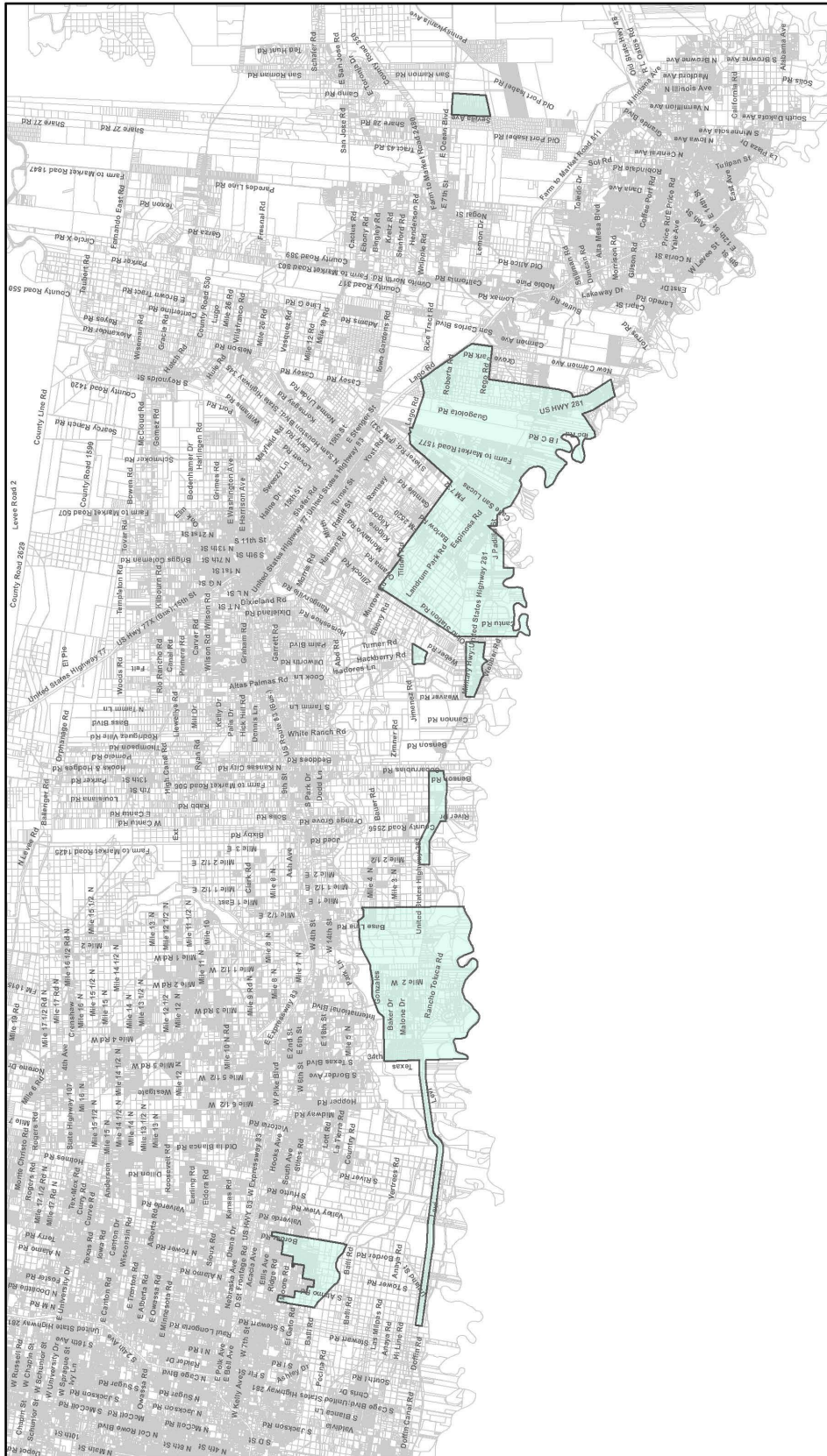
1 inch = 30,000 feet

MHWSC

Military Highway Water Supply Corporation

10001 N. Loop West, Suite 100
Houston, Texas 77057
Tel: (281) 461-1000 Fax: (281) 461-1001

MILITARY HIGHWAY WATER SUPPLY CORPORATION **HIDALGO & CAMERON COUNTY** **WATER CCN**



Legend

MHWSC Sewer CCN



1 inch = 30,000 feet

MHWSC

Military Highway Water Supply Corporation

10001 N. Loop West, Suite 100
Houston, Texas 77057
Tel: 281.465.4500 Fax: 281.465.4501

MILITARY HIGHWAY WATER SUPPLY CORPORATION **HIDALGO & CAMERON COUNTY** **SEWER CCN**

SECTION E. SERVICE RULES AND REGULATIONS

SERVICE RULES AND REGULATIONS

The 'Service Rules and Regulations' contained herein are intended to be read and interpreted in conjunction with the laws, rules, and regulations applicable to the Military Highway Water Supply Corporation (MHWSC). This includes, but is not limited to, statutes, rules, and regulations found within the Texas Water Code, the Texas Business Organizations Code, the Texas Administrative Code, as well as any other pertinent state or federal law.

Please be aware that in situations where the 'Service Rules and Regulations' make reference to or invoke a statute, rule, or regulation, the referenced legal provision shall control. In any instance where a conflict might arise between our 'Service Rules and Regulations' and any invoked or applicable statute, rule, or regulation, the latter will prevail.

This clause underscores our adherence to and compliance with all relevant legal standards and ensures the most accurate interpretation and understanding of our 'Service Rules and Regulations' in alignment with the larger legal framework that governs the MHWSC's operations. Readers are encouraged to familiarize themselves with the relevant laws, rules, and regulations to fully comprehend the context and implications of these 'Service Rules and Regulations'.

1. **ACTIVATION OF STANDARD SERVICE.** Before receiving service, applicants must comply with all the following requirements, as applicable:
 - a. New Tap – The corporation shall charge a nonrefundable service installation fee as required of this tariff. The service installation fee shall be quoted in writing to the applicant. Any debt owed to the Corporation and all fees shall be paid, or a deferred payment contract signed in advance of installation. ([16 TAC 24.163\(a\)\(1\)\(A\)](#))
 - b. Re-Service – On property where service previously existed, the corporation shall charge the Membership Fee (where the Membership Fee has been liquidated or refunded), reconnection costs, any debt owed to the Corporation if the applicant is the person that previously incurred those charges, seasonal reconnect fee as appropriate, and other applicable costs necessary to restore service.
 - c. Performance of Work – All tap and equipment installations specified by the corporation shall be completed by the corporation staff or designated representative after all requirements for service have been met. The tap for a standard service request shall be completed within five (5) working days after requirements for service have been met. This time may be extended for installation of equipment for Nonstandard Service Request. ([16 TAC 24.161\(a\)\(4\)](#))
 - d. Inspection of Customer Service Facilities – The property of the Applicant/Member shall be inspected to ensure compliance with state required Minimum Acceptable Operating Practices For Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. The customer must, at his or her expense, properly install, inspect, test, maintain and provide all required documentation of any approved backflow prevention device required by the Corporation. ([30 TAC 290.46\(j\)](#))

2. **ACTIVATION OF NONSTANDARD SERVICE.** Activation of Nonstandard Service shall be conducted as prescribed by terms of this Tariff.
3. **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.
4. **BACK-BILLING.** If a Member is undercharged the corporation may back-bill the Member. Back-billing may not exceed 12 months unless such undercharge is a result of meter tampering, bypass, or diversion by the customer as defined in this tariff ([See 16 TAC Section 24.165\(h\)](#)). If the underbilling is \$25 or more, the utility shall offer to such member/customer a deferred payment plan option for the same length of time as that of the underbilling.
5. **BILLING.**
 - a. All service shall be billed monthly unless otherwise authorized.
 - b. It is the responsibility of the customer to keep the area around their meter clear so access to the meter is not hindered. If a meter is covered or otherwise not accessible, it may be necessary to estimate the reading until the meter can be read. This estimation may result in a higher or lower bill than normal.
 - c. In the event of a dispute between a customer and the corporation regarding any bill for service, an investigation will be conducted and the results will be reported to the customer. If the dispute is not resolved, the customer may follow the grievance procedure set forth in this Tariff.
6. **BILL ADJUSTMENT.**
 - a. Due to Meter Error - The Corporation shall test any Member's meter upon written request of the member. In the event the meter tests within the accuracy standards of The American Water Works Association, a test fee as prescribed in this Tariff shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Member shall complete a Meter Test Request Form prior to the test.
 - b. Due to Estimated Billing - If the Corporation has estimated usage because the Corporation is unable to access the meter due to circumstances beyond the Corporation's control, such as a natural disaster; or because access is hindered or denied by a Member, the Corporation shall adjust the bill once access has been regained and actual usage is determined.

- c. Due to Leak - If a Member's monthly bill is higher than normal due to a leak on the Member's side of the meter, the Member may submit a written leak adjustment request to the Corporation. Upon approval of a leak adjustment by the Corporation, the Member shall be charged the amount of one month's average bill for the previous twelve (12) months. Any additional consumption above the Member's average bill shall be charged at the Corporation's current lowest-tier rate that fully covers the cost of service associated with the additional consumption. The Corporation may grant an adjustment if each of the following apply:
 1. the amount of excess water usage reflected in the contested bill is at least three (3) times the Member's average monthly usage;
 2. the leak has been verified by the Corporation's manager or other representative;
 3. the Member submits documentary evidence that the leak has been repaired within ninety (90) days of repair, including a statement from a plumber and/or receipt(s) for parts purchased to repair the leak; and
 4. the Member has not requested a leak adjustment during the previous twenty-four (24) months regardless of the number of meters serving the Member's property or properties.
7. **BILLING CYCLE CHANGES.** The Corporation reserves the right to change its billing cycles if the workload requires such practice. After a billing period has been changed, the billings shall be sent on the new change date unless otherwise determined by the Corporation.
8. **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.
9. **CHANGING WATER METER SIZES**
 - a. INCREASE IN SIZE - A customer desiring a water meter larger than the size of the meter then in service shall pay to the corporation the difference between the meter installation charge of the larger size meter installation and the salvage value to the corporation of the old meter installation.
 - b. REDUCTION IN SIZE - A customer desiring a meter smaller than the size of the meter then in service shall pay to the corporation the difference between the meter installation charge of the smaller size meter installation less the salvage value of the removed larger meter installation.
10. **CHARGE DISTRIBUTION AND PAYMENT APPLICATION.**
 - a. The Base Rate is based on a monthly billing period. 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 last day 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 this Tariff. and billing shall be calculated in one hundred (100) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.
- c. Posting of Payments: All payments shall be posted against previous balances and late fees prior to posting against current billings.
- d. Forms of Payment: The Corporation will accept the following forms of payment: cash, personal check, cashier's check, money order, credit card, automatic debit on customer's bank account, or draft on bank. The Corporation will not accept two-party checks, pay checks, or any other instrument of payment that is not made out to the Corporation. The Corporation reserves the right to require exact change and may refuse to accept payments made using more than \$1.00 in coins. The Corporation will assess a credit card processing fee associated with credit card payments to those customers that make payment by credit card.

