

WATER SUPPLY CORPORATION TARIFF

FOR

SKYLAKES WATER SUPPLY CORPORATION
WALLER TEXAS 77484

PO BOX 978, 32152 CLUB DRIVE
979-221-7808

This tariff is effective for corporation operations under the following Certificate(s) or Convenience and Necessity:

CN11676

This tariff is effective in the following County: Waller

This tariff is effective in the following cities or un-incorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Skylakes Subdivision Section I and II

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The above corporation lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

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SECTION 1.0 - RATE SCHEDULE

Section 1.02 – Rates

| <u>Meter Size</u> | <u>Rate</u> | |
|--------------------------|--|-----------------------------|
| 5/8" or 3/4" | <u>\$ 34.31 (INCLUDING 3000 GALLONS)</u> | <u>\$ 5.00</u> |
| 1" | <u>\$ 34.31</u> | per 1000 gallons after 3000 |
| 1-1/2" | _____ | same for all meter sizes |

REGULATORY ASSESSMENT0005%
 A REGULATORY ASSESSMENT, EQUAL TO ONE HALF OF ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY SHALL BE COLLETED FROM EACH RETAIL MEMBER.

Section 1.02 - Miscellaneous Fees

TAP FEE SHORT SIDE\$1000.00
 THE TAP FEE IS BASED ON THE AVERAGE OF THE CORPORATION'S ACTUAL COST FFOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" OR 3/4" METER.

TAP FEE LONG SIDE\$1500.00
 THE TAP FEE IS BASED ON THE AVERAGE OF THE CORPORATION'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" OR 3/4" METERR. INVOICE PRICE WILL BE CHARGE IF TAP FEE IS MORE THAN \$1500.00

RECONNECTION FEE
 THE RECONNECTION FEE WILL CHARGED BEFORE SERVICE CAN BE RESTORED.
 TO A MEMBER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- A) Non-payment of bill.....\$ 75.00
 - B) Member's request\$ 75.00
- Or OTHER REASONS LIISTED UNDER SECTION 2.0 OF THIS TARIFF.

TRANSFER FEE\$ 40.00
 THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHERE THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE\$ 10.00
 A ONE TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PRVIOUS BILLING

RETURNED CHECK CHARGE\$ 35.00

MEMBERSHIP FEE.....\$ 100.00

METER TEST FEE (Invoice price if greater than \$50.00)\$ 50.00
 THIS FEE MAY BE CHAGES IF A MEMBER RQUESTS A SECOND METER TEST WITHIN A TWO YEAR PERIOD AND THE TEST INDICATED THAT THE MEER IS RECORDING ACCURATELY.

SECTION 2.0 – SERVICE RULES AND REGULATIONS

This tariff was adopted by the board at a properly noticed meeting held on August 5, 2008 to be effective upon application approval by TCEQ.

Section 2.02 Application for and Provision of Water Service

All applications for standard service will be made on the corporation's standard application or contract for and will be signed by the applicant before water service is provided by the corporation. A separate application or contract will be made for each service location. Standard service is defined as service on an existing pipeline where pipeline service facility extensions, or pipeline upgrades are not required and special design and/or engineering considerations are not necessary. 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 system. Requirements for nonstandard service are contained in Section 3.0 and 3.20 of this tariff.

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

Where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

The member will be responsible for furnishing and laying the necessary member service pipe from the meter location to the place of consumption. Members are required to install a member owned cut-off valve on the member's side of the meter or connection.

Section 2.04 – Membership Fee

Payment of the membership fee entitles the member to standard connection to the corporation's water system. Membership fees are assigned to the real estate designated to receive service. The membership fee is refundable upon termination of service as long as the member has no outstanding obligations to the corporation.

Section 2.03 – Refusal of Service

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

Section 2.05 – Meter Requirements, Readings and Testing

All water sold by the corporation will be billed based on meter measurements. The corporation will provide, install, own and maintain meters to measure amounts of water consumed by its members. Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period.

One meter is required for each residential, commercial or industrial facility in accordance with the TCEQ Rules. If a facility has a kitchen and bathroom, it will be considered a separate facility requiring a separate meter. The corporation may consider allowing an apartment building or mobile home/RV park to apply for a "Master Metered Account" and have a single meter larger than 5/8" x 3/4". An unauthorized submetering or diversion of service shall be considered a multiple connection and subject to disconnection of service. If the corporation has sufficient reason to believe a multiple connection exists, the Corporation shall discontinue service as described under section 2.07 of this tariff.

METER TESTS: The corporation will, upon the request of a member, and, if the member so desires, in his or her presence or in that of his or her authorized representative make without charge a test of the accuracy of the member's meter. If the member asks to observe the test, the test will be made during the corporation's normal working hours at a time convenient to the member. Whenever possible, the test will be made on the member's premises, but may, at the corporation's discretion, be made at the corporation's testing facility. If within a period of two years the member requests a new test, the corporation will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the corporation will charge the member a fee which reflects the cost to test the meter at invoiced cost or \$50.00 whichever is greater for a residential member. Following the completion of any requested test, the corporation will promptly advise the member of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.06 – Billing

Bills from the corporation will be mailed monthly. The due date of bills for corporation service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the corporation will constitute proof of the date of issuance. Payment for corporation service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the corporation or the corporation's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

A late penalty of \$10.00 will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The corporation must maintain a record of the date of mailing to charge the late penalty.

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

Section 2.07 - Service Disconnection

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

The corporation is encouraged to offer a deferred payment plan to a member who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a member's corporation service may be disconnected if a bill has not been paid or a deferred payment agreement entered into with 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination will be a separate mailing or hand delivery.

Corporation service may also be disconnected without notice for reasons as described in the TCEQ Rules.

Corporation service may also be disconnected with notice for violation of the corporation's service policies, including the connection of more than one residence commercial facility or industrial facility to an individual meter.

Corporation personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the member's request or due to a hazardous condition.

Section 2.08 – Reconnection of Service

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

Section 2.09 – Service Interruptions

The corporation will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the corporation will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the corporation will keep a complete record of all interruptions, both emergency and scheduled.

Section 2.10 – Quality of Service

The corporation will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the corporation will maintain facilities as described in the TCEQ Rules or in the Texas Commission on Environmental Quality's "Rules and Regulation for Public Water Systems."

Section 2.11 – Member’s Responsibility

The Member shall provide access to the meter as per service agreement. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month; and a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification, in accordance with Section 2.07, to the Member, then service shall be discontinued and the meter removed with no further notice.

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

- 1) All connections shall be designed to ensure against back-flow or siphonage into the Corporation’s water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC 290.46)
- 2) The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation’s facilities. Customer service pipelines shall be installed by the applicant and shall be a minimum of SDR-26 PVC pipe. (30 TA 290.46)

Section 2.12 – Member Complaints and Disputes

If a member or applicant for service lodges a complaint, the corporation will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation unless a hazardous condition exists.

SECTION 3.0 - EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES

If there are no distribution facilities or facilities capable of servicing (according to TCEQ Chapter 290 requirements) the applicant at the requested connection point, the applicant will be given an itemized statement of the costs of the service request, including options such as rebates to the customer, sharing of construction costs between the Corporation and the customer, or sharing of costs between the customer and other applicants prior to beginning construction, if available.

The Corporation will bear the full cost of any oversizing of water mains necessary to serve other future customers in the immediate area.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems".

SECTION 3.20 – SPECIFIC CORPORATION EXTENSION POLICY

This section contains the Corporation's specific extension policy which complies with the requirements already stated under Section 3.01.

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Natural Resource Conservation Commission minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Natural Resource Conservation Commission minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.