

**AMENDED AND RESTATED ORDER ESTABLISHING WATER, WASTEWATER,
SERVICE RATES, CHARGES AND TAP FEES,
AND ADOPTING GENERAL POLICIES WITH RESPECT
TO THE DISTRICT’S WATER, WASTEWATER AND DRAINAGE SYSTEMS**

**(Effective April 7, 2016)
(Amended September 27, 2016)
(Amended February 21, 2017)
(Amended August 22, 2017)
(Amended May 16, 2019)
(Amended September 19, 2019)**

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §

WHEREAS, Headwaters Municipal Utility District of Hays County (the “District”) is a duly created and existing municipal utility district created and operating under Chapters 49 and 54 of the Texas Water Code, as amended;

WHEREAS, Section 49.212 Texas Water Code authorizes the Board of Directors of a water district adopt and enforce all necessary rates, charges, fees and deposits for providing District facilities or services;

WHEREAS, the District receives wholesale water service from the West Travis County Public Utility Agency (“WTCPUA”), which has furnished notice to the District of a significant increase in the fees charged to the District for wholesale water services;

WHEREAS, the District has undertaken a cost of service study to evaluate the sufficiency of its retail water and wholesale rates and fees; and

WHEREAS, the Board of Directors of the District has determined that it is necessary to amend its retail water and wastewater rates.

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF HEADWATERS MUNICIPAL UTILITY DISTRICT AS FOLLOWS:

I. General Policies.

A. Definitions. For purposes of this Order, the following terms shall have the meanings indicated:

(1) “Apartment House” A building or buildings containing five or more dwelling units that are occupied primarily for nontransient use, including a residential condominium whether rented or owner occupied, and if a dwelling unit is rented, having rent paid at intervals of one month or more.

(2) “City” means the City of Dripping Springs.

(3) “Connection” shall mean and refer to each residential unit occupied by a separate family, including separate apartments located within a single building, and each business unit occupied by a separate business, including separate establishments within a single building.

(4) “District’s representative” shall mean and refer to the operator of the District or another representative or employee of the District acting pursuant to the direction of the operator or the Board of Directors of the District.

(5) “Dwelling Unit” One or more rooms in an apartment house or condominium, suitable for occupancy as a residence, and containing kitchen and bathroom facilities; or a unit in a multiple use facility.

(6) “Erosion Control Inspection” shall mean verification of proper silt fencing, inlet protection and trash contamination.

(7) “Living Unit Equivalent” or “LUE” shall mean one single family equivalent connection. The number of LUEs needed for a Connection shall be determined in accordance with the methodology, calculations and procedures of the West Travis County Public Utility Agency or its successors (“WTCPUA”) in effect at the time a connection is made.

(8) “Master Meter” means a meter used to measure, for billing purposes, all water usage of any apartment house, condominium, multiple use facility including common areas, common facilities, and dwelling units.

(9) “Multiple Use Facility” means a commercial or industrial park, office complex, or marina with five or more units that are occupied primarily for nontransient use and are rented at intervals of one month or longer.

(10) “Non-Residential Customer/Connection” means any customer that is not receiving service for a single-family residence or dwelling and is not included as a Multi-Unit Residential Facility.

(11) “Residential Customer” means a customer that desired or receives service for or to a single-family residence or dwelling.

(12) “Rules” shall mean and refer to such rules and regulations as the District may adopt pursuant to Section 54.205, Texas Water Code.

(13) “Systems” shall mean and refer to the water, wastewater and drainage systems of the District.

B. Retail Service Provider. The District shall be the retail water and wastewater service provider to all customers and Connections located within its corporate boundaries.

C. All Services Required. Except as otherwise approved by the Board of Directors, no service shall be provided by and through the District’s System unless the applicant agrees to receive both water and wastewater service.

D. All Services Charged. At no time shall the District render water or wastewater service without charge to any person, firm, corporation, organization or entity.

E. Other Utilities. Prior to installing underground cables in the area of District water supply or wastewater collection lines, representatives of utility companies shall meet with the District's representatives to file such companies construction plans and schedules and to review the engineering plans illustrating the location of the District's lines.