11. DEFERRED PAYMENT AGREEMENT. The Corporation may offer a written deferred payment schedule to a Member or rental tenant who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the Corporation, including any late penalty fees or interest on the monthly balance to be determined as per agreement. The Corporation must offer a deferred payment schedule for bills due during an Extreme Weather Emergency for at least 30 days from the date an Extreme Weather Emergency ends. The Member or rental tenant must accept the deferred payment schedule within seven (7) days from receipt of the written deferred payment schedule from the Corporation. The failure to make required and timely payments as provided in any deferred payment schedule will void that agreement and service will be discontinued. The Corporation may consider another deferred payment schedule provided payments will be made by automatic bank draft or credit/debit card. Nonpayment of any amount under an additional deferred payment schedule will cause service to be disconnected immediately and service will not be restored until the account is paid in full and all other charges resulting from the disconnection of service are fully paid. In the event the requestor is a tenant of rental property the Corporation shall notify the owner/member of the deferred payment schedule.

12. DENIAL OF SERVICE. The Corporation may deny service for any of the following reasons:

- a. Failure of the Applicant or Transferee to complete all application requirements, including granting an easement, completing all forms, and paying all required fees and charges;
- b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the Corporation;
- c. Existence of a hazardous condition at the Applicant's property which would jeopardize the

welfare of the Members/Users of the Corporation upon connection;

- d. Failure of Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property, for which service has been requested;
- e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the Corporation's tariff on file with the state regulatory agency governing the service applied for by the Applicant;
- f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which the tap has been requested;
- g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided;
- h. Failure of Applicant or transferee to comply with applicable regulations for on-site sewage disposal systems if the Corporation has been requested to deny service by the TCEQ or the TCEQ's designated representative under [Chapter 366 of the Texas Health and Safety Code](#); and
- i. Failure of the Applicant or Transferee to pay any previous outstanding delinquent account(s) in full. This could be delinquencies resulting from the same account location or other service location(s) within the system where the Applicant or Transferee received service.

13. DISCONNECTION OF SERVICE RULES. The following describes the rules and conditions for disconnection of service. Notwithstanding any language to the contrary in the Service Application and Agreement Form, the Corporation may only discontinue service for the reasons set forth in this Section. 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 nonnegotiable 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, failure to timely provide a deposit or other security or failure to comply with the terms of a deferred payment agreement.
3. Violation of the Corporation's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation.
4. Failure of the Member to comply with the terms of the Corporation's Service Agreement, Tariff, Bylaws, or Special Contract provided that the Corporation has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification.
5. Failure to provide access or hindering access to the meter under the terms of this Tariff or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify. Conditions that may hinder access include, but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals. Failure to provide access to the meter.
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 for sewer utility service or solid waste service provided by other cities pursuant to the Corporation's Agreement. [16 TAC 24.167\(e\), 24.165\(g\); Texas Water Code 13.147, 13.250\(b\)\(2\)](#).
9. Cancellation of membership by Member on an account that the Member holds for water/sewer service to the Member's renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement. **The cancellation of membership must be in writing and signed by the Member. CORPORATION ASSUMES NO LIABILITY TO RENTER/LESSEE; MEMBER IS SOLELY RESPONSIBLE FOR COMPLIANCE WITH, AND LIABILITY UNDER ANY FEDERAL, STATE OR LOCAL LAW CREATING OR PROTECTING RIGHTS OF RENTERS/LESSEES.**
10. Violation of any applicable regulation or pertaining to on-site sewage disposal systems if the Corporation has been requested in writing to disconnect service by the TCEQ or the TCEQ's designated representative under [Chapter 366 of the Texas Health and Safety Code](#).
11. Failure to pay charges arising from service trip fee as defined in meter re-read fee, or meter read fee when customer on self-read plan failed to submit their meter reading.

12. Failure by a Member to pay for all repair or replacement costs resulting from the Member damaging system facilities including, but not limited to water or sewer lines, service taps, meter boxes, valves, or meters by engaging in activities such as property excavations, installment of a driveway or roadway requiring encasements, lowering or re-routing of lines or system components, or by any other action. The Corporation will provide the /Member with notice detailing the extent of the damage, the location of the damage, the cost of repair, and whether the damage occurred on private property or on a public right-of-way. Failure to pay the cost of repair or replacement will result in the Member's service being disconnected in accordance with the Disconnection with Notice Provisions in this Section. Service will remain disconnected until payment is received or an acceptable payment plan is approved.
 13. Failure to disconnect or secure additional service tap(s) for an RV or other service connection after notification by the Corporation of violation of the Prohibition of Multiple Connections.
- b. Disconnection Without Notice – Water utility service may be disconnected without notice for any of the following conditions:
1. A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a public health nuisance as defined in [Texas Health and Safety Code Sections 341.011](#) or [343.011](#). If there is reason to believe a dangerous or hazardous condition exists, the Corporation may conduct a customer service inspection (CSI) to verify the hazardous condition and may notify the local county health office. The Corporation will disconnect without notice if the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition ([30 TAC 290.46\(i\)](#) and [290.46\(j\)](#)) Service will be restored when a CSI confirms no health hazard exists, the health hazard has been removed or repaired, or the health hazard has been isolated from the Corporation's water system by the installation of a backflow prevention device.
 2. A line leak on the member's side of the meter is considered a potentially hazardous condition under paragraph b. 1, as stated above. If the Corporation conducts a CSI and discovers that the line leak has created a hazardous condition, the Corporation will provide the member up to five (5) business days, or another time period determined reasonable under the circumstances, to repair the line prior to disconnection of service.
 3. Service is connected without authority by a person/entity who has not made application for service or who has reconnected service without authority following termination of service for nonpayment; and
 4. In instances of tampering with the Corporation's meter/sewer tap or equipment, by-passing the meter or equipment, or other diversion of water or sewer 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 nonutility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of nonutility 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 Meter;
 - 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. Failure of the Member to pay a bill due during an Extreme Weather Emergency if the Member has requested, accepted, and is in compliance with the terms of a deferred payment schedule under this Tariff. ([16 TAC 24.173](#))
- d. Disconnection on Holidays and Weekends – Unless a dangerous condition exists or the Member requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the Corporation are not available to the public for the purpose of making collections and reconnecting service.
- e. Disconnection Due to Utility Abandonment – The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the PUC.
- f. Disconnection for Ill Customers – The Corporation may not discontinue service to a delinquent residential Member or tenant under an alternative billing agreement permanently residing in an individually metered dwelling unit when that Member or tenant establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. To avoid disconnection under these circumstances, the Member or tenant must provide a written statement from a physician to

the Corporation prior to the stated date of disconnection. Service may be disconnected in accordance with Subsection (a) of this Section if the next month's bill and the past due bill are not paid by the due date of the next month's bill, unless the Member or tenant enters into a Deferred Payment Agreement. The Corporation shall provide notice to an owner of rental property in the event a tenant requests service not be discontinued due to illness as per this subsection.

- g. Disconnection of Master-Metered Accounts and Nonstandard 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:
 - 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 on behalf of the owner to avert disconnection or to reconnect service to the complex.
- h. Disconnection of Temporary Service – When an applicant with temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this Tariff, service may be terminated with notice.
- i. Seasonal Disconnection – A member may, in a written request, voluntarily suspend service for a period not exceeding nine months within a twelve-month period. If service is re-established before the end of the ninth month, the member will be assessed a Seasonal Reconnect Fee. If service is not reestablished after the ninth month, then service may be reestablished in accordance with the reservice requirements set forth in this Tariff.

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

15. DUE DATES, DELINQUENT BILLS, AND SERVICE DISCONNECTION DATE.

- a. The Corporation shall mail all bills on or about the first day of the month. All bills are considered the responsibility of each person signing the Service Application and Agreement Form. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately ten (10) days to pay), after which time a penalty shall be applied as described in this Tariff. The time for payment by a political subdivision may

be different than your regular due date. (see [Texas Government Code 2251.021](#)) 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. An additional 2 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.

- b. The board of directors or general manager may elect to not charge a late fee or disconnect fee in accordance with this Tariff during or after the occurrence of a natural disaster or other incident that impacts the property of members or interrupts the management and operation of the system.
- c. Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15-day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings. ([Texas Utilities Code Sections 182.001 - 182.005](#)) If this request originates from a tenant at a rental property the owner / member will be notified in writing of any extension request.
- d. All insufficient fund checks, accounts closed or money orders that have had a “stop payment order” issued for payment of a water bill will be deemed delinquent as if no payment was received and the meter is subject to disconnection with notice on the regular disconnection day.

16. INOPERATIVE METERS. Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless by-passed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed six (6) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

17. INSUFFICIENT GROUNDS FOR REFUSAL OF SERVICE. The following shall not constitute sufficient cause for the refusal of service to an Applicant:

- a. Delinquency in payment for service by a previous member or occupant of the premises to be served;
- b. Failure to pay a bill to correct previous 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 nonstandard 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 member or customer as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service; and
- e. Failure to pay the bill of another member or customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

18. MASTER METERED ACCOUNT REGULATIONS. An apartment building, condominium, manufactured housing (modular, mobile or RV) community, business center or other similar type enterprise may be considered by the Corporation to be a single commercial facility if the owner applies for a meter as a "master metered account" and complies with the requirements set forth in PUC rules, this Tariff and applicable law. The Corporation may allow master metering and/or nonstandard sewer service to these facilities at an Applicant's request. ([16 TAC \(24.281\(e\)\(1\)\)](#))

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

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

20. MEMBERSHIP.

- a. Eligibility - Eligibility for Membership shall not guarantee service to the Applicant or Transferee; however, qualification for service is a prerequisite to Membership eligibility for new Applicants or continued Membership for Transferees.
- b. Membership - Upon qualification for service, qualification for Membership, payment of the required fees, and any debt owed to the Corporation, the Corporation shall certify the Applicant as a Member. The Membership shall entitle the Member to one (1) connection to the Corporation's water/sewer utility service and one (1) share of Corporation Stock. The Membership entitles the Member to one (1) vote in the election of directors and in such other matters requiring the approval of the Corporation's Members at any Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. Ownership

of more than one (1) Membership shall not authorize the Member to cast more than one (1) vote at any annual or special meeting. Each Membership and Stock thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. [Texas Water Code Section 67.016](#). **NOTE (1): In the event that the Corporation is conducting a potential Members survey for indications of interest in future service for the purpose of determining the feasibility of an initial construction or expansion project under RUS guidelines, regular application procedures may be modified. An Indication of Interest Fee may be required prior to qualifications for receipt of service by the Applicant but shall only be used or applied as a Membership Fee for Membership purposes (upon issuance of a Membership) if service is ultimately received or reserved by the Applicant as a result of the planned project facilities. If service is not provided within the scope of this project, Indication of Interest Fees shall be refunded, less expenses, within sixty (60) days of the loan closing with the Rural Utilities Service. NOTE (2): In the event the applicant is in the process of construction the Membership will be considered TEMPORARY until such time as the final Customer Service Inspection is completed and the forms are returned as required.**

- c. Transfers of Membership. ([Texas Water Code Section 67.016](#))
1. A Member or executor of estate (court order or other legal instrument) is entitled to transfer Membership in the Corporation only under the following circumstances:
 - (a) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
 - (b) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
 - (c) The Membership is transferred without compensation or by sale to the Corporation; or
 - (d) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.
 2. In the event that Membership is transferred pursuant to the provisions of this Tarriff, such transfer shall not be completed or recorded on the books and records of the Corporation until such time as the transferor has provided satisfactory evidence to the Corporation of such transfer. A transfer of Membership shall be considered a new application for service and is not binding on the Corporation until such transfer has been approved as provided by this Section.
 3. Qualifications for service upon transfer of Membership set forth in this Tarriff shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon the following terms and conditions:
 - (a) The Transferee has completed the required Application Packet including granting the Corporation with a private utility easement on the form provided by the Corporation;
 - (b) The membership has not been fully or partially liquidated; and
 - (c) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
 4. If the application packet and other information is not completed on the day transfer of membership is requested the corporation will give the transferee written notice of 10 additional days to produce completed documentation to the corporation office. Service will be disconnected on the day following the 10th day according to disconnection with notice requirements. Additional time may be allowed at the direction of the manager or

board.

