

Double Horn Creek Water Supply Corporation

Tariff & Policies

Of the

Double Horn Creek Water Supply Corporation

Amended Effective
March 1, 2023

PO Box 97
Spicewood, TX 78669

Double Horn Creek Water Supply Corporation

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Double Horn Creek Water Supply Corporation

SECTION A. RESOLUTIONS

A resolution of the Board of Directors of the Double Horn Creek Water Supply Corporation (DHCWSC) adopting a rate change to increase water rates by 10% in order to adjust revenue to accommodate higher operating costs.

WHEREAS, the Board analyzed 2022 operating costs and noted higher costs for operational expenses such as electricity, bookkeeping/tax preparation, operator's contract, and insurance;

WHEREAS, the Board holds a responsibility to maintain sound fiscal practices and DHCWSC solvency;

WHEREAS, DHCWSC members were informed of the proposed rate change during discussion at the January 14, 2023 annual meeting and further notification will be provided within 30 days of the effective date of this change;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DOUBLE HORN CREEK WATER SUPPLY CORPORATION:

1. That the water rates will be increased by 10%.
2. A new Rate Schedule as shown on Attachment A is hereby adopted and will be contained in Appendix B of the Tariff and Policies of the DHCWSC.
3. That this resolution shall take effect immediately upon its passage.

DULY PASSED BY THE BOARD OF DIRECTORS OF DOUBLE HORN CREEK WATER SUPPLY CORPORATION THIS 26th DAY OF JANUARY, 2023.



Curtis Raetz, DHCWSC President



Pilar Chiodo, DHCWSC Secretary/Treasurer

Double Horn Creek Water Supply Corporation

Attachment A to the resolution adopting a rate change to increase water rates by 10%

Monthly Rates

Service Availability Charge (Meter Installed): Residential Meter Size: 3/4" - \$71.50

Monthly Usage Charge:

0 – 4,000 Gallons	\$3.30 Per 1,000 Gallons
4,001 – 10,000 Gallons	\$5.50 Per 1,000 Gallons
10,001 – 20,000 Gallons	\$12.10 Per 1,000 Gallons
20,001 - 30,000 Gallons	\$29.70 Per 1,000 Gallons + \$121.00 step-up charge
30,001 – 40,000 Gallons	\$33.66 Per 1,000 Gallons+ \$88.00 step-up charge
Over 40,000 Gallons	\$39.60 Per 1,000 Gallons+ \$192.50 step-up charge

Regulatory Assessment Fee:

A REGULATORY ASSESSMENT, EQUAL TO ONE-HALF OF ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED MONTHLY FROM EACH MEMBER.

Reserved Service Charge (No Meter Installed):

A RESERVED SERVICE CHARGE OF ONE HALF THE SERVICE AVAILABILITY CHARGE, OR \$35.75, SHALL BE COLLECTED MONTHLY FROM EACH ACTIVE MEMBERSHIP ASSIGNED TO AN UNDEVELOPED LOT WITH NO METER INSTALLED, BASED ON THE CORPORATION'S FIXED COSTS TO SERVICE THE MEMBER'S DEDICATED FACILITIES AND TO RESERVE SERVICE TO THE MEMBER'S PROPERTY DESIGNATED TO RECEIVE SERVICE.

Double Horn Creek Water Supply Corporation

A resolution of the Board of Directors of the Double Horn Creek Water Supply Corporation (DHCWSC) adopting a change to increase the new member connection (tap) fee from \$3,000 to \$3,500 in order to adjust for the cost of an advanced metering infrastructure (AMI) “smart” meter installation.

WHEREAS, the Board has agreed to embark on a project to install an advanced metering infrastructure (AMI) in order to promote potable water conservation through heightened member consumption awareness and prompt leak detection;

WHEREAS, the cost of a new “smart” meter and installation labor will increase DHCWSC costs approximately \$500 to set a new water meter;

WHEREAS, DHCWSC members were informed of the proposed connection (tap) fee change during discussion at the January 14, 2023 annual meeting and further notification will be provided within 30 days of the effective date of this change;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DOUBLE HORN CREEK WATER SUPPLY CORPORATION:

1. That the new member connection (tap) fee will be increased from \$3,000 to \$3,500.
2. The new membership packet contained in Appendix C of the Tariff and Policies of the DHCWSC will be modified to reflect the change in tap fee.
3. That this resolution shall take effect immediately upon its passage.

DULY PASSED BY THE BOARD OF DIRECTORS OF DOUBLE HORN CREEK WATER SUPPLY CORPORATION THIS 26th DAY OF JANUARY 2023.



Curtis Raetz, DHCWSC President



Pilar Chiodo, DHCWSC Secretary/Treasurer

Double Horn Creek Water Supply Corporation

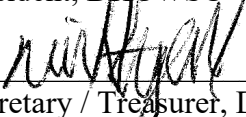
THE BOARD OF DIRECTORS OF DOUBLE HORN CREEK WATER SUPPLY CORPORATION ESTABLISHES THAT:

1. This Tariff & Policies of the Double Horn Creek Water Supply Corporation (hereinafter DHCWSC or Corporation), serving in Burnet County, consisting of Sections A. through H. and forms inclusive, is adopted and enacted as the current regulations and policies effective January 31, 2018.
2. Only those pre-existing written contracts or agreements executed by the DHCWSC Board of Directors or those otherwise expressly assumed by DHCWSC shall remain in effect, unless the contract or agreement requires compliance with changes of the Tariff & Policies from time to time.
3. The adoption (or revision) of this Tariff & Policies 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 business hours of the Corporation. The Secretary of the Corporation shall maintain the original copy as approved and all previous copies for exhibit.
5. Applicable 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 finally declared unconstitutional or invalid for any purpose, the remainder of this Tariff & Policies shall not be affected.
6. This Tariff & Policies has been adopted in Open Meeting in compliance with the Open Meeting Act, Ch. 551 of the Texas Government Code.

PASSED and APPROVED this 15th day of November, 2017.



President, DHCWSC



Secretary / Treasurer, DHCWSC

Double Horn Creek Water Supply Corporation

DOUBLE HORN CREEK WATER SUPPLY CORPORATION RESOLUTION

A resolution of the Board of Directors of the Double Horn Creek Water Supply Corporation adopting a Water Conservation and Drought Contingency Plan.

WHEREAS, the Board recognizes that the amount of water available to DHCWSC and its Members is limited and subject to depletion during periods of prolonged drought;

WHEREAS, the Board recognizes that natural limitations due to drought conditions and other acts of God cannot guarantee an uninterrupted water supply for all purposes;

WHEREAS, DHCWSC wishes to fulfill its obligations to prepare and implement a drought management plan;

WHEREAS, as authorized and in the best interest of its Members, the Board deems it appropriate and necessary to establish certain rules, policies and procedures for the orderly and efficient management of limited water supplies during drought and other water supply emergencies;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DOUBLE HORN CREEK WATER SUPPLY CORPORATION:

1. That the Water Conservation and Drought Contingency Plan described in Section G of the Tariff & Policies of the Double Horn Creek Water Supply Corporation is hereby adopted as the official policy of DHCWSC.
2. That the Board of Directors or its designee is hereby directed to implement, administer and enforce the Drought Management Plan.
3. That this resolution shall take effect immediately upon its passage.

DULY PASSED BY THE BOARD OF DIRECTORS OF DOUBLE HORN CREEK WATER SUPPLY CORPORATION ON THIS 15th DAY OF NOVEMBER, 2017.



President- DHCWSC



Secretary/Treasurer- DHCWSC

Double Horn Creek Water Supply Corporation

SECTION B. STATEMENTS

1. **Organization.** The Double Horn Creek Water Supply Corporation 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 utility service. The operating policies, rates, and regulations of the Corporation are adopted by the Board of Directors elected by 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 the Corporation's Certificate of Formation, Bylaws and this Tariff & Policies 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 services provided by the Double Horn Creek Water Supply Corporation. Failure on the part of the Member to observe these policies, rules and regulations gives the Corporation the authority to deny or discontinue service according to the terms of this Tariff & Policies as amended from time to time by the Board of Directors of the Corporation.
4. **Corporation Bylaws.** The Corporation Members have adopted Bylaws that establish the makeup of the Board of Directors and other important regulations of the Corporation. The Bylaws are on file at the Corporation's office and may be amended or replaced only by the Membership as provided in the Corporation's Certificate of Formation.
5. **Fire Protection Responsibility.** The Corporation does not provide nor imply that fire protection is available on any of the distribution system. Any hydrants or flush valves are for the operation and maintenance of the system and may be used by authorized fire departments only in accordance with a contract with the Corporation to supply water for use in fire suppression.
6. **Damage Liability.** The Double Horn Creek Water Supply Corporation is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limit of liability of Double Horn Creek Water Supply Corporation is the cost of service provided. By acceptance of Membership, a Member expressly consents to a waiver and limitation of such liability.
7. **Information Disclosure.** The records of the Corporation shall be kept in the Corporation office in Spicewood, 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. The Corporation keeps minimal information about Members, limited to: Name(s), Billing and Service Addresses, email addresses and telephone numbers. The Corporation reserves the right to share this information with the Double Horn Improvement Association (Double Horn Creek HOA). 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 election judge, agents or attorneys, in connection with a meeting of the Corporation's members. This Tariff & Policies provides notice of rights to confidentiality under this policy, and all prevailing associated fees for such request.
8. **Member Notice Provisions.** The Corporation shall give written notice of water rate changes, at its option, by electronic mail, USPS mail, or hand delivery to all affected

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consumers at least 30 days prior to the effective date of the new rate. The notice shall contain the old rates, new rates, effective date of the new rate, date of Board authorization, and the name and phone number of the Corporation's contact person designated to address inquiries about the rate change.