F. Review of Utility and Drainage Plans; Construction Inspection. Any person proposing to install or construct drainage or water quality facilities or water and wastewater facilities to be connected to the District System shall obtain the approval of the construction plans for such facilities by the District prior to construction. Prior to the District Engineer's review of the plans, the person requesting review shall make a deposit of \$5,000 with the District to pay plan review and inspection costs. Should the estimated cost of such review exceed \$5,000, the District Engineer and the person requesting review shall present the request for review of the plans to the Board of Directors for a determination of an adequate deposit. The cost of review of the plans and construction inspections shall be on a time and materials basis. Upon payment of invoices of the District Engineer from any deposit made under this Section, the person requesting review shall replenish the deposit equivalent to the original balance of the required deposit. The balance of the required deposit shall be returned to the party that made the deposit within thirty days after final completion of construction.

G. Review of Plans for Facilities to be Owned by District; Construction Inspection. Any person intending to transfer or sell any facilities to the District shall obtain the approval of construction plans for such facilities by the District prior to construction. Prior to the District Engineer's review of the plans, the person requesting review shall make a deposit of \$5,000 with the District to pay plan review and inspection costs. Should the estimated cost of such review exceed \$5,000, the District Engineer and the person requesting review shall present the request for review of the plans to the Board of Directors for a determination of an adequate deposit. The cost of review of the plans and construction inspections shall be on a time and materials basis. Upon payment of invoices of the District Engineer from any deposit made under this Section, the person requesting review shall replenish the deposit equivalent to the original balance of the required deposit. The balance of the required deposit shall be returned to the party that made the deposit within thirty days after final completion of construction.

H. Required Contract. Any person intending to transfer or sell any facilities to the District, or to otherwise install or construct drainage or water quality facilities or water and wastewater facilities to be connected to the District System, must enter into a contract with the District prior to commencement of construction. The contract shall provide for the review and approval of plans and specifications for the improvements by the District Engineer, the conveyance of facilities and any required real property interests, bonding, insurance, indemnification, warranties, and other terms and conditions specified by the District.

I. Design and Construction Standards. Design and construction of all water, wastewater, drainage or water quality facilities proposed to be connected to the District System or to be transferred to the District is required to be undertaken in accordance with the design and construction standards, specifications and details of the City of Austin as amended from time to

time (collectively, the “Design and Construction Standards”), which are hereby incorporated and adopted by reference. Such Design and Construction Standards are intended to provide minimum criteria for utility infrastructure design, development and construction within the District’s service area. It is the design engineer’s responsibility to obtain and comply with the most recent Design and Construction Standards. The Design and Construction Standards are not intended to limit the design professional’s responsibilities, and instead establish a minimum size or quality criteria for utility infrastructure. More stringent materials or specifications may be appropriate based on job requirements, or service demands. In the event of any uncertainty regarding the applicable Design and Construction Standards, the District Engineer’s determination shall control. Further, the District Engineer shall have discretion to approve substitutions of items that are at least equal to the Design and Construction Standards, as determined by the District Engineer.

II. Connections to the District's Systems.

A. Applications for Connections.

(1) Any party desiring to make a connection to the District's Systems shall first make an application to the District's representative in the form approved by the Board of Directors of the District. The applicant shall, upon request, furnish the District's representative with evidence that the party who will actually install the tap and connecting line has comprehensive general liability insurance in the minimum amounts of \$300,000 bodily injury and \$500,000 property damage, with an underground rider and a completed operations rider.

(2) The District's representative shall review all applications for connections to the District's Systems. In the event that the District's representative finds that the materials to be used and the procedures and methods to be followed in laying the line and making the connection are equal to or better than the standards established by the Plumbing Code requirements adopted by the City of Dripping Springs, and are in compliance with all terms and conditions of the District's Rules, the District's representative may approve the application and the proposed connection, subject to such terms or conditions as the District's representative deems necessary or convenient to accomplish the purpose and objectives of the Rules.

B. Payment of Fees.

(1) Any party desiring to make a connection to the System shall pay the appropriate water and/or wastewater impact fee, tap fee and inspection fee, if any, to the District's representative at the time the application for such connection is made. No connection shall be made until such fees are paid.

C. Fee Schedule.

(1) PUA Water Impact Fees. The District shall collect the PUA's water impact fee for each new connection to the District System. The amount of the impact fees shall be the amount of the impact fees charged by the PUA to the District under the District's wholesale water service agreement with the PUA for the lands within the District, and shall be paid at the time the application for a connection is made.