- d. Cancellation of Membership – To keep a Membership in good standing, a Base Rate must be paid monthly to the Corporation, whether or not water is used. Failure to pay this monthly charge to the Corporation shall jeopardize the Member’s Membership standing and give rise to liquidation of the Membership Fee and forfeiture of the Membership. A Member may be relieved of this obligation to pay by surrendering the Membership, properly documented, to the Corporation. The Member shall also complete a Service Discontinuance Request Form prior to termination of service. However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership prior to termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of this Tariff. ([Texas Water Code Section 67.016](#))
- e. Liquidation Due to Delinquency –When the amount of the delinquent charges owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated and the Membership canceled and transferred back to the Corporation. In the event the Member leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership, the Corporation may liquidate as many of the Member Guarantor’s Membership Fees as necessary to satisfy the balance due the Corporation, provided proper notice has been given. The Corporation shall collect any remaining account balances by initiation of legal action. Re-instatement of service shall be subject to the terms of the Activation of Service of this Tariff.
- f. Cancellation Due to Policy Noncompliance – 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. ([Texas Water Code Section 67.016](#))
- g. Re-assignment of Canceled Membership.
 - 1. The Corporation, upon cancellation of Membership under the provisions of this Tariff, may re-assign the canceled Membership to a person or entity that has legal title to the real estate from which the canceled membership arose and for which water or sewer service is requested ([Texas Water Code Section 67.016](#)). Membership will not be re-assigned unless the person or entity that has legal title to the real estate has complied with the corporation’s current rates, charges, and conditions of service, including current membership fee, set forth in the tariff and service application package.
 - 2. The Corporation shall reassign a canceled Membership to a person or entity that acquires the real estate from which the Membership arose through judicial or nonjudicial foreclosure. The Corporation will require proof of ownership resulting from the foreclosure and compliance with the corporation’s current rates, charges, and conditions of service, including current membership fee, set forth in the tariff and service application package. In the event of foreclosure by a mortgage institution, the Corporation may allow a property management company to acquire the Membership if the management company provides written documentation showing that the management company is legally responsible for the management of the property and it is not feasible for the mortgage institution to be the Member.

- h. **Mortgaging of Memberships** – Nothing herein shall preclude a Member from mortgaging his/her Membership. However, notification to the holder of any security interest (mortgagee/lien-holder) of account status of Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage Agreement. Prior to the cancellation of any Membership as provided under this Tariff, the Corporation will notify the holder of any security interest in the Membership. The holder of the security interest also must hold a security interest in the real property at which water service is provided under the Membership. The Corporation may transfer the Membership to the holder of such security interest in lieu of cancellation, provided the holder of the security interest pays in full all delinquent and unpaid obligations and provided further that the holder of the security interest has secured title to the real property from which the Membership arose. The Corporation may withhold cancellation of a Membership pending the resolution of any foreclosure proceedings or similar legal proceedings by the holder of the security interest.
- i. **Cancellation and Re-Assignment of Membership as a Result of Bankruptcy Proceedings** – Upon notice of the filing of a petition in bankruptcy, the Corporation may require the posting of a deposit or other form of security, acceptable to the Corporation, as a condition for continuing utility service. Unless special circumstances require otherwise, the amount of security shall equal the amount of charges for the month of greatest use during the preceding 12 months. The Corporation shall not require the payment of any security prior to the expiration of 20 days following the date on which the petition is filed. Failure to provide this security by the date specified by the Corporation may result in termination of service according to the Disconnection with Notice Provisions of this Tariff, with a copy of the notice to the bankruptcy Trustee.
- j. **Cancellation and Re-Assignment of Membership as a Result of Divorce or Death (or Dissolution of Joint Tenancy)** – The Corporation shall transfer the membership to a spouse (or joint tenant) or heir who has been awarded the property designated to receive service. The Corporation must be provided adequate documentation of the ownership rights of the spouse (or joint tenant) or heir requesting transfer, such as final divorce decree, temporary court order, probate decree, affidavit of heirship, or agreement. In no event shall any membership(s) be transferred if the transferee does not otherwise meet the qualifications for membership and for service.

21. MEMBER'S RESPONSIBILITY.

- a. The Member shall provide access to the meter or sewer tap location as per the easement and service agreement. If access to the meter is hindered or denied, preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month; and a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification to the Member, then service shall be discontinued and the meter removed with no further notice. Conditions that may hinder access include, but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals.

- b. The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
1. All water connections shall be designed to ensure against on-site sewage contamination, back-flow or siphonage into the Corporation's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. ([30 TAC 290.46, Texas Health & Safety Code Chapter 366](#))
 2. The use of pipe and pipe fittings that contain more than 0.25% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or nonresidential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant. The service pipeline must be installed from the meter to the place of consumption and the Member is required to keep the service pipeline in good repair. The Member's responsibility shall begin at the discharge side of the meter.
 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. The Corporation may impose other site-specific requirements. 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:
- (1) grease or waste containing grease in amounts that will impede or stop the flow in the public sewers;
 - (2) oil, flammable wastes;
 - (3) 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:
- (1) Provide equipment and facilities of a type and capacity approved by the approving authority;
 - (2) locate the trap in a manner that provides ready and easy accessibility for cleaning and inspection; and
 - (3) maintain the trap in effective operating condition.

- (c) Approving Authority Review and Approval (By the Board of Directors or Agency):
- (1) If pretreatment or control is required, the approving authority shall review and approve design and installation of equipment and processes.
 - (2) The design and installation of equipment and processes must conform to all applicable statutes, codes, ordinances and other laws.
 - (3) 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 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 and sewer equipment shall end at the meter or other service equipment as installed. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the Corporation shall be subject to charges as determined by the Corporation's Tariff as amended from time to time by the Board of Directors.
- e. The Corporation shall require each Member to have a cut-off valve located outside of the meter box and within two feet of the meter on the Member's side of the meter for purposes of isolating the Member's service pipeline and plumbing facilities from the Corporation's water pressure. The valve shall meet AWWA standards (a ball valve is preferred). The Member's use of the Corporation's curb stop or other similar valve for such purposes is prohibited. Any damage to the Corporation's equipment shall be subject to service charges. (This cut-off valve may be installed as a part of the original meter installation by the Corporation.)
- f. The member is required to notify the system 48 hours prior to digging or excavation activities along or near water/sewer lines and appurtenances.

22. METER RELOCATION. Relocation of services shall be allowed by the Corporation provided that:

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

23. METER TAMPERING AND DAMAGE TO PROPERTY.

- a. For purposes of this Section, the term “Tampering” shall mean meter-tampering, by-passing, or diversion of the Corporation’s service equipment, or other instances of diversion, including:
1. Removing a locking or shut-off device used by the Corporation to discontinue service;
 2. physically disorienting the meter or sewer tap;
 3. attaching objects to the meter or sewer tap to divert service or to by-pass;
 4. inserting objects into the meter or sewer tap;
 5. other electrical and mechanical means of tampering with, by-passing, or diverting service;
 6. connection or reconnection of service without Corporation authorization;
 7. connection into the service line of adjacent customers of the Corporation; and
 8. preventing the supply or wastewater discharge from being correctly registered by a metering device or sewer tap due to adjusting the valve so that flow is reduced below metering capability.

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

- b. If the Corporation determines under subsection (a) that Tampering has occurred, the Corporation shall disconnect service without notice as set forth in this Tariff, and charge the person who committed the Tampering the total actual loss to the Corporation, including the cost of repairs, replacement of damaged facilities, and lost water revenues.
- c. A person who otherwise destroys, defaces, damages or interferes with Corporation property will be charged the total actual loss to the Corporation including but not limited to the cost of repairs, replacement of damaged facilities, and lost water revenues. The Corporation also will prosecute the offending party to the extent allowed under law pursuant to [Texas Water Code Section 49.228](#) and other applicable laws.
- d. In addition to actual damages charged under subsection (b), the Corporation may assess a penalty against the offending party. The penalty shall not exceed six (6) times the Base Rate.

Note: For purposes of this section, “offending party” means the person who committed the Tampering or damaged the property.

- 24. OWNERSHIP OF EQUIPMENT.** All water meters and equipment and materials required to provide water or wastewater service to the point of customer connection; water meter or service tap, is the property of the Corporation upon installation, and shall be maintained by the water system only.

25. PROHIBITION OF MULTIPLE CONNECTIONS TO A SINGLE TAP.

- a. No more than one (1) residential, commercial, or industrial service connection is allowed per each meter or sewer tap. 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 or sewer tap. If the Corporation has sufficient reason to believe a Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with Notice provisions of this Tariff for a first violation and for subsequent violations, service will be disconnected without notice in accordance with this Tariff.
- b. For purposes of this section, the following definitions shall apply:
 1. A “multiple connection” is the connection to any portion of a member’s water or sewer system that is connected to a primary delivery point already servicing one residence, one commercial or industrial facility of a water or sewer line serving another residence or commercial or industrial facility. Water or sewer lines to outbuildings, barns or other accessory structures shall not be consider a multiple connection if: (i) those structures are located on the same tract as the primary delivery point and (ii) such structures are not used as a residence or as a commercial or industrial facility.
 2. A “primary delivery point” shall mean the physical location of a meter or sewer tap that is installed in accordance with this Tariff and applicable law and which provides water or sewer service to the residence or commercial or industrial facility of a member.
 3. “Residential” or “residence” shall mean any structure which is being used for human habitation, which may include kitchen and bathroom facilities, or other evidence of habitation as defined by the Corporation.
 4. “Commercial” facility shall mean any structure or combination of structures at which any business, trade, occupation, profession, or other commercial activity is conducted. A business conducted within a member’s residence or property that does not require water in addition to that provided to the member’s residence shall not be considered a separate commercial facility.
 5. “Industrial” facility shall mean any structure or combination of structures at which the manufacture or processing of any product, commodity or article is performed. An industrial activity conducted within a member’s residence or property that does not require water in addition to that provided to the member’s residence shall not be considered a separate industrial facility.
- c. The Corporation agrees to allow members in good standing to share water usage with a visitor on their property with a recreation vehicle (RV) or travel trailer for a period of no longer than three months. If the recreation vehicle/travel trailer is being used for a permanent residence, this Tariff requires that an additional membership be secured, and a separate meter installed. If the member routinely has more than one visitor at a time with recreation vehicles or travel trailers or has multiple visitors throughout the year, the corporation may require that a second

or additional meter(s) be purchased. The member must submit a written request to the corporation's business office at least five (5) business days prior to sharing corporation water with a visitor. The corporation has the right to refuse or deny the shared usage for any reason. The corporation also has the right to inspect the premises for any potential cross-contamination issues as outlined in the Customer Service Inspection requirements and to ensure that the meter is properly sized for the additional usage at the time of total peak water demand. These requirements pertain to visitors ONLY. No commercial usage where fees for water are charged is allowed. If a member is found to violate these conditions, the member will be sent a letter of notice stating that water service will be cut off in ten days if the situation is not corrected.