9. ***Grievance Procedures.*** Any Member of the Corporation, or individual demonstrating an interest under the policies of this Tariff & Policies 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 president, general manager (if appointed) or the current system operator. If not resolved to the satisfaction of the aggrieved party then,
 - b) By presenting a letter to the Board of Directors stating the individual's grievance or concern and the desired result.
 - c) The Board of Directors shall respond to the complaint by communicating the Board's decision in writing.
 - d) Any charges or fees contested as a part of the complaint in review by the Corporation under this policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors.
10. ***Member Service Inspections.*** The Corporation requires that a member service inspection certification be completed prior to providing continuous water service to new construction and for all new Members as part of the initial activation of standard and some non-standard service. Member 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. Member Service Inspections are provided for the Members' benefit and are paid by the Corporation.
11. ***Voluntary Contributions Policy.*** The Corporation's board may approve and set up guidelines for accepting Voluntary Contributions. The policy adopted may set up the guidelines for collection, accounting, and distribution of funds to the respective local Emergency Service Response entities or Local Libraries. (Texas Water Code, Section 13.143 & Section 67.017.)

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SECTION C. DEFINITIONS

Active Service -- The status of any Member receiving authorized service under the provisions of this Tariff & Policies.

Applicant -- A person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for water service with the Double Horn Creek Water Supply Corporation.

Back Billing -- A procedure where a Member was under-billed for service that was provided in the past and the under-billed amount is charged to the Member. A low-reading or non-reading meter is a typical cause of under-billing.

Board of Directors -- The governing body elected by the Members of the Double Horn Creek Water Supply Corporation vested with the management of the affairs of the Corporation.

Bylaws -- The rules pertaining to the governing of the Double Horn Creek Water Supply Corporation adopted by the Corporation Members.

Certificate of Convenience and Necessity (CCN) -- The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for Double Horn Creek Water Supply Corporation to provide water utility service within a defined territory. Double Horn Creek Water Supply Corporation has been issued Certificate Number 12913. Territory defined in the CCN shall be the Certificated Service Area. (See Tariff & Policies - Section D. Certificated Service Area Map)

Corporation -- The Double Horn Creek Water Supply Corporation.

Member Service Inspection -- This is an inspection that certifies compliance with rules and policies specified in Section E of this Tariff & Policies. Certification must be completed prior to providing continuous water service to new construction and for all new Members as part of the initial activation of standard and some non-standard service. This inspection is limited to the identification and prevention of cross-connections, potential contaminant hazards and illegal lead materials.

Disconnection of Service -- The discontinuance of water service by the Corporation to a Member.

Easement -- A private perpetual dedicated right-of-way, for the installation of water pipelines and necessary facilities, which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable). This may also include platted easements of the Double Horn Creek Subdivision, as well as 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 has been or will be filed in the real property records of the appropriate county or counties.

EDU -- Equivalent Dwelling Units

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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 easements, and location(s) of lakes, streams, or rivers through the property. The Double Horn Creek Water Supply Corporation shall determine if a plat submitted for the purpose of this Tariff & Policies shall qualify as a final plat. For purposes of evaluating Sub-Division service requests under Section F., the Corporation may accept preliminary plats, or plats awaiting final approval pending execution of agreement for service by the Corporation. The Final Plats of Double Horn Creek Subdivision Sections 1, 2, 3 & 4 and related restrictions, easements, conditions, covenants, reservations, etc. as shown on plats recorded at Plat Cabinet 2, Slides 145C, D, Plat Cabinet 2, Slides 160C, D & 161A, Plat Cabinet 2, Slides 191A-C and Plat Cabinet 3, Slides 163D of the Plat Records of Burnet County, Texas, are approved and certified by the Corporation.

Hazardous Condition -- A condition that jeopardizes the health and welfare of the Members of the Corporation as determined by the Corporation or a regulatory authority with appropriate jurisdiction.

Impact Fee -- If applicable, 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 building or 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 this manner.

Forfeited Membership -- A Membership that has been canceled due to delinquent charges or for other reasons as specified in the Corporation's Bylaws or this Tariff & Policies.

Member -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who holds a fully-paid membership in the Corporation and who is a record owner of a fee simple title to the property served, that has qualified for service, and been certified as a member in accordance with the Corporation's Certificate of Formation, Bylaws, Tariff & Policies.

Membership -- A non-interest bearing, non-refundable right of participation purchased from the Corporation evidencing a Member's interest in the Corporation.

Membership Application and Service 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. The Membership Application and Service Agreement are presented in Section H.

Membership Fee -- A fee qualified as such under the terms of the Tariff & Policies and the Bylaws of the Corporation for a Membership assigned to the real estate designated to receive service. The Membership fee shall be non-refundable upon termination of service and surrendering the Membership.

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Proof of Ownership -- For the purpose of this Tariff & Policies, Applicants for service and membership shall provide proof of ownership by attesting that the Applicant holds fee simple title to real estate to be served.

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

Reinstatement -- Restoring service to an Applicant at a location for which service previously existed. Costs of such service restoration shall be based on justifiable expenses.

Reserved Service Charge -- A monthly charge for each account at a specific location for which a meter has not been installed but for which the Corporation and the Applicant have entered into agreement and/or contract for reserving service. This charge reserves service to the Applicant's property designated to receive service. This fee is determined by the Board of Directors, but shall never exceed the Service Availability Charge for Metered Service on a per Service Unit basis.

Service Availability Charge -- (Also known as "minimum monthly charge or the "base rate") This is the monthly charge assessed each Member for the opportunity of receiving service. The Service Availability Charge is a fixed rate based upon the meter size.

Service Unit -- The base unit of service used in facilities design and rate making. For the purpose of this Tariff & Policies, a service unit is one 3/4" water meter.

Subdivision -- An area of land that has been subdivided into lots or tracts, including the Double Horn Creek Subdivision, Burnet County, Texas, as platted.

Tariff & Policies -- The operating policies, service rules, service extension policy, service rates, rationing policies, sample application packet, and miscellaneous transaction forms adopted by the Board of Directors. A copy of this Board approved Tariff & Policies is on file at the Corporation office and, as required at the State office of the TPUC and/or TCEQ.

Temporary Service -- The classification assigned an Applicant that is in the process of construction. This could also apply to service for uses other than permanent (new home construction, road construction, drilling, 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 & Policies are met and a Member Service Inspection has been successfully completed. Applicant must have paid a Membership Fee to receive Temporary Service.

Texas Commission on Environmental Quality (TCEQ) -- State regulatory agency having certain shared jurisdiction of water and sewer service utilities.

Texas Public Utility Commission (TPUC) -- State regulatory agency having certain shared jurisdiction of water and sewer service utilities.

Transferee -- An Applicant receiving a Membership by legal means from a Member desiring to forfeit and transfer current rights of Membership to another person or entity.

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Transferor -- A Member who transfers Membership by legal means in accordance with the Corporation's Bylaws to another person or entity desiring to qualify for service at a property for which the Membership is currently issued, or to the Corporation.

Water Conservation Penalty -- A penalty that may be assessed under Section G of this Tariff & Policies to enforce Member water conservation practices during drought contingency or emergency water demand circumstances.

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SECTION D GEOGRAPHIC AREA SERVED

1. CERTIFICATE OF CONVENIENCE AND NECESSITY

To provide Water Service under the Texas Water Code, and TCEQ and TPUC Substantive Rules

Certificate No. 12913

2. General Description and Location of Service Area:

The service area is located approximately 6 miles south-south east of downtown Marble Falls, Texas and is generally bounded on the north and east by Vista View Trail; on the south by TX-71 and on the west by West Trail. The total certificated area includes approximately 876.68 acres.