(2) Water Tap Fees. The water tap fees shall be as follows:

<u>Meter Size</u>	<u>Tap Fee</u>
5/8"	\$550.00
3/4"	\$575.00
1"	\$750.00
1-1/2" and Over	To be installed by the District at cost times three (3)

Water tap installation involving excavation of the water main shall be performed by the District at cost plus 25% in addition to the above water tap fee.

(3) Sewer Tap Fees. The District's sewer tap fees shall be as follows:

Residential	\$550.00
Commercial	\$1,000.00

If more than one (1) inspection is required before a tap is approved by the District, the fee for each additional inspection shall be \$75.00 for Commercial use and \$50.00 for Residential use.

(4) Expiration of Taps. Reservation of capacity through the pre-purchase of water and wastewater taps will expire eighteen (18) months after the date of purchase of said tap.

(5) Service Application Fees. The application fee is \$30.00. If requested and same day activation of service is practicable, such expedited application fee is \$50.00.

(6) Park Fees. Any party desiring to connect to the System shall pay a park fee of \$750 per Connection at the time of application for service.

(7) Service Charge- The following Service Charge shall be imposed upon a customer in connection with any service call or trip to a customer's service address as a result of a request by the customer unless the service call is in response to damage or a failure of the District's system or another customer's facilities:

- (i) During Normal Business Hours- \$50
- (ii) Outside Normal Business Hours- \$85

(8) Account Transfer Fee. A customer who desires to transfer service from one address within the District to another address shall pay a transfer fee of \$30.00 which shall be collected at the time of transfer of service.

D. Inspection Matters.

(1) Plumbing Inspections. All plumbing inspections of new residential and commercial construction shall be conducted by the City of Dripping Springs. The District reserves the right to conduct plumbing inspections for any plumbing improvements not inspected by the City of Dripping Springs, or when determined necessary by the District to protect the public water supply or the integrity of the District's water and wastewater systems. The District's standard inspection fee for a residential plumbing inspection, including an irrigation inspection, shall be \$65 per inspection. In the event the District conducts an inspection of a commercial establishment, the inspection fee will be determined by the District's representative based upon the size and scope of the project.

(2) Erosion Control Inspections. Before a tap will be issued to a builder and before the builder disturbs soil or begins construction, the builder must install the approved erosion control facilities on the lots to be disturbed pursuant to the District's Rules. In the event a builder proceeds to disturb the soil or to begin construction without approved erosion control facilities in place, the builder shall be fined an initial \$500.00 fine which shall be deducted from the builder's deposit and backbilled to the builder to restore the builder's deposit to \$3,000.00. If the builder

fails to provide an erosion control plan to the District's operator within five (5) business days after being notified in writing of the violation, the builder shall be assessed a \$250.00 per day fine until the plan is filed. Once the plan is approved, the builder shall have five (5) business days to install the approved erosion control facilities. In the event the builder fails to install such erosion control facilities within five (5) business days, builder shall be assessed a \$250.00 per day fine until the erosion control facilities are in place. Once installation has occurred, the builder shall call the District's operator for an inspection. The District operator may require a 24-hour notification prior to such inspection. Inspections requested Monday through Thursday will be performed the following day, excluding holidays. Inspections requested on Friday will be performed the next Monday, excluding holidays. The first inspection shall be performed at no additional charge to the builder. In the event the erosion controls are not installed in accordance with the plan approved, the inspection will be deemed to have failed and a reinspection after correction of the deficiencies shall be required. The fee for each reinspection shall be \$50.00. The fee for reinspection shall be deducted from the builder's deposit and backbilled to the builder to restore the builder deposit to \$3,000.00. The installation must comply with the approved plan as determined by the District's operator. In the event any erosion control devices need repair or replacement during the construction on any lot, the District operator will notify the builder of the current deficiencies which must be repaired within 48 hours. If not repaired within 48 hours, the builder shall be fined an initial \$500.00 and \$250.00 per day thereafter until corrected, which fines shall be deducted from the builder deposit and backbilled to the builder to restore its builder deposit to \$1,000.00 and to pay any fine amounts above the existing builder deposit.

(3) Cross Connection Inspections. A \$75.00 fee shall be charged to a customer who constructs additional plumbing improvements to the existing plumbing. The District's representative shall perform a cross connection inspection at the time of construction of such additional plumbing improvements.