- 26. REQUIREMENTS FOR MANDATORY SEWER CONNECTION.** – Effective July 27, 2023, the installation of any private on-site wastewater treatment or holding facility on property within the Corporation's certificated service area which is less than 300 feet (measured from boundary line of the property to the nearest point of the Corporation's wastewater collection system along a public-right-of-way or utility easement) is prohibited and service to any such property will be provided by the Corporation. (Note: This does not apply to any person who has installed an on-site wastewater holding or treatment facility if that on-site facility was installed prior to construction and operation of the Corporation's wastewater collection system within 300 feet of the property or prior to the effective date stated herein.) Any costs for connection to the Corporation's wastewater collection system in excess of the standard costs required under this Tariff must be paid for by the wastewater service applicant. The Corporation must review and approve plans and specifications for any connection prior to construction. ([Texas Water Code Section 49.234](#))
- 27. SERVICE ENTITLEMENT.** The Applicant(s) 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 ([16 TAC 24.161\(a\)](#)).
- 28. SERVICE LOCATION AND CLASSIFICATION.** For the purposes of this Tariff, service requested by the Applicant(s) shall be for real estate designated to receive the service at each service connection provided by the Corporation. Service shall be through a meter or sewer tap located on that designated real estate unless otherwise approved by the board. Service shall be divided into the following two classes:
- a. Standard Service is defined as service on a specific property designated to receive service on an existing pipeline where pipeline or service facility extensions are not required, and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines or 4" gravity sewer taps, pressure collection facilities installed or connected to collection lines no more than five feet in depth.
 - b. Nonstandard Service is defined as any service request which requires a larger meter service, service to a Master Metered Account, or an addition to the supply, storage and/or distribution/collection system. The service requirements as prescribed by in this Tariff shall be

required of the Nonstandard Service Applicant prior to providing service.

- 29. SERVICE REQUIREMENTS.** The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant(s). Where applicable, in addition to the applicant, any other person sharing an ownership interest in and receiving service at that property shall sign the Service Application and Agreement Form; however, even if the spouse or other person sharing an ownership interest does not sign the Service Application and Agreement Form, they are still responsible for all terms set forth therein, and for any debt obligation related to this or any other account the applicant(s) may have used in the past or currently.
- a. A Right-of-Way Easement Form, Sanitary Control Easement, or other such easement form, required by the Corporation, must be completed by the Applicant for the purpose of allowing future facility additions. *NOTE:* This requirement may be delayed for Nonstandard Service requests. [30 TAC 290.47 Appendix B](#). ***NOTE: This requirement may be delayed for Nonstandard Service requests.***
 - b. The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the Corporation. Proof of ownership shall consist of warranty deed, deed of trust or other recordable documentation of title to the real estate designated to receive service. ([Texas Water Code Sections 67.016 \(d\)](#), and [13.002 \(11\)](#) See also [Uniform Partition of Heirs Property Act, Property Code Chapter 23A](#)).
 - c. On the request by the property owner or owner's authorized agent, the Corporation shall install individual meters owned by the Corporation in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction begins after January 1, 2003, unless the Corporation determines that installation of individual meters is not feasible. If the Corporation determines that installation of individual meters is not feasible, the property owner or manager shall install a plumbing system that is compatible with the installation of master meters. The Corporation shall be entitled to the payment of costs, including the costs of master meter installations, as provided in this Tariff. The cost of master meter installation shall be prepaid by the property owner as well as the cost of any additional facilities or supply occasioned by the total water/sewer service demand represented by full occupancy of the property, as determined under applicable provisions of this Tariff. It shall be the responsibility of the property owner to obtain the memberships required for each individual meter.
 - d. Notice of application approval and costs of service determined by the Corporation shall be presented to the Applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the Applicant must re-apply for service ([16 TAC 24.153 \(a\)\(1\)](#)).
 - e. If the water main has been located in the public right-of-way and is adjacent to Applicant's property due to the current or previous landowner's refusal to grant easement to the Corporation for the purpose of installing the water main and appurtenances, and the Corporation has documentation of such refusal, the Applicant, prior to receiving the requested service, shall grant the easement(s) required under this Tariff and in addition to the normally required fees for new customer service, shall pay such sums as are reasonably

necessary to cap the existing line in the ROW and construct the appropriate line or lines within that easement or easements for the Corporation's system-wide service.

- f. The Corporation shall post on its website or provide to each service applicant or transferee a copy of the Disclosure of Personal Information Request Form. ([Texas Utilities Code Section 182.052\(c\)](#))

30. QUALITY OF SERVICE.

- a. The Corporation shall furnish water which has been approved by the State of Texas.
- b. Water System quality and quantity requirements of the State of Texas shall be the minimum standards for determining the sufficiency of production, treatment, storage, transmission, and distribution facilities of water utilities for household usage.
- c. Additional capacity shall be provided to meet the reasonable local demand characteristics of the service area.
- d. Minimum residual pressure at the consumer's meter shall be at least 20 psi during periods of peak usage and 35 psi during normal operating conditions.
- e. MHWSC will plan, furnish, maintain and operate collection and treatment facilities of sufficient size and capacity to provide 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 Commission. Unless otherwise authorized by the Commission, MHWSC will maintain facilities as described in the TCEQ Rules.
- f. The application of Commission rules shall not relieve the corporation from complying with the requirements of the laws or regulations of the State, local Department of Health, local ordinances, and all other regulatory agencies having jurisdiction over such matters.

31. WATER METER LOCATION

- a. Water meters, 2" and smaller in size, will be located approximately five (5) feet either side of a common lot line, on the public right-of-way or easement line, or as otherwise approved by the corporation.
- b. Water meters, 3" and larger in size, will be located in a non-traffic area within private property in the near vicinity of the public right-of-way or easement line. Such location should be agreeable to the applicant and the corporation.

SECTION F. RATES AND SERVICE FEES

Rates and Service Fees

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

1. **ADDITIONAL ASSESSMENTS.** In the event any federal, state or local government imposes on the Corporation a “per meter” fee or an assessment based on a percent of water/sewer charges, this fee or assessment will be billed and collected as a “pass through” charge to the customer.
2. **ASSESSMENTS.** If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water or wastewater charges to be insufficient for the payment of all costs incident to the operation of the Corporation’s system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by Rural Development, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment on indebtedness for the year’s operations.
3. **BILLING STUB FEE.** A fee of \$1.00 will be charged to customers who do not provide the return-billing stub with payments. This applies to all payments made to the Corporation whether mailed or hand delivered.
4. **CAPITAL IMPROVEMENT FEE.** In addition to the Membership Fee, each applicant shall be required to contribute capital in an amount projected to defray the cost of up-grading system facilities to meet growth demands created by adding customers. This fee shall be assessed immediately prior to providing service or reserving service on a per service unit basis for each tap/lot and shall be assigned and restricted to the Capital Improvement Fund.
5. **CUSTOMER HISTORY REPORT FEE.** A fee of \$5.00 shall be charged to provide a copy of the Member’s record of past account information in response to a Member’s request for such a record.
 - a) Emailed \$5.00
 - b) pickup - \$5.00 + \$1.00 per page
6. **CUSTOMER SERVICE INSPECTION FEE (CSI).** A fee of \$125.00 will be assessed each Applicant before permanent continuous service is provided to new construction.
 - a) \$125.00 for the initial visit
 - b) \$25.00 for every half hour that the inspection takes
7. **DUPLICATE BILLING CHARGE.** The Corporation may, at the expense of the Member, send a duplicate bill to said member of a renter/lessee account each month. The Duplicate Bill Fee shall be \$1.00 per month charged to the Member's account.
8. **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.

9. EQUIPMENT DAMAGE FEE.

- a. 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, estimated water lost, and material charges incurred as a result of said acts or negligence. In addition to actual costs incurred by the Corporation, a flat \$250.00 tampering fee shall also apply.
- b. If the Corporation's facilities or equipment have been damaged in any respect due to excavation, digging, or any other activity that damages Corporation water lines and facilities, a fee shall be charged equal to the actual costs for all labor, water loss, materials and equipment necessary for repair or replacement of the Corporation's water lines and facilities. In addition to the fee for the costs of all labor, materials, and equipment, an automatic penalty of six (6) times the then-applicable base rate shall also be assessed, and shall apply upon each occurrence of a violation of this section. A penalty under this section is in addition to any other penalty or remedy provided by the laws of the State of Texas or this Tariff. A penalty under this section is concurrent with and in addition to a penalty or fee incurred under any other provision in this Tariff.

- 10. EQUITY BUY-IN FEE.** In addition to the Membership Fee, each Applicant for new service that requires a new service tap shall be required to achieve parity with the contributions to the construction or acquisition of the Corporation's assets related to capacity that have been made previously by existing Members. This fee shall be assessed immediately prior to providing service on a per-service unit basis for each service requested and shall be assigned and restricted to that property for which the service was originally requested. This fee shall be set aside for future capacity improvements such as line upgrades, new tanks, treatment, or production. The formula applied to such fee calculated annually after receipt of the system audit is as follows:
Water/sewer \$2,716.78

An equity buy-in fee would be assessed on new connections to the water or sewer system. The charge would follow the meter equivalency ratios. Revenues from the equity buy-in fee would be used to support system upgrades and expansion.

Meter Size	Meter Ratio	Equity Buy-In Fee Scale							
5/8	1.0	\$1,500	\$2,000	\$2,500	\$2,700	\$3,000	\$3,500	\$4,000	
1	2.5	\$3,750	\$5,000	\$6,250	\$6,750	\$7,500	\$8,750	\$10,000	
1.5	5	\$7,500	\$10,000	\$12,500	\$13,500	\$15,000	\$17,500	\$20,000	
2	8	\$12,000	\$16,000	\$20,000	\$21,600	\$24,000	\$28,000	\$32,000	
3	16	\$24,000	\$32,000	\$40,000	\$43,200	\$48,000	\$56,000	\$64,000	
4	25	\$37,500	\$50,000	\$62,500	\$67,500	\$75,000	\$87,500	\$100,000	
6	50	\$75,000	\$100,000	\$125,000	\$135,000	\$150,000	\$175,000	\$200,000	

- 11. FRANCHISE FEE ASSESSMENT.** A fee of ____% of the amount billed for water service will be assessed to each customer whose meter is located inside the corporate limits of the City of _____, Texas, as required by the City's ordinance requiring a franchise fee.