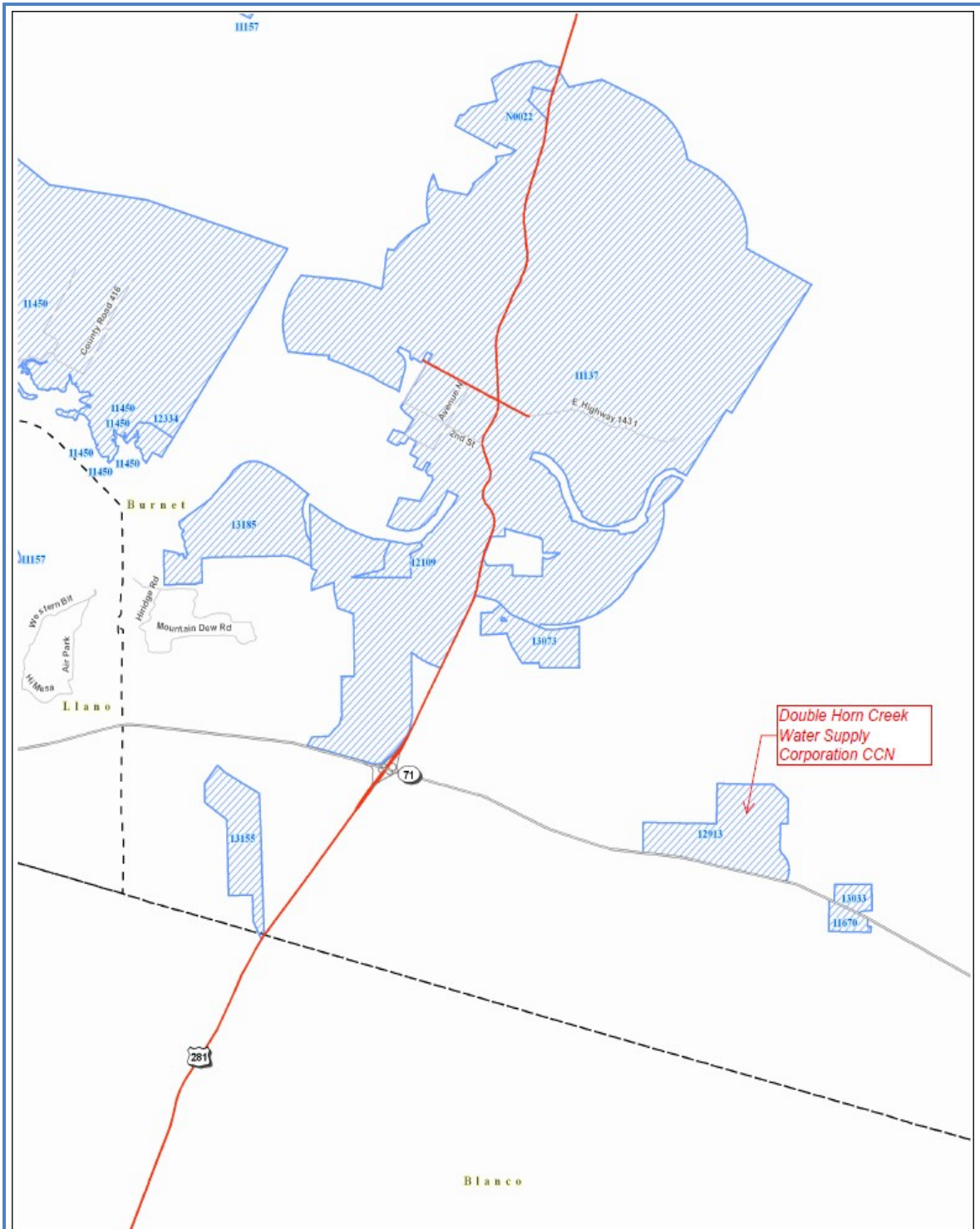
3. Certificate Maps:

The Certificate Holder is authorized to provide water service in the area identified on the TCEQ's official service area map maintained in the offices of the Texas Commission on Environmental Quality, 12100 Park 35 Circle, Austin, Texas with all attendant privileges and obligations.

This certificate is issued under Application Nos. 37612, 34794 and 33120, 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 TECQ or TPUC.

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MAP OF CCN AREA



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SECTION E: SERVICE RULES AND REGULATIONS

1. **Service Entitlement.** Applicants shall be considered qualified and entitled to water and utility service when proper application has been made, all terms and conditions of Service and Membership have been met and continue to be met, and all fees have been paid as prescribed.
2. **Service Location and Classification.** For the purposes of this Tariff & Policies, service requested by Applicants shall be for real estate designated to receive the service provided by the Corporation. Service shall be through a meter located on that designated real estate unless otherwise approved by the Board of Directors. Service shall be divided into the following three classes:
 - a. **Standard Service** is defined as service on an existing pipeline, where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 3/4" sized water meter services set on existing pipelines.
 - b. **Temporary Service** is defined as Standard Service that has not yet been certified by a Member Service Inspection. Typically, this is service that is provided during construction.
 - c. **Non-Standard Service** is defined as any service request which requires a larger meter service or an addition to the supply, storage and/or distribution system.
3. **Service Requirements.** The Corporation's Membership 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 the account.
4. **Activation of Standard Service.**
 - a. **New Tap** -- The Corporation shall charge a non-refundable service installation (tap) fee. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid in advance unless a deferred payment contract approved by the Corporation's Board of Directors is signed in advance of installation.
 - b. **Reinstatement** -- On property where service previously existed and the Membership was forfeited, the Corporation shall charge the Membership Fee, reconnection costs, transfer fee (if applicable), any delinquent charges if the applicant is the person that previously incurred those charges, reconnect fee as appropriate, and other applicable costs necessary to restore service.
 - c. **Performance of Work** -- Equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative after all application requirements have been met. The tap for a standard service request shall be completed within five (5) working days whenever practicable, but not later than ten (10) working

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days in any case. This time may be extended for installation of equipment for Non-Standard Service Request.

- d. **Inspection of Member Service Facilities** -- The property of the Applicant/ Member shall be inspected, at the Corporation's expense, to ensure compliance with state required Minimum Acceptable Operating Practices for Public Drinking Water Systems as promulgated by the TCEQ or successor agency. The Member 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.

5. *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 Membership and other 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 utility service and one (1) participating Membership in the Corporation. 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 thereby represented shall be assigned to the specified parcel of land originally designated to receive service at the time of application. **NOTE:** In the event the applicant is in the process of construction, the Membership will be considered **TEMPORARY** until such time as the final Member Service Inspection is completed.
- c. **Transfers of Membership** - A Member is entitled to transfer Membership in the Corporation only under the following circumstances:
 - (1) by will to a person related to the Member within the second degree of consanguinity;
or
 - (2) without compensation to a person related to the Member within the second degree of consanguinity; or
 - (3) without compensation or by sale to the Corporation; or
 - (4) as a part of the conveyance of real estate from which the Membership arose.

In the event that Membership is transferred pursuant to the provisions of 5.c above, 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

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not binding on the Corporation until such transfer has been approved as provided below.

Qualifications for service upon transfer of Membership set forth in this Section 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:

- (1) The Transferee has completed the required Membership Application and Service Agreement and paid the applicable transfer fee;
- (2) All indebtedness due the Corporation has been paid including, but not limited to, liquidation of a membership fee due to delinquent charges associated with that specific membership account; and
- (3) The Transferee attests to ownership of the property designated to receive service and from which the Membership originally arose.

d. **Cancellation of Membership** -- To keep a Membership in good standing, a Service Availability Charge (meter has been installed) or a Reserved Service Charge (no meter has been installed) must be paid monthly to the Corporation, regardless whether 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 request a termination of service, electronically (email) or in writing. 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 property shall thereafter be extended on an as-available basis and subject to the terms of the Activation of Service of this Tariff & Policies.

e. **Transferring Reserved Service Membership** -- Transferring a Membership that is maintained by paying a Reserved Service Charge must be completed soon after the property conveyance to the new owner. Generally, the transfer is part of the closing process and the Corporation is immediately informed. However, when a Member's lot is sold, and the new property owner does not make timely application for Membership, the Corporation has discretion as to the time period allowed before terminating the Membership.

f. **Other Membership Cancellation** -- The Membership rights of any Member to water service from the Corporation shall automatically terminate upon the occurrence of any event or change of circumstances which would disqualify the person from Membership as provided by the Certificate of Formation, this Tariff & Policies, or by the Bylaws, including but not limited to, the sale of the Membership real property to which his/her Membership is tied or the expiration of the leasehold at which service is received. The Board of Directors, by affirmative vote of a majority of all Directors, may suspend or expel any Member who is, or whose tenant or other occupier of the Member's fee simple real property is, in default of the payment of scheduled rates and charges, or assessment, for a period of sixty (60) days after the same become lawfully due and payable, or who violates the prescribed terms and conditions of service applicable to all Members for so long as such violations occur. Upon

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cancellation of Membership for any reason, all Membership fees previously paid shall be automatically forfeited to the Corporation.

The Corporation may collect any remaining account balances by initiation of legal action. Reinstatement of Membership and related service shall be subject to the terms of the Activation of Service of this Tariff & Policies.

g. **Membership Cancellation Due to Policy Non-Compliance** – As noted above, the Corporation may cancel a Membership anytime a Member fails to comply with policies of the Corporation.

h. **Re-assignment of Canceled Membership.**

(1) The Corporation, upon cancellation of Membership under the provisions of this Tariff & Policies, 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 service is requested. 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 & Policies and New Member 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 non-judicial 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 & Policies and Service Application Package.

i. **Cancellation and Reassignment of Membership as a Result of Bankruptcy Proceedings**

Upon notice of the filing of a petition in bankruptcy by a Member, 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 & Policies, with a copy of the notice to the bankruptcy Trustee.

j. **Cancellation and Reassignment of Membership as a Result of Divorce (or Dissolution of Joint Tenancy)** – The Corporation shall transfer the Membership to a spouse (or joint tenant) who has been awarded the property designated to receive service. The transferee shall provide proof of ownership. In no event shall any Membership(s) be transferred if the transferee does not otherwise meet the qualifications for Membership and for service.

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6. **Owners and Renters.** Any Member having complied with the requirements of this Tariff & Policies, renting or leasing property designated to receive service according to the terms of this Tariff & Policies to other parties, is responsible for all charges due the Corporation. The Membership for rental or leased properties shall be in the name of the owner of the property as required by this Tariff & Policies. The Corporation may bill the renter or lessee for utility service (at Member request) as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The owner shall request in writing 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.