E. Security Deposit - Customer. A security deposit of \$200.00 per equivalent residential connection shall be paid to the District's representative by each customer. Security deposits shall not be transferable and shall be held by the District to assure the prompt payment of all bills for water and wastewater services to the customer. Following twelve (12) months of prompt payment, when due, of the District's utility bills, a customer who owns and occupies a residence within the District shall, upon written request to the District's representative, be entitled to a refund of its security deposit; provided however, that the District may require the customer to replace the security deposit in the event the customer thereafter makes late payments for two (2) or more consecutive months. At its option, the District may apply all or any part of a customer's security deposit against any delinquent bill of the customer. Upon discontinuation of service, the deposit shall be applied against amounts due, including any disconnection fees, whether because of the customer's delinquency or upon the customer's request. Any portion of the deposit remaining after deduction of such amounts shall be refunded to the customer. In no event shall the security deposit bear interest for the benefit of the customer.

F. Security Deposit - Builder. The builder shall make a one-time \$3,000.00 deposit covering all houses it is building or intends to build within the District. The District's representative shall carefully monitor the building of all houses covered by such \$3,000.00 deposit to make sure that the water and wastewater service connection at each such house has been inspected and approved prior to its being covered. In any instance in which this procedure is not followed, the District's Representative shall require the builder to uncover the water or wastewater

service connection so that it may be inspected. Any cost to the District for additional inspections or other work resulting from a violation of this requirement shall be deducted from the \$3,000.00 security deposit and the builder shall be billed for such amount as necessary to fully restore the \$3,000.00. The District's Representative will not approve a water tap for any such builder until such builder's security deposit has been reestablished at the full \$3,000.00 amount. A connection permit will be granted after inspection confirms that all requirements of these Rules and Regulations have been met. The \$3,000.00 security deposit will be refunded when the builder finishes his building program within the District. In no event shall the security deposit bear interest for the benefit of the builder.

(6) Non-Domestic Waste Permitting Fees. An applicant which intends to dispose of Non-Domestic Waste into the District's System shall pay an application fee of \$250.00. Each customer who is issued a permit for disposal of Non-Domestic Waste shall pay to the District on or before January 31 of each year a permit fee of \$500.00. The issuance of any such permit is subject to confirmation that the introduction of such waste into the District's wastewater system is not prohibited and subject to approval by the Board of Directors of the District.

D. Additional Charges. Any non-routine charges incurred by the District in connection with any water or wastewater tap and/or inspection shall be the responsibility of the applicant for such connection and shall be payable to the District upon demand.

E. Grinder Pumps/Lift Stations. All private lift stations or grinder pumps required for wastewater service to an individual customer shall be installed by the customer's plumber at the customer's expense. The District's representative shall inspect the facilities for compliance with the District's requirements. Any pressurized sewer lines or other sewer lines located within the customer's house or on the customer's property up to and including the check valve at the street shall not be a part of the grinder pump system and is part of the home plumbing. Such sewer lines shall not be maintained by the District and shall be the sole responsibility of the customer for design, installation, maintenance and operation. The customer shall pay a \$65.00 inspection fee. In the event an additional inspection is required, an additional \$65.00 fee shall be charged. The costs of subsequent operation, maintenance, repair and replacement of the facilities shall be at the customer's expense. Such maintenance, repair and replacement of the facilities shall be conducted by the District's representative as required by the TCEQ. Continuation of water and wastewater service shall be conditioned upon the customer's payment of such costs when incurred. The customer and the District shall enter into an agreement that further sets forth these requirements, including access by the District's representative to the facilities.

III. Water and Wastewater Services.

A. Applications for Service. Any party desiring to receive service from the District's water and/or wastewater system shall make an application for such service to the District's representative in the form approved by the Board of Directors of the District. All applications shall be made by the resident or owner of the property for which service is being requested. Proof of ownership or occupancy shall be furnished to the District's representative upon request.

B. Retail Water Service Rates and Fees. The following rates and fees for retail water service shall be in effect for retail water service:

For Consumption Prior to November 2019:

Single Family Residential-

The monthly usage charge and volumetric rates for water service to single family residential property and other Dwelling Units served by a water meter that belongs to the District and measures service only for that Dwelling Unit are as follows:

Monthly Retail Water Rates.

Basic Charge:

5/8" meter	\$35.00
3/4" meter	\$55.00
1" meter	\$85.00
1-1/2" meter	\$165.00
2" meter	\$260.00

Gallage Rate per 1,000:

0 – 2,000	\$2.30
2,001-5,000	\$3.85
5,001 – 10,000	\$4.24
10,001-20,000	\$4.88
20,001-25,000	\$5.86
25,001 – 30,000	\$7.03
30,001 – 40,000	\$10.55
Over 40,000 gallons	\$15.83

Multi-Family Residential-

The monthly usage charge and volumetric rates for water service to apartment houses, condominiums and multiple use facilities that receive service from a master meter are as follows:

Monthly Retail Water Rates.