- 12. INFORMATION COPY FEE.** A fee for the copying of any public information will be charged to the person requesting that information in compliance with the cost rules of the Texas Government Code Section 552.261. A fee for the copying of any public information will be charged to the person requesting that information in compliance with the cost rules of the [Texas Government Code Section 552.261](#)

- 13. INSTALLATION FEE.** The Corporation shall charge an installation fee for service as follows:

- a. *Standard Service* shall include all:
 1. Tap fee – all current labor and materials necessary to provide individual metered water or wastewater service.
 2. Engineering fee.
 3. Legal fee.
 4. Customer service inspection fee.
 5. Administrative costs.

6. Any additional site-specific equipment or appurtenances necessary to provide water or wastewater service.

Standard service fees shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.

Water - \$1,500.00

Sewer - \$500.00 (if clean out is there already)

b. *Nonstandard Service* shall include:

1. Facility improvement costs including, but not limited to, tanks, piping, main lines, hydrants, and other labor materials necessary to provide service at the level required by Water Code and as requested by the applicant;
2. line and facility inspection fees;
3. administrative costs including, but not limited to, contract administration costs, processing invoices, disbursement of checks to contractors;
4. legal fees, including but not limited to, contract development, easements, water rights, permits, and CCN amendments for the area;
5. engineering fees; and
6. any additional site-specific equipment or appurtenances necessary to provide water or wastewater service as determined by the Corporation under the terms of Section F. of this Tariff (includes tap fees).

c. *Standard and Nonstandard Service Installations* shall include all costs of any pipeline relocations as of this Tariff.

14. LATE PAYMENT FEE. Once per billing period, a penalty of \$10.00 or 10%, whichever is larger, shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing period but shall be applied to any unpaid balance during the current billing period. This fee will not be applied to political subdivisions.

15. MEMBERSHIP FEE. At the time the application for service is approved, a non-refundable Membership Fee must be paid for each service requested before service shall be provided or reserved for the Applicant by the Corporation. The membership fee cannot be more than 12 times the minimum monthly base rate.

a. The Membership Fee for water service is \$100.00 for each service unit.

b. The Membership Fee for wastewater service is \$100.00 for each service unit.

c. Membership fee for oversized or Master Metered Accounts shall be based on multiples of meter size equivalence.

16. METER TAMPERING AND DAMAGE TO PROPERTY PENALTY. In addition to the Equipment Damage Fee, the Corporation may charge a penalty for “Tampering” as defined in this Tariff. The penalty may only be assessed against the person who committed the Tampering. The penalty cannot be assessed against the Member for the Tampering committed by their tenant. The penalty shall not exceed six (6) times the Base Rate and is assessed in addition to the actual cost

of the damages and repairs. A penalty under this section is concurrent and in addition to a penalty or fee incurred under any other provision in this Tariff.

Meter-tampering - \$250.00

17. MONTHLY CHARGES.

a. Base Rate

- i. Water Service - The monthly charge for standard metered water service is for a 5/8" X 3/4" meter. The 5/8" X 3/4" meter charge is used as a base multiplier for larger nonstandard meters in accordance with the following chart based on American Water Works Association maximum continuous flow specifications:

<u>Meter Size</u>	<u>5/8" x 3/4" Meter Equivalents</u>	<u>Monthly Rate</u>
5/8" x 3/4"	1.0	
3/4"	1.5	
1"	2.5	
1 1/2"	5.0	
2"	8.0	
3" DISP	9.0	
3" CMPD	16.0	
3" TURB	17.5	
4" CMPD	25.0	
4" TURB	30.0	
6" CMPD	50.0	
6" TURB	62.5	
8" CMPD	80.0	

- ii. Sewer Service - The monthly charge for standard sewer service on a per tap basis is as follows:

<u>Meter Size</u>	<u>5/8" x 3/4" Meter Equivalents</u>	<u>Monthly Rate</u>
5/8" x 3/4"	1.0	
3/4"	1.5	
1"	2.5	
1 1/2"	5.0	
2"	8.0	
3" DISP	9.0	
3" CMPD	16.0	
3" TURB	17.5	
4" CMPD	25.0	
4" TURB	30.0	
6" CMPD	50.0	
6" TURB	62.5	
8" CMPD	80.0	

b. *Monthly Charges.*

1. *Water*

RESIDENTIAL WATER ACCOUNTS

Minimum - \$34.06 for Water Use from 0 to 2,000 Gallons

Gallonge Charge:

\$4.78 per 1,000 Gallons from 2,001 to 25,000 gallons

\$5.03 per 1,000 Gallons from 25,001 to 50,000 gallons

\$5.28 per 1,000 Gallons from 50,001 to 75,000 gallons

\$5.53 per 1,000 Gallons from 75,001 to 100,000 gallons

** Thereafter \$5.78 per 1,000 Gallons above 100,000 gallons

NON-RESIDENTIAL WATER ACCOUNTS

Minimum - \$38.06 for Water Use from 0 to 2,000 Gallons

Gallonge Charge - \$5.78 per 1,000 Gallons Thereafter

2. *Sewer*

RESIDENTIAL SEWER ACCOUNTS

Minimum - \$32.64 for Water Use from 0 to 7,000 Gallons

Surcharge - \$2.37 per 1,000 Gallons of Water Use from 7,001 to 15,000 Gallons

Maximum - \$52.32 for all Water Use over 15,000 Gallons

NON-RESIDENTIAL SEWER ACCOUNTS

Minimum - \$38.14 for Water Use from 0 to 7,000 Gallons

Surcharge - \$2.62 per 1,000 Gallons of Water Use over 7,000 Gallons

Maximum – None

3. The Corporation shall, as required by [Texas Water Code Section 5.701](#), 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.

18. MORTGAGEE/GUARANTOR NOTIFICATION FEE. The Corporation shall assess a fee of \$_____.00 for each notification to a Membership lien-holder under agreement prior to Membership cancellation.

19. METER TEST FEE. The Corporation shall test a Member's meter upon written request of the Member. Under the terms of this Tariff, a charge of \$50.00 shall be imposed on the affected account.

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

21. OWNER NOTIFICATION FEE. The Corporation shall assess a fee of \$10.00 per notification to a Member of a renter/lessee delinquent account status prior to disconnection of service

22. Pro Rata Fee. MHWSC will assess an appropriate pro rata fees to be collected for new connections to recently constructed 12-inch water mains. Pro rata fees allow for recoupment of capital expenditure on assets specifically designed to accommodate growth. These fees would allow for the MHWSC to recuperate growth related project costs without burdening existing customers with increased rates.

The pro rata fees were calculated by dividing the total project cost by the number of new connections that could be accommodated based on projected daily demand under a range of operating conditions. Accounting for seasonal consumption variation and historical average-day demands, the calculated per-connection fee is \$2,347.26

23. RECONNECT FEE. The Corporation shall charge a fee for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in this Tariff.

\$50.00 – during the day

\$75.00 – after hours

24. REGULATORY ASSESSMENT. A fee of 0.5% of the amount billed for water/sewer service will be assessed each customer; this assessment is required under Texas law and TCEQ regulations. This fee will not be charged to state agencies, wholesale customers, or buyers of non-potable (not drinkable) water.

25. 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 nonnegotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$35.00.

26. SEASONAL RECONNECT FEE. The Corporation shall charge a fee calculated based on the Base Rate multiplied by the number of months during which service is suspended/locked, not to exceed nine (9) months during any twelve (12) consecutive months.

27. SERVICE INVESTIGATION FEE. The Corporation shall conduct a service investigation for each service application submitted at the Corporation office. A Standard Service Investigation Fee of \$100.00 is due upon application for service. An investigation shall be conducted by the Corporation, as to whether the service request is Standard or Non-Standard. Further investigation shall be conducted if necessary for Non-Standard Service. All Non-Standard Service requests shall be subject to a fee (minimum \$300.00), 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.

a. Standard Service Investigation Fee of \$100.00

b. Non-Standard Service requests shall be subject to a fee (minimum \$300.00)

28. SERVICE TRIP FEE. The Corporation shall charge a trip fee of \$75.00 for any service call or trip to the Member's tap as a result of a request by the Member or tenant for response to damage of the Corporation's or another Member's facilities; for customer service inspections due to suspicion of meter tampering, bypass or diversion of service; or for the purpose of disconnecting or collecting payment for services. For service trips that extend beyond one hour, such as when an extended line location is required, the Corporation shall charge \$25.00 per employee per hour for each additional hour required.

29. TRANSFER FEE. A Fee of \$30.00 shall be assessed for the transfer of any membership.

30 WATER SUPPLY ACQUISITION FEE. In addition to the Membership Fee, each applicant shall be required to contribute capital in an amount projected to defray the cost of acquiring additional water supply to meet growth demands created by adding customers. This fee shall be assessed immediately prior to providing service or reserving service on a per service unit basis for each tap/lot and shall be assigned and restricted to the Water Supply Acquisition Fund.

SECTION G. DEVELOPER, SUBDIVISION AND NONSTANDARD SERVICE REQUIREMENTS

PART I. GENERAL REQUIREMENTS. THIS SECTION DETAILS THE REQUIREMENTS FOR ALL TYPES OF NONSTANDARD SERVICE REQUESTS.

- 1. PURPOSE.** It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions and other kinds of Nonstandard Service are determined, including the Nonstandard Service Applicant's and the Corporation's respective costs.

For purposes of the Section, the term "Applicant" shall refer to the individual or entity that desires to secure Nonstandard Service from the Corporation. The Applicant must be the same person or entity that is authorized to enter into a contract with the Corporation setting forth the terms and conditions pursuant to which Nonstandard Service will be furnished to the property. In most cases, the Applicant shall be the owner of real property for which Nonstandard Service is sought. In the event that the Applicant is other than the owner of real property, the Applicant must furnish evidence to the Corporation that it is authorized to request Nonstandard Service on behalf of such owner, or that it otherwise has authority to request Nonstandard Service for the real property.
- 2. APPLICATION OF RULES.** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required for a single tract of property. Examples of nonstandard services for a single tract of land can include, but are not limited to, road bores, extensions to the distribution system, service lines exceeding 3/4" diameter and service lines exceeding ____ feet. Nonresidential or residential service applications requiring a larger sized meter typically will be considered nonstandard. For the purposes of this Tariff, Applications subject to this Section shall be defined as Nonstandard. This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation or their designee shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.

This Section sets forth the general terms and conditions pursuant to which the Corporation will process Nonstandard Service Requests. The specific terms and conditions pursuant to which the Corporation will provide nonstandard service in response to any request will depend upon the nature of such request and may be set forth in a legally enforceable, contractual agreement to be entered into by the Corporation and the service Applicant. The agreement may not contain any terms or conditions that conflict with this Section.

- 3. NONSTANDARD SERVICE APPLICATION.** The Applicant shall meet the following requirements prior to the initiation of a Nonstandard Service Contract by the Corporation:

 - a. The Applicant shall provide the Corporation a completed Nonstandard Service Application. The Applicant shall specify any Special Service Needs, such as large meter size, size of subdivision or multi-use facility.
 - 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 governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the

requested extension and details of demand requirements.

NOTE: It is the responsibility of the Applicant to secure all necessary approvals of the subdivision once an Agreement is in place between the Corporation and the Applicant.