7. **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 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 & Policies on file with the state regulatory agency governing the service applied for by the Applicant;
 - f. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided;
 - g. 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;
 - h. 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.
8. **Applicant's or Transferee's Recourse.** In the event the Corporation refuses to serve an

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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.

9. ***Deferred Payment Agreement.*** The Corporation with approval of its Board of Directors may offer a deferred payment plan 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. Failure to make required and timely payments as provided in any deferred payment agreement will void that agreement and service will be discontinued. The Corporation may consider another deferred payment agreement provided payments will be made by automatic bank draft. Non-payment of any amount under an additional deferred payment agreement 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 agreement.

10. ***Charge Distribution and Payment Application.***

- a. The **Service Availability Charge (meter installed) or the Reserved Service Charge (meter not installed)** is for the billing period from the first day of the month to the last day of the month and shall be prepaid for each month. Charges shall be prorated for meter installations and service termination's falling during the billing period. All services shall be subject to one or the other charge whether or not the service is in actual use by the Member.
- b. The **Usage Charge** shall be billed at the rate specified in Appendix B and billing shall be calculated in one thousand (1000) 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, bank check, cashier's check, money order or electronic payment (credit card or electronic check) through the Corporation's electronic payment system. 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.

11. ***Due Dates, Delinquent Bills, and Service Disconnection Date.***

- a. The Corporation shall mail or email all bills on or about the first of the month. All bills are considered the primary responsibility of each person signing the Member Application and Service Agreement Form. All bills shall be due and payable upon

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receipt and are past due beyond the date indicated on the bill after which time a penalty shall be applied as described in Section F. A bill is delinquent if not paid on or before the past due date. Final notices shall be mailed via U. S. Postal Service, 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 banking business day after said weekend or holiday.

- b. The Board of Directors or general manager (if appointed) may elect to not charge a late fee or disconnect fee in accordance with this Tariff & Policies 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 provided prior to the due date of a bill, any Member 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. If this request originates from a tenant at a rental property the owner / Member will be notified in writing of any extension request.

12. Rules for Disconnection of Service -- The following describe the rules and conditions for disconnection of service.

- 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 dishonored or returned instrument within ten (10) days of the date of the notice at the Corporation office. Redemption of the dishonored or returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service. Any such instruments dishonored or returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period shall be considered evidence of bad credit risk by the Corporation. The Member in violation shall be placed on a "cash-only" basis for a period of 12 months. **NOTE:** "Cash only," means certified check or cash.
 - 2) Failure to pay a delinquent account for utility service, failure to timely provide a deposit or other required security hereunder, 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 non-standard equipment, if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation.

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- 4) Failure of the Member to comply with the terms of this Tariff & Policies, Bylaws, or Special Contract provided that the Corporation has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification.
 - 5) Failure to provide access to the meter under the terms of this Tariff & Policies or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify.
 - 6) Misrepresentation by any Applicant or Transferee of any fact on any form, document, or other agreement required to be executed by the Corporation.
 - 7) Failure of Member to re-apply for service upon notification by the Corporation that Member no longer meets the terms of the service classification originally applied for under the original service application.
 - 8) Cancellation of Membership by Member on an account that the Member holds for water service to the Member's renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement. (Note: The cancellation of Membership must be in writing and signed by the Member. THE 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.)
 - 9) Violation of any applicable regulation or rules 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.
 - 10) Failure to pay charges arising from service trip fee as defined in Section F.12-meter reread fee.
 - 11) 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 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.
- b. **Disconnection Without Notice** -- Water utility service may be disconnected without notice for any of the following conditions:

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- 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 under Chapter 341 of the Health and Safety Code, or there is reason to believe a dangerous or hazardous condition exists and the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition; or
- 2) Service is connected without authority by a person who has not made application for service or who has connected service without authority following termination of service for nonpayment; or
- 3) In instances of tampering with the Corporation's meter or equipment, by-passing the meter or equipment, or other diversion of service.

NOTE: Where reasonable, given the nature of the reason for disconnection, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry, or upon the front door of each affected residential unit, as soon as possible after service has been disconnected.

- c. **Disconnection on Holidays and Weekends** -- Unless a dangerous condition exists, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the Corporation or its representative are not available to the public for the purpose of making collections and reconnecting service.
- d. **Disconnection Due to Utility Abandonment** -- The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the Texas Commission on Environmental Quality and/or the Texas Public Utility Commission, as may be prescribed by law.
- e. **Disconnection of Temporary Service** -- When an applicant with a Temporary service fails to comply with the conditions stated in this Tariff & Policies, service may be terminated without notice.

13. 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.

14. Back-billing -- The Corporation may not back-bill a Member for any reason.

15. Disputed Bills -- In the event of a dispute between the Member and the Corporation regarding any bill, the Corporation shall forthwith make and conduct an investigation as shall be required by the particular case and report the results in writing thereof to the Member. All disputes under this Subsection must be submitted to the Corporation, in writing, prior to the due date posted on said bill except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee.

16. Inoperative Meters -- Water meters found inoperative will be repaired or replaced by the Corporation within a reasonable time.

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17. *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 Section F of this Tariff & Policies shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months but not extending beyond current Membership except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by 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.

18. *Meter Tampering and Diversion* -- For purposes of these Sections, meter-tampering, bypassing, or diversion shall all be defined as tampering with the Corporation's service equipment, bypassing the same, or other instances of diversion, such as:

- a. removing a locking or shutoff device used by the Corporation to discontinue service,
- b. physically disorienting the meter,
- c. attaching objects to the meter to divert service or to bypass,
- d. inserting objects into the meter,
- e. other electrical and mechanical means of tampering with, bypassing, or diverting service, and
- f. preventing the supply from being correctly registered by a metering device due to adjusting the valve so that flow is reduced below metering capability.

The burden of proof of meter-tampering, bypassing, or diversion is on the Corporation. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the Corporation's or its Representative's staff when any action regarding meter-tampering as provided for in these Sections is initiated. A court finding of meter tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the Corporation shall be prosecuted to the extent allowed by law under the Texas Penal Code 28.03.

19. *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 relocation plus administrative fees.

20. *Prohibition of Multiple Connections to a Single Tap*

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- a. No more than one (1) residential, commercial, or industrial service connection is allowed per meter.
- c. If allowed under other applicable rules or covenants, 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.

21. Swimming Pools.

As the Corporation's source of water is limited, the Corporation does not provide water for the initial fill of any in-ground swimming pool that is constructed within the CCN area.

22. *Member's Responsibility.*

- a. The Member shall provide access to the meter 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.
- b. The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
 - 1) All connections shall be designed to ensure against on-site contamination or back-flow into the Corporation's water supply. In particular, livestock water troughs otherwise allowed by applicable regulations or covenants 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, Health & Safety Code Chapter 366)
 - 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. Service pipelines shall be installed by the Applicant. (30 TAC 290.46)

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 this Tariff & Policies.
- d. The Corporation's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment. Therefore, all water usage registering upon, and/or damages occurring to, the metering equipment owned and maintained by the Corporation shall be subject to charges as determined by

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this Tariff & Policies as amended from time to time by the Board of Directors.

- e. The Corporation shall require each Member to have a cut-off valve 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 Operator 48 hours prior to digging or initiating excavation activities along or near waterlines and appurtenances.
- g. The Member is responsible for maintaining the Member's shut off valve.

23. Easements -- The Corporation, at its sole discretion, shall require the dedication of either a public utility easement or a private exclusive easement for extensions, which shall be provided prior to the commencement of construction of the Corporation's facilities to serve the Applicant 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 to serve the Applicant, the Corporation shall require the Applicant to secure easements or title to facility sites on behalf of the Corporation on a form acceptable to 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. The Member will grant to the Corporation any easements or rights-of-way on the Member's property for the purpose of constructing, installing, maintaining, replacing, upgrading, disconnecting, inspecting, and testing of any facilities necessary to serve the Member as well as the Corporation's purposes in providing system-wide service. The Corporation may require the Member to use certain forms to grant the easement or right-of-way.

24. Right of Access -- The Corporation will have the right of access to the Member's premises at all reasonable times for the purpose of installing, inspecting, reading, or repairing pipelines, meters, or other components used in connection with its providing treated water service and/or wastewater service, or for the purpose of removing its property and disconnecting service. Members that fail to trim or remove landscaping around the meter will be charged a fee if a Corporation employee or contractor is required to clear the area in order to get access to the meter. Said fee is to be the invoiced cost from the Corporation's contractor.

25. Fire Protection -- The primary purpose of the treated water system owned and operated by the Corporation is to provide treated water service to residential Members. The Corporation does not guarantee the availability of water for fire protection purposes. Fire hydrants installed within the Corporation's distribution system, if any, are provided at the convenience of the Corporation and do not imply any responsibility on the part of the Corporation to meet fire flow requirements of local, county, state, or federal governmental agencies, emergency services districts or volunteer firefighters.