Dwelling Unit Base Charge: \$17.50 per Dwelling Unit per month

Gallage Rate per 1,000: \$8.00 per 1,000 gallons

Non-Residential-

The monthly usage charge and volumetric rates for service non-residential property that does not qualify as a multiple use facility are as follows:

Monthly Retail Water Rates.

<u>Basic Charge:</u>	
5/8" meter	\$35.00
3/4" meter	\$55.00
1" meter	\$85.00
1-1/2" meter	\$165.00
2" meter	\$260.00

Gallorage Rate per 1,000:

0 – 2,000	\$2.30
2,001-5,000	\$3.85
5,001 – 10,000	\$4.24
10,001-20,000	\$4.88
20,001-25,000	\$5.86
25,001 – 30,000	\$7.03
30,001 – 40,000	\$10.55
Over 40,000 gallons	\$15.83

For Consumption Commencing November 2019:

Single Family Residential-

The monthly usage charge and volumetric rates for water service to single family residential property and other Dwelling Units served by a water meter that belongs to the District and measures service only for that Dwelling Unit are as follows:

Monthly Retail Water Rates.

<u>Basic Charge:</u>	
5/8" meter	\$42.00
3/4" meter	\$63.00
1" meter	\$105.00
1-1/2" meter	\$210.00
2" meter	\$336.00
3" meter	\$630.00
4" meter	\$1,050.00
6" meter	\$2,100.00
8" meter	\$3,360.00
10" meter	\$4,830.00

Gallorage Rate per 1,000:

0 – 2,000	\$2.76
2,001-5,000	\$4.62
5,001 – 10,000	\$5.09

10,001-20,000	\$5.86
20,001-25,000	\$7.03
25,001 – 30,000	\$8.44
30,001 – 40,000	\$12.66
Over 40,000 gallons	\$19.00

Multi-Family Residential-

The monthly usage charge and volumetric rates for water service to apartment houses, condominiums and multiple use facilities that receive service from a master meter are as follows:

Monthly Retail Water Rates.

Dwelling Unit Base Charge: \$21.00 per Dwelling Unit per month

Gallage Rate per 1,000: \$8.00 per 1,000 gallons

Non-Residential-

The monthly usage charge and volumetric rates for service to non-residential property that does not qualify as a multiple use facility are as follows:

Monthly Retail Water Rates.

Basic Charge:

5/8" meter	\$42.00
3/4" meter	\$63.00
1" meter	\$105.00
1-1/2" meter	\$210.00
2" meter	\$336.00
3" meter	\$630.00
4" meter	\$1,050.00
6" meter	\$2,100.00
8" meter	\$3,360.00
10" meter	\$4,830.00

Gallage Rate per 1,000:

0 – 2,000	\$2.76
2,001-5,000	\$4.62
5,001 – 10,000	\$5.09
10,001-20,000	\$5.86
20,001-25,000	\$7.03
25,001 – 30,000	\$8.44

30,001 – 40,000	\$12.66
Over 40,000 gallons	\$19.00

C. Fire Hydrant Meter Fees. Sale of water on a temporary basis from fire hydrants within the District shall be applied for to the District’s representative. There shall be charged and collected for each fire hydrant meter a fire hydrant meter fee in the amount of \$75.00 per month or any part of a month plus the gallonage rate per 1,000 gallons usage. A security deposit shall be paid to the District’s representative at the time application is paid for a fire hydrant meter in the amount of \$1,500.00. Such security deposit shall be refunded to the applicant at the time the meter is returned in good working order less any amounts due for damage to the meter. Withdrawal of water from flushing valves or fire hydrants or other appurtenances of the District’s system without prior approval of the District, except for emergency firefighting purposes, is prohibited.

D. Retail Wastewater Fees and Rates.

For Wastewater Service Prior to November 2019:

Single Family Residential.