- c. A Nonstandard Service Investigation Fee shall be paid to the Corporation in accordance with the requirements of this Tariff. for purposes of paying initial administrative, legal, and engineering fees. The Corporation shall refund any balance that remains after it has completed its service investigation and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all expenses incurred by the Corporation, the Applicant shall pay to the Corporation upon the Corporation's request all additional expenses that have been, or will be incurred by the Corporation and Corporation shall have no obligation to complete processing of the Application until all remaining expenses have been paid.
 - d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property located, in whole or in part, outside the area described in the Corporation's Certificate of Convenience and Necessity (CCN), service may be extended provided that:
 - 1) The service location is not in an area receiving similar service from another retail Corporation;
 - 2) The service location is not within another retail Corporation's CCN; and
 - 3) The Corporation's CCN shall be amended to include the entirety of Applicant's property for which service is requested. Applicant shall pay all costs incurred by Corporation in amending its CCN, including but not limited to engineering and professional fees. If the service location is contiguous to or within one-fourth (1/4) mile of Corporation's CCN, Corporation may extend service prior to completing the amendment to its CCN, but will do so only upon Applicant's legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including administrative, legal, surveying and engineering fees incurred by Corporation in securing the amendment).
- 4. DESIGN.** The Corporation shall approve the design requirements of the Applicant's required facilities prior to initiation of a Nonstandard Service Contract in accordance with the following schedule:
- a. The Corporation's engineer shall design, or review and approve plans for, all on-site and off-site service facilities for the Applicant's requested service within the Corporation's specifications, incorporating any applicable municipal or other governmental codes and specifications.
 - b. The engineer's fees shall be paid out of the Nonstandard Service Investigation Fee under this Tariff.
 - c. The engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.

- d. The Corporation's engineer shall ensure that all facilities for any Applicant meet the demand for service as platted and/or requested in the plans or plat submitted in the application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands provided however, that the Corporation shall pay the expense of such upgrading in excess of that which is reasonably allocable to the level and manner of service requested by the Applicant.
- e. The Corporation's engineer will determine the fire flow design for any nonstandard service request, including new subdivisions, based on density, type of structure, and other factors.

5. NONSTANDARD SERVICE CONTRACT. Applicants requesting Nonstandard Service may be required to execute a written contract, drawn up by the Corporation's Attorney in addition to submitting the Corporation's Nonstandard Service Application. Said contract shall define the terms of service prior to construction of required service facilities. The service contract may include, but is not limited to:

- a. All costs associated with required administration, design, construction, and inspection of facilities for water/sewer service to the Applicant's service area and terms by which these costs are to be paid.
- b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
- c. Terms by which service capacity shall be reserved for the Applicant and duration of reserved service with respect to the demand which the level and manner of the service will have upon the Corporation's system facilities.
- d. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Equity Buy-In Fees.
- e. Terms by which the Corporation shall administer the Applicant's project with respect to:
 - (1) Design of the Applicant's service facilities;
 - (2) Securing and qualifying bids;
 - (3) Execution of the Service Contract;
 - (4) Selection of a qualified bidder for construction;
 - (5) Dispensing advanced funds for construction of facilities required for the Applicant's service;
 - (6) Inspecting construction of facilities; and
 - (7) Testing facilities and closing the project.
- f. Terms by which the Applicant shall indemnify the Corporation from all third-party claims or lawsuits in connection with the project.
- g. Terms by which the Applicant shall dedicate, assign and convey to the Corporation all constructed facilities and related rights (including contracts, easements, rights-of-way, deeds, warranties, and so forth) by which the Corporation shall assume operation and

maintenance responsibility for the Applicant's project. The Applicant shall also provide reproducible as-built drawings of all constructed facilities. The as-built drawings must verify that all facilities have been properly located within the easements conveyed to the Corporation.

- h. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

6. CONSTRUCTION OF FACILITIES BY APPLICANT PRIOR TO EXECUTION OF SERVICE CONTRACT. The Corporation and the Applicant must execute a Nonstandard Service Contract prior to the purchase of supplies and materials or initiation of construction of facilities by the Applicant. In the event that the Applicant commences construction of any such facilities prior to execution of a Contract with the Corporation, then the Corporation may refuse to provide service to the Applicant or, in a subdivision, to any person purchasing a lot or home from the Applicant. Alternatively, the Corporation may require full costs of replacing/repairing any facilities constructed without prior execution of a contract from any person buying a lot or home from Applicant. At a minimum, the Corporation will require that all facilities be uncovered by the Applicant for inspection by the Corporation, require that any facilities not approved by the Corporation be replaced, and take any other lawful action determined appropriate by the Board of Directors of the Corporation.

7. DEDICATION OF WATER SYSTEM EXTENSION/IMPROVEMENTS TO CORPORATION.

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

8. PROPERTY AND RIGHT-OF-WAY ACQUISITION. With regard to construction of facilities, the Corporation shall require private right-of-way easements or purchase of private property as per the following conditions:

- a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Applicant shall secure easements or else title to facility sites on behalf of the Corporation. All right-of-way easements and property titles shall be researched, validated, and filed by the Corporation at the expense of the Applicant.
- b. No facilities shall be constructed in the public right-of-way without prior written consent of the Corporation. All additional costs associated with facilities that must be installed in public rights-of-way on behalf of the Applicant, if authorized by the Corporation, due to the inability of the Applicant to secure private right-of-way easements, such as road bores

and TxDOT approvals shall be paid by the Applicant. Alternatively, Applicant shall pay all costs, including administrative, legal and other professional fees and the condemnation award in the event Corporation secures such private easements or facility sites through eminent domain proceedings.

- c. The Corporation shall require an exclusive dedicated right-of-way easement on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to property required for other on-site and off-site facilities.
- d. Easements and facilities sites shall be prepared for the construction of the Corporation's pipelines and facility installations in accordance with the Corporation's requirements at the expense of the Applicant.

9. BIDS FOR CONSTRUCTION. The Corporation's consulting engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge (as per Engineer's determination), to prospective bidders. Although the Corporation reserves the right to reject any bid or contractor, the Corporation shall generally award the contract to the lowest qualified bidder in accordance with the following criteria:

- a. The Applicant shall execute the Service Contract evidencing willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
- b. The Contractor shall provide an adequate bid bond under terms acceptable to the Corporation;
- c. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation;
- d. The Contractor shall supply favorable references acceptable to the Corporation;
- e. The Contractor shall qualify with the Corporation as competent to complete the work (including but not limited to current water/sewer license, OSHA competent person training, and other licenses/certificates as required to complete the project); and
- f. The Contractor shall provide adequate certificates of insurance as required by the Corporation.

10. PRE-PAYMENT FOR CONSTRUCTION AND SERVICE. After the Applicant has executed the Service Agreement, the Applicant shall pay to the Corporation all costs necessary for completion of the project prior to construction and in accordance with the terms of the Nonstandard Service Contract.

11. CONSTRUCTION.

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

PART II. REQUEST FOR SERVICE TO SUBDIVIDED PROPERTY

This section contains additional requirements for applicants that are developers as defined in Section C Definitions.

- 1. SUFFICIENT INFORMATION.** Applicants shall provide the corporation with sufficient information describing the level and manner of service requested and the timeline for initiation of this service. The following is the minimum information needed for an engineering evaluation of the requested service to the property described in the application.
 - a. Completion of requirements described in this Tariff, including completing the Nonstandard Service Application.
 - b. Applicant shall provide the Corporation with details concerning access to the property during evaluation of application.
 - c. Applicant shall be notified in writing by the Corporation or designated representative the timeframe within which the requested service can be provided and the costs for which the applicant will be responsible, in accordance with the details described on the Applicant's request for service.
- 2. SERVICE WITHIN SUBDIVISIONS.** The Corporation's obligation to provide service to any customer located within a subdivision governed by this Section is strictly limited to the level and manner of the nonstandard service specified by the Applicant. The Applicant is responsible for paying for all costs necessary for nonstandard service to a subdivision as determined by the Corporation under the provisions of this Tariff and specifically the provisions of this Section. If the Applicant fails to pay these costs, the Corporation has the right to require payment of these costs by any one or more of the persons purchasing lots or homes within such subdivision before the Corporation is obligated to provide water/sewer service (Texas Water Code Section 13.2502). In addition,

Corporation may elect to pursue any remedies provided by the Nonstandard Service Contract if one has been executed. Applicant is advised that purchasers of lots also may have legal recourse against the Applicant under Texas law, including but not limited to Texas Water Code Section 13.257, and the Texas Business and Commerce Code Chapter 17, Subchapter E Deceptive Trade Practices & Consumer Protection Act.

- a. The Applicant must provide the following in addition to all other information otherwise required by this Section:
 - (1) Map and legal description of the area to be served using map criteria in 16 TAC 24.233(a) (2) (A-G).
 - (2) Time frame for:
 - i. Initiation of service
 - ii. Service to each additional or projected phase following the initial service
 - (3) Detailed description of the nature and scope of the project/development for:
 - i. Initial needs
 - (b) Phased and final needs, including a map showing each phase, and the projected land uses that support the requested level of service for each phase
 - (4) Flow and pressure for anticipated level of fire protection requested, including line size and capacity
 - (5) Specific infrastructure needs for anticipated level of fire protection requested, including line size and capacity
 - (6) Any additional information requested by the Corporation necessary to determine the capacity and the costs for providing the requested service.
 - (7) Copies of all required approvals, reports and studies done by or for the Applicant to support the viability of the proposed development.
- b. Applicant must provide reasonably sufficient information, in writing, to allow the Corporation to determine whether the level and manner of service specified by the Applicant can be provided within the time frame specified by the Applicant and to generally determine what capital improvements, including expansion of capacity of the Corporation's production, treatment and/or storage facilities and/or general transmission facilities properly allocable directly to the service request are needed. If the Applicant proposes development in phases, the Applicant should specify the level and manner of service and the estimated time frame within which that service must be provided for each phase, and the Applicant must depict the currently estimated location of each phase on the maps required under 16 TAC Section 24.233(a)(2)(A-G). It is important that the Applicant's written request be complete. A complete service application by the Applicant should include:
 - (1) The proposed improvements to be constructed by the Applicant;
 - (2) A map or plat signed and sealed by a licensed surveyor or registered professional engineer;
 - (3) The intended land use of the development, including detailed information concerning the types of land uses proposed;
 - (4) The projected water and/or sewer demand of the development when fully built out and occupied, the anticipated water/sewer demands for each type of land use, and a projected schedule of build-out;

- (5) A schedule of events leading up to the anticipated date upon which service from the CCN holder will first be needed; and
 - (6) A proposed calendar of events, including design, plat approval, construction phasing and initial occupancy.
 - c. Applicant must establish that current and projected service demands justify the level and manner of service being requested. In making his/her written request for service, the Applicant must advise the Corporation that he/she may request expedited decertification from the PUC.
 - d. Upon payment of the required fees, the Corporation shall review Applicant's service request. If no additional information is required from Applicant, the Corporation will prepare a written report on Applicant's service request, subject to any final approval by the Corporation's governing body (if applicable) which must be completed within the 90 days from the date of application and payment of the required fees. The Corporation's written report will state whether the requested service will be provided, whether the requested service can be provided within the time frame specified by the Applicant, and the costs for which the Applicant will be responsible (including capital improvements, easements or land acquisition costs, and professional fees).
 - e. In the event the Corporation's initial review of the Applicant's service shows that additional information is needed, the Corporation will notify Applicant of the need for such additional information. Notice of the need for additional information will be made in writing within 30 days of the date the Corporation receives the Applicant payment of the required fees. Applicant shall respond to the Corporation's request for additional information within 15 days of receipt of the Corporation's written request. The Corporation will provide the written report, including any final approval by the Corporation's Board (if applicable) within 90 days from the date of the initial written application and payment of all required fees.
 - f. By mutual written agreement, the Corporation and the Applicant may extend the time for review beyond the 90 days provided for expedited petitions to the PUC.
- 3. FINAL APPROVAL.** Upon final approval by the Corporation and acceptance of proposal for service by the Applicant, a nonstandard service contract will be executed, and the Corporation shall provide service according to the conditions contained in the Nonstandard Service Contract.