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- 26. *Emergency Rationing*** -- In the event the total water supply is insufficient to serve all the Members, or in the event there is a shortage of water, the Corporation may initiate an emergency rationing program or implement measures in accordance with the Corporation's Water Conservation and Drought Contingency Plan, or measures implemented by other regulatory authorities including, but not limited to, the Central Texas Groundwater Conservation District, as applicable.
- 27. *Responsibility for Water Leakage*** -- All Members, their agents, and tenants shall be responsible, as consumers, for loss of water and property damage due to leakage in pipes or plumbing on the Member's side of the meter or on the Member's property. Members who have experienced water loss due to a leak underground, behind walls or under the foundation may request an adjustment to their account once per rolling 12-month period. A written request along with proof of repair must be received within 30 days of the billing period in which the leak was detected. The Board of Directors will evaluate the request and make a final determination. If the request is granted, the Board will make an adjustment to the best estimate of what the bill would have been had the leak not occurred.

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SECTION F RATES AND SERVICE FEES

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

1. ***Service Investigation Fee.*** The Corporation may conduct a service investigation for each service application submitted at the Corporation office. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted and the results reported under the following terms:
 - a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of completed application.
 - b. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant to:
 - (1) Provide cost estimates of the project,
 - (2) To present detailed plans and specifications as per final plat,
 - (3) To present a Non-Standard Service Contract to the Applicant.
2. ***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.
 - a. A Membership Fee of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00) shall be charged for all Memberships. Notwithstanding anything herein to the contrary, the Board of Directors shall be authorized to exchange memberships without the payment of the standard Membership Fee for property of equal or greater value that benefits the Corporation and enhances its ability to serve the public. All applicants for restored service whose Memberships have been forfeited to the Corporation shall pay the then-prevailing Membership Fee in addition to any applicable reconnection charges. A Membership Fee and Membership Application shall be required for each service connection requested regardless of whether the applicant already holds a Membership supporting another service connection. Membership Fees are non-refundable.
 - b. The Members may set and revise the membership fee as a majority of all Members may determine to be appropriate. The Board of Directors may establish deferred payment plans for the payment of initial Membership Fees for new service Applicants or existing Members receiving service without a membership upon whom a one-time payment of the membership fee creates a financial hardship. These plans (if established) shall require the payment of not less than one-half of the membership fee down with the remainder being paid in three (3) equal installments plus the Member's normal monthly utility service bill for the next three months thereafter. Deferred

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payment plans (of any type or purpose) shall be applied equally to all persons regardless of age, race, color, creed, sex or other federally protected status.

3. **Easement Fee.** When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements on 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 Connection Fees otherwise required pursuant to the provisions of this Tariff & Policies. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites on behalf of the Applicant.

4. **Installation Fee.** The Corporation shall charge an installation fee for service as follows:

A Connection (Tap) Fee of THREE THOUSAND DOLLARS (\$3,500.00), plus any unique costs per TCEQ rules, shall be charged for all memberships applied for in compliance with the Company's Tariff & Policies. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations in any event.

a. **Standard Service** shall include all current labor, materials, engineering, legal, member service inspection, and administrative costs necessary to provide individual metered water or wastewater service, and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.

b. **Non-Standard Service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the Board of Directors.

5. **Monthly Charges.**

The monthly rates are set out in the Rate Schedule attached to this Tariff & Policies.

6. **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 sale of water to be insufficient for the payment of all costs necessary 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 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 of indebtedness for the year's operations, plus adequate reserves.

7. **Late Payment Fee.** Once per billing period, a penalty of ten percent (10%) of the unpaid amount shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period.

8. **Owner Notification Fee.** The Corporation may, at the expense of the Member, notify said Member of a renter/lessee delinquent account status prior to disconnection of service. The fee for such service is \$25.

10. **Returned Check Fee.** In the event a check, draft, or any other similar instrument is given by a

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person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff & Policies, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check fee of \$25.00.

11. **Reconnect Fee.** The Corporation shall charge a reconnection fee of \$25.00 for any service reconnection, whether the disconnection was prompted by non-payment or other reason under this Tariff & Policies or otherwise.
12. **Service Trip Fee.** The Corporation shall charge a trip fee of \$50 for any service call or trip to the Member's tap as a result of a request by the Member or resident for response to damage of the Corporation's or another Member's facilities, for member 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 (including travel time), such as when an extended line location is required, the Corporation shall charge \$50 per employee per hour for each additional hour required.
13. **Equipment Damage Fee.** If the Corporation's facilities or equipment have been damaged by tampering, bypassing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions. This fee shall be charged and paid before service is re-established. If the Corporation's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Member. If the Corporation's facilities or equipment have been damaged due to negligence or unauthorized use of the Corporation's equipment, right-of-way, or meter shut-off valve, or due to other acts for which the Corporation incurs losses or damages, the Member shall be liable for all labor and material charges incurred as a result of said acts or negligence.
14. **Member History Report Fee.** A fee of \$10.00 shall be charged to provide a copy of the Member's record of past water purchases in response to a Member's request for such a record.
15. **Meter Test Fee.** The Corporation shall test a Member's meter upon written request of the Member, and a charge of \$125.00 shall be imposed on the affected account unless the meter is found to be faulty.
16. **Other Test Fee.** The Corporation shall test flow rates, static pressure or other parameters upon request by a Member. If tests indicate that the Corporation is not meeting prevailing standards, the Corporation shall be responsible for the cost of the test(s). However, if the test(s) indicate that the Corporation is meeting prevailing standards, the Member requesting the test(s) shall be responsible for the full cost of the test(s) and any equipment needed to complete the test(s). The Corporation shall provide a best estimate of the cost of the test(s) and any necessary equipment prior to the test(s) itself.
17. **Transfer Fee.** An Applicant for service who is a Transferee shall complete the Membership Application. The transfer fee shall be \$100.
18. **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 Buildings and Procurement Commission set forth at 1 TAC Section 111.70.

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19. **Regulatory Assessment.** A fee of 0.5% of the amount billed for water service will be assessed each Member. This assessment is required under Texas law and TCEQ regulations. **NOTE:** The regulatory assessment is not to be collected from state agencies, wholesale customers, or buyers of non-potable (not drinkable) water. (Ref. TCEQ RG-199 revised Oct. 2002. TCEQ Section 291.76 (c))
20. **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 charges, this fee or assessment will be billed and collected as a "pass through" charge to the Member.
21. **Capacity Assessment Fee.** The Corporation shall charge a capacity assessment fee for service connection implied by a Non-Standard Service Application. This fee shall be assessed prior to providing service, and shall be based upon the number of Connections reserved times the Corporation's Connection (Tap) Fee.
22. **Tampering Fee Assessment.** If at any time a Member and/or a Member's Tenant breaks, damages or tampers with a meter, lock, or other property of the Corporation used to provide service to the Owner/Member and/or Tenant, a tampering fee shall be assessed.
 - a. **First Violation** - The Member will be notified by a written notice of their specific violation and their need to comply with the Tariff & Policies rules. The first violation penalty* is \$50.00. The notice will show the amount of penalty* to be assessed for continued violations.
 - b. **Second Violation** - The Corporation will assess a penalty* of \$75.00.
 - c. **Subsequent Violations** - The Corporation will assess an additional penalty* of \$150.00 for violations continuing after the Second Violation. The Corporation may also install a flow restricting device in the Member'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 Member.
 - d. **Termination** - The Corporation will terminate service for up to 7 days for continuing violations under this section. 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 Members of the Corporation.

*Note: Penalty -- A WSC is allowed to charge a reasonable penalty to Members that fail to comply with the Procedures in accordance with TAC 291.41 (j) if:

- (1) The penalty is clearly stated in the Tariff & Policies;
- (2) The penalty is reasonable and does not exceed six (6) times the minimum monthly bill stated in the WSC's current Tariff & Policies; and,
- (3) The WSC has deposited the penalty in a separate account dedicated to enhancing water supply for the benefit of all the water supply corporation's Members.

23. **Clearing Fee.** Members who fail to trim or remove landscaping around the meter will be charged a

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fee if a Corporation employee, or its contractor, is required to clear the area in order to get access to the meter.

24. ***Drought Surcharge.*** In order to offset the impact of lost revenues resulting from extended periods of implementing water conservation/drought contingency measures and/or due to implementation of drought contingency plans, the Board of Directors may assess a Drought Surcharge.

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SECTION G: WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN (2018)

Section 1 Declaration of Policy, Purpose, and Intent

Double Horn Creek Water Supply Corporation (DHCWSC) is a Member-Owned, non-profit corporation incorporated under Ch. 67 of the Texas Water Code as amended, supplemented by the Texas Non-Profit Corporation Act, Texas Business Corporation Code, as amended, for the purpose of furnishing a water supply for domestic purposes to its Members. Corporation operating rates, regulations, Tariff & Policies, and Bylaws are formulated and affected by a Board of Directors elected by the Members of the Corporation. These are on file at the Corporation's offices located at 101 Double Horn Trail, Spicewood, TX and are available for inspection as public documents.

The Corporation is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply and distribution of water in its Certificated Area of Convenience & Necessity.