The monthly usage charge and volumetric rates for wastewater service to single family residential property and to other Dwelling Units served by a water meter that belongs to the District and measures service only for that Dwelling Unit are as follows:

- i. Bills for sewer service shall be computed: (i) on the basis of the average amount of water used by the customer during the winter season based upon the average of the monthly readings of the customer’s water meter for the preceding December, January and February; or (ii) on the basis of the customer’s current monthly water bill, whichever is less; provided, however, any customer who did not have an approved wastewater connection during the prior winter averaging period, shall not be entitled to use the winter averaging method and shall be billed on the basis of: (i) the customer’s current monthly water usage; or (ii) on the basis of 10,000 gallons of water usage per month, whichever is less.
- ii. If a customer does not have an acceptable history of water usage during the preceding December, January and February, the customer’s monthly sewer bill shall be calculated based upon: (i) the customer’s current monthly water usage; or (ii) on the basis of 10,000 gallons water usage per month, whichever is less.

iii. Monthly Charge and Rates:

<u>Basic Monthly Charge (includes 2,000 gallons)</u>	\$35.00
<u>Gallonage Rate per 1,000 gallons</u>	\$2.90 per 1,000 gallons

Multi-Family Residential-

The monthly usage charge and volumetric rates for wastewater service to apartment houses, condominiums and multiple use facilities that receive water service from a master meter are as follows:

Monthly Retail Water Rates.

<u>Dwelling Unit Base Charge:</u>	\$17.50 per Dwelling Unit per month
<u>Gallage Rate per 1,000:</u>	\$2.90 per 1,000 gallons

Winter averaging will not be applied to apartment houses, condominiums and multiple use facilities that receive service from a master meter.

Non-Residential-

The monthly usage charge and volumetric rates for wastewater service non-residential property that does not qualify as a multiple use facility are as follows:

<u>Basic Monthly Charge (includes 2,000 gallons)</u>	\$35.00
<u>Gallage Rate per 1,000 gallons</u>	\$2.90 per 1,000 gallons

For Wastewater Service Commencing November 2019:

Single Family Residential.

The monthly usage charge and volumetric rates for wastewater service to single family residential property and to other Dwelling Units served by a water meter that belongs to the District and measures service only for that Dwelling Unit are as follows:

- i. Bills for sewer service shall be computed: (i) on the basis of the average amount of water used by the customer during the winter season based upon the average of the monthly readings of the customer's water meter for the preceding December, January and February; or (ii) on the basis of the customer's current monthly water bill, whichever is less; provided, however, any customer who did not have an approved wastewater connection during the prior winter averaging period, shall not be entitled to use the winter averaging method and shall be billed on the basis of: (i) the customer's current monthly water usage; or (ii) on the basis of 10,000 gallons of water usage per month, whichever is less.
- ii. If a customer does not have an acceptable history of water usage during the preceding December, January and February, the customer's monthly sewer bill shall be calculated based upon: (i) the customer's current monthly water usage; or (ii) on the basis of 10,000 gallons water usage per month, whichever is less.
- iii. Monthly Charge and Rates:

<u>Basic Monthly Charge (includes 2,000 gallons)</u>	\$42.00
<u>Gallage Rate per 1,000 gallons</u>	\$3.48 per 1,000 gallons

Multi-Family Residential -

The monthly usage charge and volumetric rates for wastewater service to apartment houses, condominiums and multiple use facilities that receive water service from a master meter are as follows:

<u>Dwelling Unit Base Charge:</u>	\$21.00 per Dwelling Unit per month
<u>Gallage Rate per 1,000:</u>	\$3.48 per 1,000 gallons

Winter averaging will not be applied to apartment houses, condominiums and multiple use facilities that receive service from a master meter.

Non-Residential-

The monthly usage charge and volumetric rates for wastewater service non-residential property that does not qualify as a multiple use facility are as follows:

<u>Basic Monthly Charge (includes 2,000 gallons)</u>	\$42.00
<u>Gallage Rate per 1,000 gallons</u>	\$3.48 per 1,000 gallons

(4) Regulatory Assessments. The District shall charge each customer any regulatory assessment required by the TCEQ.

(5) Drought Surcharges.

i. PUA Drought Surcharge. In the event the PUA imposes a Water Conservation or Drought Contingency Surcharge with respect to the wholesale rates charged to the District, then the rates charged to retail customers shall automatically increase in a corresponding amount during the same time period that the PUA surcharge remains in effect.

ii. LCRA Drought Surcharge. In the event LCRA imposes any type of surcharge with respect to the rate at which firm water is made available to the District under the raw water supply agreement, the District's base monthly fee shall automatically increase by the same percentage for the duration of the LCRA surcharge.