SECTION H. DROUGHT CONTINGENCY AND EMERGENCY WATER DEMAND MANAGEMENT PLAN

DROUGHT CONTINGENCY AND EMERGENCY WATER DEMAND MANAGEMENT PLAN FOR MILITARY HIGHWAY WATER SUPPLY CORPORATION

1. INTRODUCTION

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

A Drought/Emergency Management Committee consisting of two Board Members and the System Manager will monitor usage patterns and public education efforts and will make recommendations to the Board on future conservation efforts, demand management procedures or any changes to this plan. 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 a drought or emergency. This Committee will also 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 every five years unless conditions necessitate more frequent amendments.

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

2. PUBLIC INVOLVEMENT

Opportunity for the public to provide input into the preparation of the Plan was provided by the Board by scheduling and providing public notice of a public meeting to accept input on the Plan. Notice of the meeting was provided to all customers. In the adoption of this plan, the Board considered all comments from customers.

3. COORDINATION WITH REGIONAL WATER PLANNING GROUP

Being located within the **Lower Rio Grande Development Council area**, a copy of this Plan has been provided to that Regional Water Planning Group.

4. TRIGGER CONDITIONS

The Drought Emergency Management Committee is responsible for monitoring water supply and demand conditions on a monthly basis (or more frequently if conditions warrant) and shall determine when conditions warrant initiation or termination of each stage of the plan, that is, when the specified triggers are reached. The Committee will monitor monthly operating reports, water supply or storage tank levels and/or rainfall as needed to determine when trigger conditions are reached. The triggering conditions described below take into consideration: the

vulnerability of the water source under drought of record conditions, the production, treatment and distribution capacities of the system, and member usage based upon historical patterns.

a. Stage I - Mild Condition: Stage I water allocation measures may be implemented when one or more of the following conditions exist:

- 1) Water consumption has reached 80 percent of daily maximum supply for three (3) consecutive days.
- 2) Water supply is reduced to a level that is only 20 percent greater than the average consumption for the previous month.
- 3) 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.

b. Stage II - Moderate Conditions: Stage II water allocation measures may be implemented when one of the following conditions exist:

- 1) Water consumption has reached 90 percent of the amount available for three consecutive days.
- 2) The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days.

c. Stage III - Severe Conditions: Stage III water allocation measures may be implemented when one of the following five conditions exist:

- 1) 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.
- 2) Water consumption of 95 percent or more of the maximum available for three (3) consecutive days.
- 3) Water consumption of 100 percent of the maximum available and the water storage levels in the system drop during one 24-hour period.
- 4) Natural or man-made contamination of the water supply source(s).
- 5) The declaration of a state of disaster due to drought conditions in a county or counties served by the Corporation.
- 6) Reduction of wholesale water supply due to drought conditions.
- 7) Other unforeseen events which could cause imminent health or safety risks to the public.

5. STAGE LEVELS OF WATER ALLOCATIONS

The stage levels of water allocations are to be placed in effect by the triggers in Paragraph 4. The System shall institute monitoring and enforce penalties for violations of the Drought Plan for each of the Stages listed below. The water allocation measures are summarized below.

a. Stage I - Mild Conditions

- 1) Alternate day, time of day, or duration restrictions for outside water usage allowed. (System will notify Customers which restriction is in effect)
- 2) The system will reduce flushing operations.
- 3) Reduction of customers' water use will be encouraged through notices on bills or other method.

b. Stage II - Moderate Conditions

- 1) All outside water use is prohibited (except for a livestock or other exemption or variance granted under this section).
- 2) Make public service announcements as conditions change via local media (TV, radio, newspapers, etc.).

c. Stage III - Severe Conditions

- 1) All outside watering prohibited.
- 2) Water use will be restricted to a percentage of each member's prior month usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
- 3) Corporation shall continue enforcement and educational efforts.

6. 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 Drought/Emergency Management Committee, decide if the appropriate stage of water use restrictions shall be initiated. The initiation may be delayed if there is a reasonable possibility the water system performance will not be compromised by the condition. If water allocation is to be instituted, written notice to the customers shall be given.

Written notice of the proposed water use restrictions measure shall be mailed or delivered to each affected customer upon the initiation of each stage. Notice may be sent by email only if the customer chooses the option to receive email notices instead of mailed notices and provides a valid email address. In addition, upon adoption of Stage II or Stage III, a notice will be placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:

- a. The date water restriction shall begin;
- b. the expected duration;
- c. the stage (level) of water allocations to be employed;
- d. penalty for violations of the water allocation program; and
- e. affected area or areas.

If the water allocation program extends 30 days, then the Chairperson of the Drought/Emergency Management Committee or manager shall present the reasons for the allocations at the next

scheduled Board Meeting and shall request the concurrence of the Board to extend the allocation period.

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

7. PENALTIES FOR VIOLATIONS

- a. First Violation** – The Corporation will assess a penalty* of \$100 The customer/member will be notified by a written notice of their specific violation and their need to comply with the tariff rules. The notice will show the amount of penalty * to be assessed and inform the customer that failure to pay the penalty will result in termination of service. Reconnection will require payment of the penalty and a charge for the service call to restore service. The notice will also inform the customer that additional violations will trigger more severe penalties and may result in termination of service regardless of whether the customer pays the penalties.
- b. Second Violation** - The Corporation will assess a penalty* of \$200 The notice of second violation will show the amount of penalty to be assessed and will inform the customer that failure to pay the penalty will result in termination of service to be restored only upon payment of penalty and service call to restore service. The notice will also inform the customer that additional violations will trigger more severe penalties and may result in termination of service regardless of whether the customer pays the penalties.
- c. Subsequent Violations** - The Corporation will assess an additional penalty of \$300 for violations continuing after the Second Violation. The notice of subsequent violation will show the amount of the penalty to be assessed and will inform the violator that failure to pay the penalty will result in termination of service to be restored only upon payment of penalty and service call to restore service. The notice will also inform the customer that the Corporation may also install a flow restricting device in the customer's meter service to limit the amount of water that will pass through the meter in a 24-hour period. The costs of this procedure will be for the actual work and equipment and shall be paid by the customer. Removal of this device will be considered Meter Tampering and will result in disconnection of service without further notice. The notice of subsequent violation will also inform the customer that additional penalties will be assessed for additional violations; and in addition to penalties, that water service will be terminated for a period of three (3) days regardless of whether the customer pays the penalties for the additional violations.
- d. Termination** – For each continuing violation, the Corporation will assess an additional penalty of \$100. Service will also be terminated for a period of three (3) days. The notice of termination will show the date on which water service will be terminated and the date on which service will be restored, unless the customer has failed to pay delinquent

penalties, assessments or charges. Service will remain off until any delinquent penalty or other assessment is fully paid including a charge for the service call to restore service

These provisions apply to all customers of the Corporation.

NOTE: PENALTY * – A WSC is allowed to charge a reasonable penalty to customers that fail to comply with the water use restriction procedures in accordance with [16 TAC 24.101 \(j\)](#) and [Texas Water Code 67.011\(b\)](#) if:

- **The penalty is clearly stated in the tariff;**
- **The penalty is reasonable and does not exceed six (6) times the minimum monthly bill stated in the water supply corporation's current tariff; and**
- **The water supply corporation has deposited the penalty in a separate account dedicated to enhancing water supply for the benefit of all the water supply corporation's customers.**

8. EXEMPTIONS OR WAIVERS

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

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

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

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

- Name and address of the petitioner(s).
- Purpose of water use.
- Specific provision(s) of the Plan from which the petitioner is requesting relief.
- Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan.

- Description of the relief requested.
- Period of time for which the variance is sought.
- Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- Other pertinent information, as requested by the Committee.

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

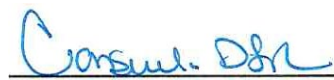
- Variances granted shall include a timetable for compliance.
- Variances granted shall expire when the water allocation is no longer in effect, unless the petitioner has failed to meet specified requirements. No variance allowed for a condition requiring water allocation will continue beyond the termination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

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

9. IMPLEMENTATION

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

This plan was adopted by the Board at a properly noticed meeting held on July 27, 2023



, Consuelo De La Rosa, General Manager

SECTION I. FIRE HYDRANT POLICY

FIRE HYDRANT POLICY

1. PURPOSE

The Military Highway Water Supply Corporation water distribution system was designed to provide potable water to the rural communities in Hidalgo and Cameron Counties. The System was not designed to provide water for fire protection. However, the Corporation being mindful of the benefits that can be derived by its membership by the availability of water for use in controlling fire and thereby for the protection of life and property, adopts this policy of controlled access to the Military Highway water system by the various fire departments.

2. ACCESS TO WATER

Access to the Military Highway Water Supply Corporation system for water to be used in fire-fighting is limited to governmental entities legally established to provide fire protection in the Military Highway Water Supply Corporation service area. Access is further subject to users' agreement to the terms limited to those found herein under Liability; Disclaimer; Release and Waiver of Claims; and Indemnification. Use under any circumstances is considered to be without authorization and to be a trespass.

Access is to be provided by the following methods:

1. Fire hydrants for direct connection to fire department pumper:
There are certain limited areas in which the water lines are of sufficient size and strength and with sufficient pressure and volume to allow the attachment of fire department pumpers. In these locations, the fire department pumpers will maintain a positive pressure on the suction side of the pumper at all times. Military Highway Water Supply Corporation and its Engineer will solely determine the location of this type of hydrant. In no case will a fire hydrant for pumpers be allowed on a water line smaller than 8 inch diameter. Hydrants with a flow rate of 750 gallons per minute or more will have the top bonnet painted GREEN. Hydrants with less than a 750 gallon per minute flow rate will have the top bonnet painted YELLOW.
2. Fire Hydrants for refill only:
This type of hydrant will be allowed in areas of smaller and/or weaker lines or in an area of consistently lower pressure. This is generally in areas located at greater distances from water treatment plants and/or booster stations. The water line pipe size will be six inch diameter or larger. These areas will be determined by Military Highway Water Supply Corporation and its Engineer. These hydrants will have the top bonnet painted RED.
3. Flush valves:

Access will be given to flush valves for free flowing refills only. Flush valves are generally located on smaller dead-end lines.