The TCEQ adopted revisions to Title 30, Texas Administrative Code (TAC), Chapter 288-Water Conservation Plans, Drought Contingency Plans, Guidelines and Requirements in 2004. The TCEQ regulations require certain retail public water suppliers to submit a conservation plan to include a strategy or combination of strategies for reducing the volume of water withdrawn from a water supply source, for reducing the loss or waste of water, for maintaining or improving the efficiency in the use of water, for increasing the recycling and reuse of water, and for preventing the pollution of water. Drought contingency plans include a strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies. The DHCWSC Water Conservation Plan and Drought Contingency Plan has been voluntarily established to help ensure a continued reliable supply of water for the Members. The plans will be in effect for all Members unless stated otherwise.

In order to conserve and protect the integrity of the available water supply, with particular regard for domestic water use, sanitation, and to protect public health, welfare, and safety and minimize the adverse impacts of water shortage or other water supply emergency conditions, DHCWSC has formulated these policies, regulations and restrictions on the delivery and consumption of water.

Water Conservation Plan

The overall goals of the Water Conservation Plan are as follows:

1. Ensure that short-term and long-term demand for water does not exceed the amount of treated water available;
2. Provide members with educational information to encourage water conservation;
3. Reduce peak water usage during the summer months so that mandatory water use restrictions are minimized;
4. Decrease the average water usage per connection; and
5. Limit unaccounted for water by tracking loss on a monthly basis, meter replacement, and observation.

The Water Conservation Plan relies upon the implementation of the follow activities:

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1. An annual utility profile prepared in accordance with the Texas Water Use Methodology,¹ including, but not limited to, information regarding population and Member data, water use data (including total gallons per capita per day (GPCD) and residential GPCD), and water supply system data;
2. Maintaining a record management system that allows for the classification of water sales and uses with the most detailed level of water use data currently available, including, residential and commercial;
3. Establishment of specific, quantified five-year and ten-year targets for water savings to include goals for water loss programs and goals for municipal use in total GPCD and residential GPCD. The goals established under this subparagraph are not enforceable.
4. Five-year goal of 10% reduction in total GPCD and
5. Ten-year goal of 20% reduction total GPCD;
6. Use of metering devices, within an accuracy of plus or minus 5.0% in order to measure and account for the amount of water diverted from the source of supply;
7. A program for universal metering of both Member and public uses of water, for meter testing and repair, and for periodic meter replacement;
8. Measures to determine and control water loss (for example, periodic visual inspections along distribution lines; annual or monthly audit of the water system to determine illegal connections; abandoned services; etc.);
9. A program of continuing public education and information regarding water conservation;
10. A water rate structure which is cost-based and which discourages the excessive use of water;
11. Adoption of rules requiring water-conserving plumbing fixtures to be installed in new structures and existing structures undergoing substantial modification or addition; and
12. A program for landscape water management.

The efficient use of water as a natural resource is an important planning objective. We encourage the Members of DHCWSC to evaluate the Conservation Plan and make recommendations for improvements. We will do this by publishing the plan on the DHCWSC web site and, making it available at our Annual Member's meeting. It is the intention of DHCWSC to update the plan, as appropriate, based on an assessment of previous five-year and ten-year targets and any other new or updated information. The review and any appropriate updates shall also coincide with the five-year review cycle of Regional Water Planning Group K

Drought Contingency Plan

The policies presented in this Drought Contingency plan are needed to efficiently manage the water available to the Corporation for the benefit of all Members. Water uses regulated or prohibited under this Drought Contingency Plan are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply conditions are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in the Drought Contingency Plan.

In cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit nonessential water use. The overall goal of the Drought Management Plan is to establish a

¹ *Guidance and Methodology for Reporting on Water Conservation and Water Use*, TWDB & TCEQ, 2012

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set of procedures initiated by certain conditions to prevent loss of water supply to any Member during periods of high demand and/or low supply. To accomplish these goals, this plan will:

1. Establish trigger conditions;
2. Outline a management plan;
3. Specify public information and education policies;
4. State initial update and termination notice procedures and
5. State implementation and enforcement procedures.

Section 2 Member Involvement

Members are encouraged to participate in the preparation and implementation of the Plan. They may communicate with Directors via the Corporation's website, directly or at the Annual Meeting.

Section 3 Public Education

The DHCWSC will periodically provide its Members with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage.

Drought Management Plan information will be provided by utility bill inserts or by other means, including electronic means.

Section 4 Coordination with Regional Water Groups

The Corporation operates a conventional groundwater treatment plant. Groundwater is obtained from three wells operated and owned by DHCWSC and located in the Ellenberger-San Saba Aquifer currently permitted by the Central Texas Groundwater Conservation District (CTGCD) to produce up to approximately 180 acre-feet per year.

The service area is located approximately 6 miles south-south east of downtown Marble Falls, Texas and is generally bounded on the north and east by Vista View Trail; on the south by TX-71 and on the west by West Trail. The total certificated area includes approximately 876.68 acres. The service area of the DHCWSC is located within the Central Texas Groundwater Conservation District and Regional Water Planning Group (RWPG) K.

Section 5 Notice Requirements

Written notice will be provided to each Member prior to implementation or termination of each stage of the water restriction program. Mailed or emailed notice must be given to each Member 72 hours prior to the start of water restriction. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided. The written notice to Members will contain the following information:

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1. The date restrictions will begin;
2. The circumstances that triggered the restrictions;
3. The stages of response and explanation of the restrictions to be implemented; and
4. An explanation of the consequences for violations.

If required, the utility will notify the TCEQ by telephone at (512) 239-4691, or electronic mail at watermon@tceq.state.tx.us prior to implementing Stage III and the Public Drinking Water Section at MC - 155, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days of implementation including a copy of the utility's restriction notice. The utility, if required will file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions (i.e., Stages III and IV).

Section 6 Violations

1. First violation - The Member will be notified by written notice of their specific violation.
2. Subsequent violations:
 - a. After written notice, DHCWSC may install a flow restricting device in the line to limit the amount of water passing through the meter in a 24-hour period. DHCWSC may charge the Member for the actual cost of installing and removing the flow restricting device, not to exceed \$150.00.
 - b. After written notice, DHCWSC may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee will apply for restoration of service.

Section 7 Exemptions or Variances

DHCWSC may grant any Member an exemption or variance from the drought contingency plan for good cause upon written request. A Member who is refused an exemption or variance may appeal such action of DHCWSC in writing to the Texas Commission on Environmental Quality. The Corporation will treat all Members equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances. No exemption or variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

Section 8 Response Stages

Unless there is an immediate and extreme reduction in water production (e.g., the loss of production from one or more wells), or other absolute necessity to declare an emergency or severe condition, DHCWSC will initially declare Stage II restrictions. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, reduce the risk of outages, or comply with restrictions required by a court, government agency or other authority, Stage III may be implemented with Stage IV to follow if necessary.

The following drought condition stages have triggers that are guidelines, not hard rules. The Board of Directors, as representatives of the Members, has flexibility as to how and when each drought condition stage is declared and implemented.

STAGE I - MEMBER AWARENESS

Stage I begins:

Every April 1st, DHCWSC will email a public announcement to its Members. No notice to TCEQ required.

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Stage I ends:

Every October 30th DHCWSC will email a public announcement to its Members. No notice to TCEQ required.

DHCWSC Measures:

The Stage I Member notice will be designed to increase Member awareness of water conservation and encourage the most efficient use of water. A copy of the current public announcement on water conservation awareness shall be kept on file, at the DHCWSC offices, and will be made available for inspection by the TCEQ.

Voluntary Water Use Restrictions:

Members are requested to voluntarily limit the use of water for non-essential purposes and to practice water conservation.

STAGE II - VOLUNTARY WATER CONSERVATION:

Target: Achieve a 5 percent to 10 percent reduction in daily water demand and total water use. DHCWSC may implement Stage II when any one of the selected trigger guidelines is reached:

Supply-Based Trigger Guidelines:

1. The static water level measured in Well #1 falls to 30 feet below top of casing (BTOC); or
2. the static water level measured in Well #2 falls to 30 feet BTOC; or
3. the static water level measured in Well #3 falls to 55 feet BTOC; or
4. the water Treatment Plant becomes non-functional for more than a 24-hour period; or
5. a high service pump becomes inoperable for more than a 24-hour period

Upon initiation and termination of Stage II, DHCWSC will mail or hand deliver a public announcement to its Members. No notice to TCEQ required.

Requirements for Termination:

Stage II of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive weeks. Upon termination of Stage II, Stage I becomes operative.

DHCWSC Measures:

Visually inspect lines and repair leaks on a daily basis. Monthly review of Member use records and follow-up on any that have unusually high usage.

Voluntary Water Use Restrictions:

Restricted Days/Hours: Members are requested to voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems and are requested to limit outdoor water use to **Mondays for Members with a street address ending with the numbers 1, 2, or 3, Wednesdays for Members with a street address ending with the numbers 4, 5, or 6, and Fridays for Members with a street address ending with the numbers 7, 8, 9, or 0.** Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

STAGE III - MANDATORY WATER USE RESTRICTIONS:

Target: Achieve a 10 percent to 20 percent reduction in total water demand and total water use. DHCWSC may implement Stage III when any one of the selected trigger guidelines is reached:

Supply-Based Trigger Guidelines:

1. The static water level measured in Well #1 falls to 60 feet below top of casing (BTOC); or

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2. the static water level measured in Well #2 falls to 60 feet BTOC; or
3. the static water level measured in Well #3 falls to 70 feet BTOC; or
4. the water Treatment Plant becomes non-functional for more than a 72-hour period; or
5. a high-service pump becomes inoperable for more than a 72-hour period

Upon initiation and termination of Stage III, the utility will mail a public announcement to its Members.