E. Prohibited Discharges. Only domestic wastewater may be discharged into the District's wastewater system. In the event the District determines that there has been a prohibited discharge under this Rate Order, the District shall assess costs to the violator for the reasonable

expenses of the District to locate the source of the violation, any testing of the waste associated with such violation, and for any damage to the District's sanitary sewer system.

F. Tampering/Diversion/Defacement of District Property and Theft of Service

(i) It is a violation of this Rate Order and the District's rules to use water or receive water and/or wastewater service from the System other than through an authorized tap for which a service agreement has been executed and all connection fees, charges and deposits have been made.

(ii) For purposes of these Rules, the phrase "meter tampering, bypassing and/or diversion" and the phrase "tampering, bypassing, diversion, and/or defacement" shall each be defined as knowingly or intentionally performing any of the following acts or causing or allowing another person, other than an authorized District representative, to perform any of the following acts:

- a) Theft of a water meter;
- b) Disconnecting a meter owned or operated by the District, or causing or allowing any meter owned or operated by the District to be disconnected;
- c) Removing or causing or allowing the removal of, a locking or shut-off device used by the District to discontinue service;
- d) Physically disorienting, or causing or allowing the physical disorienting of, the meter;
- e) Attaching, or causing or allowing the attachment of, objects to the meter to divert service or to bypass the District's service equipment;
- f) Inserting objects into the meter;
- g) Implementing any electrical and/or mechanical means resulting in the alteration or modification of the District's service equipment, the bypass of the District's service equipment, or the diversion of service in any manner;
- h) Tapping onto or connecting any pipe with any water main or line owned or operated by the District, or causing or allowing another person to tap onto or connect any pipe with any water main or line owned or operated by the District;
- i) Altering, changing, defacing, damaging, removing, interfering with, opening, or closing any water meter or other property or equipment owned or controlled by the District;
- j) Marring or defacing any building, equipment, or other property owned or operated by the District;

- k) Damaging, removing, destroying or interfering with any fence, gate, or other enclosure owned or controlled by the District, or damaging, removing, destroying, or interfering with any sign or emblem on any structure or equipment owned or operated by the District; or
 - l) Defacing, writing or marking, cutting, printing, stamping, indenting or displaying any word, sentence, symbol or figure on property owned or operated by the District.
- (iii) Any person who violates this Section shall be subject to the following:
- a) In instances where a meter is stolen, a civil penalty of \$500 shall be assessed, the person responsible for the theft shall be subject to criminal prosecution, and the responsible person shall be responsible for the purchase price for replacement of the meter.
 - b) The District's manager shall immediately discontinue water and/or wastewater service to any and all premises, lands, buildings or structures that have received water/wastewater service without authorization, and service shall not be restored until all amounts owed to the District under this Section have been paid and a proper application for service has been received, along with payment of all required fees and charges.
 - c) In instances where unauthorized service is obtained by removing a locking or shut-off device used by the District to discontinue service, a civil penalty of \$100 shall be assessed for the first violation. A second violation will result in a civil penalty of \$250, and any subsequent violation will result in a civil penalty of \$500. A valid application for water service must be on file with the District or submitted to the office prior to service reinstatement with payment of a customer deposit and any other required fees for service. Additionally, the fee assessed for unauthorized service, any past due balance and additional usage charges must be paid in full before service can be reinstated. Any offense(s) beyond the third violation will be referred to law enforcement and criminal charges will be filed by the District's authorized representative.
 - d) In instances where unauthorized service is obtained where no meter or other measuring device is installed, the person shall pay a civil penalty of \$500.00. Additionally, law enforcement shall be notified and criminal charges shall be filed.
 - e) For any instance where unauthorized service is obtained, the person shall also be responsible to pay any costs of the District, its officers, directors, employees, agents, and/or attorneys incurred in enforcing these provisions and for any damage or injury which may be caused to the system.
 - f) The owner of record of real property shall be responsible for any unauthorized water service received at the property, even if a third party (including contractors or subcontractors) performs the actions that result in

authorized water use. Similarly, in the event a person or entity owns more than one tract of real property at which unauthorized water service occurs, each subsequent property at which unauthorized water service occurs after the first will be deemed a subsequent violation of this Rate Order by the owner.

g) For purposes of these Rules, the amount of service received shall be determined by the District's manager on the basis of information and data reasonably available. In the absence of fraud, capriciousness or grossly arbitrary action on his or her part, the determination of the District's manager shall be final.

h) Payment of any fines or sums authorized under this Section shall be made in full as a condition of receipt of additional service, or as a condition of restoration of service, as applicable. In his or her discretion, the District's manager may enter into payment agreements providing for payment of the civil penalty over time by the customer.