Some of these lines will be as small as two inch diameter, or even smaller.

Flush valves are found with both above ground and below ground valves. Keys will be furnished to all fire departments for above ground valve locks. If locks are found to be inoperable because of corrosion or other reasons, locks or chains may be cut by the fire department. Cut locks or chains be reported to Military Highway Water Supply Corporation as soon as possible so that they may be replaced. Flush valves will be painted with a reflective aluminum paint.

Flush valves installed during the last several years have underground valves. A standard valve tool will need to be used to open this type of valve. All flush valves have been constructed without hose bibs, so the fire department will need to have a supply of these on hand. Brass hose bibs have a tendency of disappearing due to theft.

3. REPORTING OF WATER USE

All water used from the Military Highway Water Supply Corporation system will be reported monthly to Military Highway Water Supply Corporation by the fire department making the use. This report will state the estimated amount of water used, the date of use, the location and any problems encountered with the fire hydrant or flush valve. The County Report of Rural Runs may be used.

4. CHARGES FOR WATER

There will be NO charge by Military Highway Water Supply Corporation for water used for fire protection. However, in no case will this donated water be used for equipment wash-downs or construction purposes or any other purpose other than actual use in controlling fires.

5. SECURITY

Because Military Highway Water Supply Corporation is a rural system that cannot patrol all locations daily, a problem may arise as to the abuse of fire hydrants by the taking of water for uses other than fire protection. If this becomes a problem, Military Highway Water Supply Corporation reserves the right to install security devices on all hydrants. Sufficient special wrenches, or keys, will be provided to the fire departments at that time. Military Highway Water Supply Corporation reserves the right to amend this policy or suspend or otherwise limit access to its system at any time and without notice to other than its members.

6. MAINTENANCE & FLUSHING

All hydrant maintenance and flushing will be done by Military Highway Water Supply Corporation personnel. A schedule will be set up to perform this work on a regular timely basis.

7. INSTALLATION PROCEDURE

All installation of hydrants and flush valves will be performed by Military Highway Water Supply Corporation personnel, or under its supervision. The charge for installations shall be reasonable, not to exceed the actual cost of materials and labor. Any member desiring a hydrant or flush valve may request such an installation.

Any such installation is subject to payment of the appropriate charge for installation. Whether the request for installation is granted or denied is in the sole discretion of Military Highway Water Supply Corporation.

Such decisions are final and may be made with or without a basis. Any installation may be removed at any time with or without a basis and at the sole discretion of Military Highway Water Supply Corporation and without a basis and at the sole discretion of Military Highway Water Supply Corporation and without payment to anyone, including those paying the installation charge. A decision to remove an installation is final and without further recourse, but does not preclude a new request for installation.

8. BRAND OF HYDRANT

Due to the cost of maintenance and a desire to standardize, all hydrants will be Mueller Centurions or Clow Medallions.

9. IDENTIFICATION OF HYDRANT USAGE

Hydrants will be identified by paint color as to purpose of usage, pumper or refill. These identifying colors are noted above.

10. CONSTRUCTION OF HYDRANT INSTALLATION

All fire hydrant installations will be constructed with a mechanical-joint tapping sleeve, a six inch resilient valve and the fire hydrant, all secured together by "all-thread" bolts so that the installation becomes a single unit. Concrete will be used for additional stability with the weep holes left uncovered.

11. DESIGN OF TYPICAL FIRE HYDRANT INSTALLATION

see attachment.

12. MAPPING

Military Highway Water Supply Corporation will mark any map provided to it by the fire department to show the locations of all hydrants and flush valves. The accurateness of such a marked map is not warranted or guaranteed, nor is the serviceability or existence of any indicated hydrant or flush valve warranted, guaranteed to otherwise represented in any manner. Anyone relying on such a map

does so at their own risk.

13. LIABILITY

USERS OF WATER FROM THE MILITARY HIGHWAY WATER SUPPLY CORPORATION SYSTEM, BY USING THE WATER AND/OR SYSTEM, ACKNOWLEDGE AND AGREE THAT BY ALLOWING ACCESS TO ITS SYSTEM, MILITARY HIGHWAY WATER SUPPLY CORPORATION ASSUMES A DUTY TO NOT INJURE THE USER BY WILLFUL OR WANTON CONDUCT OR BY GROSS NEGLIGENCE AND THAT MILITARY HIGHWAY WATER SUPPLY CORPORATION ASSUMES NO OTHER DUTY OR STANDARD OF CARE. THE USER UNDERSTANDS THAT THE STANDARD OF CARE ASSUMED UNDER THIS AGREEMENT DOES NOT REQUIRE MILITARY HIGHWAY WATER SUPPLY CORPORATION TO WARN THE USER OF AN UNSAFE CONDITION OR TO MAKE AN UNSAFE CONDITION SAFE SHOULD MILITARY HIGHWAY WATER SUPPLY CORPORATION BECOME AWARE, EITHER ACTUALLY OR CONSTRUCTIVELY, OF A CONDITION WHICH RESULTS IN AN UNREASONABLE RISK TO THE USER. FURTHER, THE USER UNDERSTANDS THAT MILITARY HIGHWAY WATER SUPPLY CORPORATION MAY CHANGE THE CONDITION OF ITS SYSTEM IN A MANNER THAT MIGHT RENDER THE SYSTEM UNSAFE FOR USE BY THE USER WITHOUT INCURRING LIABILITY FOR SUBSEQUENT INJURY TO USER BY THE NEW DANGER. USER AGREES TO USE THE WATER AND SYSTEM AT ITS OWN RISK AND AS IT IS FOUND.

14. DISCLAIMER

MILITARY HIGHWAY WATER SUPPLY CORPORATION HEREBY SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, OR CONCERNING:

- A. THE NATURE AND CONDITION OF THE SYSTEM INCLUDING, WITHOUT LIMITATION, THE PIPELINES, HYDRANTS, FLUSH VALVES, APPURTENANCES, WATER AND REAL PROPERTY, THE SUITABILITY THEREOF FOR ANY AND ALL ACTIVITY AND USERS WHICH THE USER MAY ELECT TO CONDUCT OR THE EXISTENCE OF ANY HAZARD OR CONDITION;
- B. THE NATURE AND EXTENT OF ANY RIGHT-OF-WAY, LEASE, POSSESSION, LICENSE, RESERVATION, CONDITION OR OTHERWISE; AND
- C. THE COMPLIANCE OF THE SYSTEM OR ITS OPERATION WITH ANY LAWS, ORDINANCES OR REGULATIONS OF ANY GOVERNMENTAL ENTITY OR BODY. USER ACKNOWLEDGES BY USE OF THE SYSTEM THAT IT HAS AND WILL INSPECT THE SYSTEM AND USER WILL RELY SOLELY ON ITS OWN INVESTIGATION OF THE SYSTEM AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF MILITARY HIGHWAY WATER SUPPLY CORPORATION. USER FURTHER ACKNOWLEDGES THAT THE INFORMATION PROVIDED AND TO BE PROVIDED WITH RESPECT TO THE SYSTEM WAS OBTAINED WITHOUT CONSIDERATION BEING GIVEN AND MILITARY HIGHWAY WATER SUPPLY CORPORATION (1) HAS NOT MADE ANY INVESTIGATION OR VERIFICATION OF SUCH INFORMATION; AND (2) DOES NOT MAKE ANY REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. ACCESS TO THE SYSTEM IS ALLOWED ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS, AND

THE USER EXPRESSLY ACKNOWLEDGES THAT, IN CONSIDERATION OF THIS ACCESS, MILITARY HIGHWAY WATER SUPPLY CORPORATION MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF CONDITION OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SYSTEM OR ANY PORTION THEREOF.

15. RELEASE AND WAIVER OF CLAIMS

USER AGREES BY ITS USE OF THE SYSTEM THAT MILITARY HIGHWAY WATER SUPPLY CORPORATION SHALL, NOT BE RESPONSIBLE OR LIABLE TO THE USER FOR ANY DEFECT, ERRORS, OMISSIONS, OR ON ACCOUNT OF ANY OTHER CONDITIONS AFFECTING THE PROPERTY, AS THE USER MAKES USE OF THE SYSTEM AS IS, WHERE IS ANY WITH ALL FAULTS.

USER, OR ANYONE CLAIMING BY, THROUGH, OR UNDER USER, HEREBY FULLY RELEASES MILITARY HIGHWAY WATER SUPPLY CORPORATION, ITS EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES, ATTORNEYS AND AGENTS FROM ANY AND ALL COST, LOSS, LIABILITY, DAMAGE, EXPENSE, DEMAND, ACTION OR CAUSE OF ACTION ARISING FROM OR RELATED TO ANY DEFECTS, ERRORS, OMISSIONS, OR OTHER CONDITIONS AFFECTING THE "SYSTEM.

USER, BY ITS USE OF THE SYSTEM, FURTHER ACKNOWLEDGES AND AGREES THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESSED TERMS AND PROVISIONS.

TO THE EXTENT APPLICABLE AND PERMITTED BY LAW (AND WITHOUT ADMITTING SUCH APPLICABILITY), USER, IN CONSIDERATION FOR USING THE SYSTEM AND AS A MATERIAL INDUCEMENT TO MILITARY HIGHWAY WATER SUPPLY CORPORATION FOR ALLOWING SUCH USE, WAIVES THE PROVISIONS OF THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, AS WELL AS ALL OTHER STATUTORY PROVISIONS WHICH MIGHT CREATE A CLAIM AGAINST MILITARY HIGHWAY WATER SUPPLY CORPORATION AS A RESULT OF THE USE OF MILITARY HIGHWAY WATER SUPPLY CORPORATION'S SYSTEM.

16. INDEMNIFICATION

USER, BY THE USE OF THE SYSTEM, AGREES TO INDEMNIFY, PROTECT, DEFEND, SAVE AND HOLD HARMLESS MILITARY HIGHWAY WATER SUPPLY CORPORATION, ITS EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES, ATTORNEYS, AND AGENTS FROM AND AGAINST ANY CAUSES OF ACTION, LOSSES, COST AND EXPENSES (INCLUDING WITHOUT LIMITATION, ATTORNEY'S FEES AND EXPENSES AND COURT COSTS) ASSERTED OR INCURRED AT ANY TIME AND IN ANY WAY RELATING TO, CONNECTED WITH, OR ARISING OUT OF THE CONDITION OF THE SYSTEM OR THE USE OF THE SYSTEM OR THE OPERATION, MAINTENANCE AND MANAGEMENT THEREOF, INCLUDING THE NEGLIGENCE OF MILITARY HIGHWAY WATER SUPPLY

**CORPORATION AND ITS AGENTS, OFFICERS AND EMPLOYEES AS THEY RELATE TO
THE PROVISION OF WATER AND ACCESS TO MILITARY HIGHWAY WATER SUPPLY
CORPORATION'S SYSTEM FOR THE PURPOSE OF CONTROLLING FIRES.**

This Tariff is effective in Cameron and Hidalgo Counties for Water Utility Service under Certificate of Convenience and Necessity Number 10551 and for Wastewater Utility Service Under Certificate of Convenience and Necessity Number 20571.

**Amended and Restated
July 27, 2023**

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