Notice to TCEQ required.

Requirements for Termination:

Stage III of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive weeks. Upon termination of Stage III, Stage II becomes operative.

DHCWSC Measures:

Visually inspect lines and repair leaks on a regular basis. Flushing is prohibited except for dead end mains.

Mandatory Water Use Restrictions:

The following water use restrictions shall apply to all Members.

1. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems **shall be limited to Mondays for Members with a street address ending with the numbers 1, 2, or 3, Wednesdays for Members with a street address ending with the numbers 4, 5, or 6, and Fridays for Members with a street address ending with the numbers 7, 8, 9, or 0.** Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
3. Use of water to fill, refill, or add to any indoor or outdoor swimming pool, wading pool, or "Jacuzzi" type pool are prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.
4. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
5. Use of water from hydrants or flush valves shall be limited to maintaining public health, safety, and welfare.
6. Use of water for the irrigation of parks, and green belt areas is prohibited.
7. The following uses of water are defined as non-essential and are prohibited:
 - a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - c. use of water for dust control;

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- d. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

STAGE IV - CRITICAL WATER USE RESTRICTIONS:

Target: Achieve a 20 percent to 40 percent reduction in daily water demand and total water use.

The water utility may implement Stage IV when any one of the selected trigger guidelines is reached:

Supply-Based Trigger Guidelines:

1. The static water level measured in Well #1 falls to 80 feet below top of casing (BTOC); or
2. the static water level measured in Well #2 falls to 80 feet BTOC; or
3. the static water level measured in Well #3 falls to 80 feet BTOC; or
4. the water Treatment Plant becomes non-functional for more than a 96-hour period; or
5. a high-service pump becomes inoperable for more than a 96-hour period

Upon initiation and termination of Stage IV, the utility will mail a public announcement to its Members.

Notice to TCEQ required.

Requirements for Termination:

Stage IV of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of two (2) consecutive weeks. Upon termination of Stage IV, Stage III becomes operative.

DHCWSC Measures:

Double Horn shall visually inspect lines and repair leaks on a daily basis. Flushing is prohibited except for dead end mains and only between the hours of 9:00 p.m. and 3:00 a.m. Emergency interconnects or alternative supply arrangements shall be initiated. All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the Members.

Mandatory Water Use Restrictions: (all outdoor use of water is prohibited)

1. Irrigation of landscaped areas is absolutely prohibited.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

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WATER CONSERVATION PLAN

A. PLAN ELEMENTS

The plan has seven elements, all of which are equal in importance and the implementation of which will be periodically reviewed to ensure progress is being made in each area and that goals are being met:

1. Education and Information

Description:

The single most effective means of educating the water consumer on the consequences of wasting water is providing relevant, timely information on the benefits of conservation and the means by which it can be accomplished.

Implementation:

The Corporation obtains excellent educational literature from the CTGCD, TWDB, TCEQ, Texas Municipal Utility Association, and the American Water Works Association. This literature is also available at the Corporation's office.

In addition, a direct mailing (electronically or otherwise) of conservation reminders is conducted annually. We will send reminders as a part of the billing system.

Our new Member packages will also include educational handouts for Members and their families and on the benefits of the above.

Determination of Water Savings:

Water savings from educational programs are difficult to quantify and therefore estimated savings cannot be included.

Schedule:

DHCWSC will always have materials available online. DHCWDC will always have materials available in New Member packets.

Documentation:

Review annually when updating Conservation plan.

2. Conservation Oriented Rate Structure Description

The Corporation uses an increasing block rate structure for all Members. The rate structure does not include water in the base rate, so that Members with minimal usage do not pay for water they do not use. The DHCWSC rate structure is included in **Appendix B**.

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3. Meter Repair and Replacement Description

Inaccurate metering is one possible cause of unaccounted water, and since meter readings form the basis for data gathering on production, usage and sales, maintaining accurate meters is a high priority. DHCWSC currently has approximately 86 meters, and other system raw water and distribution system meters to steward water loss.

Implementation

Eventually, at the discretion of the Board of Directors, replace all meters with new Radio Read meters. All reports generated from these will be reviewed by DHCWSC to see if things are within ordinary bands of usage. If accounts look questionable, Member meters will be tested and the Member asked to check for leaks and noticed that the Corporation is trying to determine what is causing the high or low usage.

Master meters are checked monthly and changed out every five years if needed. Member meters are also tested at their request.

DHCWSC is investigating the purchase of a portable meter to put isolate discreet areas in order to determine where our largest losses are occurring.

The meter readers will be trained to watch for meters that are leaking on either side and create work orders and / or notify the Member of the problem. If a large leak is found, the meter will be turned off and the Member notified.

Dual connections and anything out of the ordinary are to be reported by the meter readers. These reports are followed up by field services.

Determination of Water Savings

The use of Master meters will allow us to capture data to be used in monthly reporting.

Schedule

After eventual approval by the Board of Directors, order new radio read meters to be installed for 15% of all Members every year. Start with oldest areas first. Replace all nonfunctioning meters with radio read.

Documentation

See Section 4 on Water Audit and Water loss

4. Water Audit and Water Loss Description

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The foundation for control is performing a reliable water audit. The Corporation routinely monitors production rates and consumption. This monitoring is not only used for billing purposes but also to satisfy TCEQ and TWDB regulatory requirements to account for production quantities and individual Member usage on a monthly basis. The results of water meter readings are prepared and analyzed to determine trends of usage, water accountability, and production requirements both near term and future. From this information, an evaluation of system operation is made and appropriate action is taken to correct system deficiencies if necessary.

Implementation

Each month the Operator turns in meter readings of Raw Water reading and the Processed water reading. These readings are used to determine how much water is being lost from the Wells during production and how much is being lost from the Treatment Plant in the process of producing potable water. Each month, it is determined if the loss has increased, and if so, it is determined if leaks have developed in processing or over flows have occurred. Any identified problems are dealt with immediately.

All the Member meters are tied to a Billing Cycle that is related back to Well Water meter readings. The meter readings are then matched from the master meter to the total billed usage. In this manner, the percentage loss in various areas of the system can be determined. Any numbers that are above 10% will be investigated to determine cause. Surveys are then made to discover unidentified leaks.

Schedule

Monthly update of water loss and usage

Documentation

A water loss report is prepared by the Operator each month and presented to the Board of Directors showing the year's history to date by Area and source of water. Any variations are addressed as to why and what is being done to correct the problem. Subsequent actions to discover water loss in an area may include recalibration of meters, checking lines for leaks, and using a portable meter to narrow down loss possibilities in an area.

5. Leak Detection, Prevention, and Repair

Description

An important element in the operation of an efficient water system is the reduction of water loss. It is the goals of this program to keep the lost water figure under twelve percent. Leaks are detected by visual inspection or through the use of standard leak detection equipment. DHCWSC encourages its members to report leaks, and will respond as soon as the leak is reported.

Implementation

DHCWSC will document leaks on maps to identify problem water lines and prioritize these for repair. DHCWSC will then calculate the cost effectiveness of replacing a line due to large amounts of leaks

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occurring. A list of all reported leaks is kept. The date reported, locations called in, date permits ordered and date fixed are recorded. The Board of Directors is informed of this record. The Operator turns in leaks from meters and can check that they are being fixed. The telephone calls and personnel assigned can be tracked to fix the leak. At the same time the Board is maintaining a Master list for annual and monthly reporting. In the case of a major leak, emergency locations are done and notices posted for the Members' benefit.

Schedule

Water loss <3% by end of 2023

Water loss <2% by end of 2028

Documentation

Monthly water loss report presented to Board of Directors each month. Monthly leak reports available for Board including flushing, fire suppression use, estimated leak loss and unaccounted loss.

6. Pressure Control

Description

High pressure may cause small openings in a main to leak significantly in a short amount of time. DHCWSC maintains pressures of less than 80 psi whenever possible.

Implementation

Pressure reducing valves are to be used where required.

Schedule

Flushing schedule will be created by March 1, 2018.

Documentation

Hard copy of flushing schedule. Map with psi readings for every valve and flushing port on line.

7. Standard Conservation Practices

a. DHCWSC also endorses the following conservation practices:

- Encourage retrofit of existing fixtures to water saving types.
- Shower Heads
- Faucet Aerators
- Low flush toilets
- Toilet flap replacement
- High efficiency washers

b. Encourage the Double Horn Creek Improvement Association to adopt the 2000 Uniform

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Plumbing Code which includes pertinent sections of state law restricting the use of non-water saving fixtures in new construction. The Corporation uses the plumbing code to regulate and conduct plumbing inspections on all residential and commercial installations.

- c. Recommend water wise and alternative landscaping which uses less water.
 - Drip Irrigation
 - Rain Harvesting
 - Rain Barrels
 - Xeriscaping
 - Condensate usage
 - Gray water usage
- d. Encourage allowed irrigation in off peak hours during the night and early morning when demand and evaporation rates are lower.

B. WATER SAVINGS GOALS

The Corporation will develop by the end of 2020 quantifiable five-year and ten-year targets for water savings. Additionally, a progress report on plan implementation is to be submitted to the Board of Directors and Membership annually. The Corporation will use 2017 as the baseline year with five-year goals to be achieved by 2023. The ten-year goals are to be achieved by 2028.