IV. Solid Waste Collection Services.

The District shall contract with a third party vendor to provide solid waste collection and disposal services on behalf of single family residential customers. Solid waste collection services shall not be furnished by the District to apartment houses, condominiums, multiple use facilities and other nonresidential establishments. The owners or tenants of such properties shall be responsible for furnishing solid waste collection and disposal services to their properties.

There shall be no separate monthly fee or charge by the District for residential solid waste collection services.

V. Delinquent Accounts.

A. The District shall bill each customer monthly for all services rendered in the preceding month, in substantial compliance with the procedures established by the District from time to time. All bills shall be due when rendered and shall become delinquent if not paid by the date specified in the bill.

B. A late charge of ten percent (10%) of the amount of the bill shall be added for each monthly billing date the delinquent amount remains unpaid. If a bill remains delinquent for thirty (30) days, or is paid with a check which is dishonored, water service shall be discontinued in accordance with this paragraph. Prior to termination, the customer shall be notified of the amount due by letter sent by First Class, U.S. Mail. The notice shall state the date upon which water service shall be terminated, which date shall be not less than five (5) days from the date such notice is sent. Such notice shall state the time and place at which the account may be paid and that any errors in the bill may be corrected by contacting the District's representative, whose telephone number shall also be given in such notice. Provided, however, that in the event the customer contacts the District's representative within such five (5) day period, the District's representative may, at its opinion, allow the customer to make arrangements to pay the delinquent amount in installments to be approved by the District's representative.

C. Any determination by the District's representative or the District's engineer or authorized agent of the District or any dispute regarding the terms and provisions of this Order may be appealed to the Board of Directors of the District which shall conduct a hearing on the matter. The District's representative and/or attorney shall provide customer with information regarding appeals and hearing procedures upon customer's request.

D. The District reserves the right to institute suit for the collection of any amounts due and unpaid, together with interest thereon at the maximum legal rate and reasonable attorneys' fees.

E. The District further reserves the right to charge a customer paying a bill with a check which is dishonored an amount established from time to time by the District's Representative, which amount shall be based on the prevailing or usual charges made for dishonored checks and drafts by other vendors in the same general area as the District.

F. Payment by a customer who has presented a dishonored check shall be made by credit card, money order, or cashier's check. Personal checks will not be accepted.

VI. Discontinuation of Service.

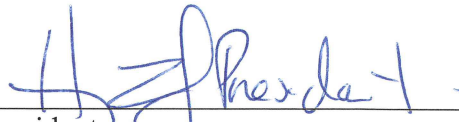
Charge for Reconnection. In the event of any discontinuation of service, whether because of customer's delinquency or upon a customer's request, the District shall charge the following charge per connection prior to reconnecting such customers:

<u>Water System</u>	
when meter removed	\$100.00
when meter not removed	\$ 60.00
after hours (4pm or later)	\$115.00
weekend and holiday	\$115.00
<u>Wastewater System</u>	2 x the actual cost


VII. Form of Payment. Payments, other than delinquent accounts, may be made in the form of personal check, credit card, cashier's check or money order. Customers of the District may also pay monthly bills via alternative payment options provided through the District, the District's representative, or third party service providers, including but not limited to, online check and credit card payments, check and credit card payments processed by telephone, automatic monthly debt programs, and other payment options as they become available. All alternative payment options offered by the District are provided merely as a convenience to customers and such alternative payment options may be discontinued by the District at any time in its sole discretion. Certain payment options are made available through third party service providers who may charge fees in connection with such payment options. Such fees are the sole responsibility of the customer, and are separate and apart from any amount owed by the customer to the District. Non-payment of any such fees shall subject the customer to termination of service in accordance with this Order. If any customer payment is refused or returned by the processing financial institution, the District will charge the customer a return fee of \$25.00. Acceptable payment options for delinquent accounts are restricted as specified elsewhere in this Order.

VIII. The Secretary of the Board is hereby directed to file a copy of this Order in the principal office of the District.

PASSED AND APPROVED this 19th day of September, 2019



President
Board of Directors

ATTEST:


Secretary
Board of Directors