The key elements of these targets are reduction in water loss and conservation as measured by water usage per person per day.

GOAL #1: Constant monitoring of water loss and determining how to lower the losses.

Five –Year Target (2023) To have unaccounted water loss at four percent (3%) or less.
Ten –Year Target (2028) To reduce unaccounted water loss to two percent (2%) or less.

GOAL #2: Promote individual and residential water conservation to decrease per capita usage of water.

This is a long-term project and requires soliciting information from Members on continuing basis. Each year, usage will be calculated, and feedback will be provided to educate our Members.
Five –Year Target (2023) Reduce per capita usage to 60-gallons/day or less.
Ten –Year Target (2028) Reduce per capita usage to 40-gallons/day or less.

C. CONSERVATION PLAN IMPLEMENTATION

The Board of Directors of DHCWSC will adopt this Plan through formal resolution and implement it through direction to the operator and consultants.

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TARIFF FILING REQUIREMENTS

Effective September 1, 1989, all non-profit water supply corporations are required to file their Tariff with the Texas Commission on Environmental Quality (TCEQ) for information purposes only. Any amendments, changes or revisions (including rate changes) made to your Tariff should also be filed with TCEQ. Tariffs should be mailed to:

**Texas Commission on Environmental Quality
Water Permits and Resource
Management Division
Utilities and District Section
P.O. Box 13087 Capitol Station
Austin, Texas 78711-3087**

The deadline for filing Tariffs was January 1, 1990. Water Supply Corporations failing to comply with the Commission's rules may be subject to fines and penalties. The Commission will accept voluntary compliance with the filing requirements without penalty. Amendments to the Corporation's Tariff should be filed within 30 days after changes are made.

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Appendix A: Right of Way Easement Agreement

RIGHT OF WAY EASEMENT (Location of Easement Required)

KNOW ALL MEN BY THESE PRESENTS, that

_____, (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Double Horn Creek Water Supply Corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install, and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances and any other facilities necessary to serve Grantors' property as well as the Grantee's current and future system-wide Members, under, over and across _____ acres of land, more particularly described in instrument recorded in Vol. _____, Page _____, Deed Records, _____ County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above-mentioned rights are granted. The easement hereby granted shall not exceed 15' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 15' in width, the center line thereof to be located across said land as follows:

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, paralleling, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor or their successors or assigns to move or remove any such abandoned lines or appurtenances.

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

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

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the above described land and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

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

IN WITNESS WHEREOF the said Grantors have executed this instrument this ____ day of _____, 20____.

ACKNOWLEDGEMENT

STATE OF TEXAS COUNTY OF _____.

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE ____ day of _____, 20____.

Texas. (Seal) (Notary Public in and for) _____ County,

Double Horn Creek Water Supply Corporation

Appendix B

RATE SCHEDULE (effective March 1, 2023)

Monthly Rates

Service Availability Charge (Meter Installed): Residential Meter Size: 3/4" - \$71.50

Monthly Usage Charge:

0 – 4,000 Gallons	\$3.30 Per 1,000 Gallons
4,001 – 10,000 Gallons	\$5.50 Per 1,000 Gallons
10,001 – 20,000 Gallons	\$12.10 Per 1,000 Gallons
20,001 - 30,000 Gallons	\$29.70 Per 1,000 Gallons + \$121.00 step-up charge
30,001 – 40,000 Gallons	\$33.66 Per 1,000 Gallons+ \$88.00 step-up charge
Over 40,000 Gallons	\$39.60 Per 1,000 Gallons+ \$192.50 step-up charge

Regulatory Assessment Fee:

A REGULATORY ASSESSMENT, EQUAL TO ONE-HALF OF ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED MONTHLY FROM EACH MEMBER.

Reserved Service Charge (No Meter Installed):

A RESERVED SERVICE CHARGE OF ONE HALF THE SERVICE AVAILABILITY CHARGE, OR \$35.75, SHALL BE COLLECTED MONTHLY FROM EACH ACTIVE MEMBERSHIP ASSIGNED TO AN UNDEVELOPED LOT WITH NO METER INSTALLED, BASED ON THE CORPORATION'S FIXED COSTS TO SERVICE THE MEMBER'S DEDICATED FACILITIES AND TO RESERVE SERVICE TO THE MEMBER'S PROPERTY DESIGNATED TO RECEIVE SERVICE.

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Appendix C

New Membership Packet

The following pages contain the New Membership Packet.

Double Horn Creek Water Supply Corporation

INSTRUCTIONS FOR MEMBERSHIP TRANSFER

To be completed by any Double Horn Creek property owner requesting to transfer a membership with the Double Horn Creek Water Supply Corporation (DHCWSC) from the previous owner (member).

Fee: \$100

Transfer Procedure

Seller

1. Contact Spicewood Utility Services at (512) 839-4320 to terminate your account, arrange a final meter reading (if a meter is installed) and provide a forwarding address for the final bill
2. Spicewood Utility Services will lock your meter (if installed) at this time.

Buyer

1. Fill in and sign the **New Membership Application**
2. Note any special service needs.
3. By signing this document, you are attesting that you are the fee simple owner of the property described.
4. Fill in the **Membership Agreement** (page 1- name and date, page 3- signature).
5. Return the signed documents with a check for \$100 to:

Spicewood Utility Services
P.O. Box 1210
Marble Falls, TX 78654

6. Contact Spicewood Utility Services to have meter unlocked (if installed.)

If you have any questions, please contact the Double Horn Creek WSC:

DHCWSC@gmail.com (Board of Directors)

Lafayette@TTELLC.us (operator/billing)

Lafayette Coleman
Spicewood Utility Services
(512) 839-4320

Double Horn Creek Water Supply Corporation

NEW MEMBERSHIP APPLICATION

Please Print

Date: _____

Applicants Name: _____

Co-Applicants Name: _____

SERVICE ADDRESS IN DOUBLE HORN:

CURRENT MAILING ADDRESS:

Spicewood, TX 78669

Email Address: _____

Email Address: _____

Home Phone: (_____) - _____ Mobile Phone: (_____) - _____

Lot and Block Number _____ Number in family _____

SPECIAL SERVICE NEEDS (IF ANY)

By affixing my signature to this document, I attest or affirm that I am the fee simple* owner of the property described above.

Applicant Signature

Date

Approved and Accepted By

Date Approved

* **fee simple** n. absolute title to land, free of any other claims against the title, which one can sell or pass to another by will or inheritance.

Double Horn Creek Water Supply Corporation

MEMBERSHIP AGREEMENT

AGREEMENT made this _____ day of _____, 20_____ between

Double Horn Creek Water Supply Corporation, a corporation organized under the laws of the State of Texas (the Corporation) and

Member/Applicant (print) _____

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

The Member shall pay the Corporation for service or for reserving service hereunder as determined by the Corporation's Tariff & Policies and upon the terms and conditions set forth therein, a copy of which may be obtained at the Corporation's website DHCWSC.org. A copy of this agreement shall be executed before service or reservation of service may be provided to the Applicant.

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

All water usage shall be monitored by meters to be furnished and installed by the Corporation. The meter connection is for the sole use of the Member or renter and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to transfer utility service from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, businesses, or property, etc., is prohibited.

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

Double Horn Creek Water Supply Corporation

shall also have access to the Member's property for the purpose of inspecting for possible cross-connections, potential contamination hazards, illegal lead materials, and any other violations or possible violations of state and federal statutes and regulations relating to the federal Safe Drinking Water Act or Chapter 341 of the Texas Health & Safety Code, or/and the Corporation's Tariff & Policies.

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

- a) No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state regulations.
- b) No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an air gap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester at the Members expense.
- c) No connection which allows condensing, cooling, or industrial process water to be returned to the public drinking water supply is permitted.
- d) No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- e) No solder or flux which contains more than 0.2% lead may be used for the installation or repair plumbing on or after July 1, 1988, at any connection which provides water for human consumption.

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises is connected to or has reserved service from the public water system. The Member shall allow their property to be inspected for possible cross-connections, potential contamination hazards, and illegal lead materials. These inspections shall be conducted by the Corporation or its designated agent, **at the Corporation's expense**, prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours.

The Corporation shall notify the Member in writing of any cross-connections or other undesirable practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable practice on their premises. The Member shall, **at the Member's expense**, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation as required. Failure to comply with the terms of this service agreement shall cause the Corporation to terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Member.

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

By execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to water line breaks by utility or like contractors, tampering by other Members of the Corporation, normal failures of the system, or other events beyond the Corporation's control. In no event shall the Corporation's liability for any reason exceed the cost of services provided to a Member.

The Applicant shall grant to the Corporation permanent recorded easement(s) dedicated to the Corporation for the purpose of providing reasonable rights of access and use to allow the Corporation to construct, maintain, replace, upgrade, parallel, inspect, test and operate any facilities necessary to serve that Applicant as well as the Corporation's purposes in providing system wide service for existing or future members.

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

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

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

This agreement shall be construed in accordance with the laws of the State of Texas, and any controversy regarding this agreement shall be decided by a court of competent subject-matter jurisdiction in Burnet County, Texas, to which the Parties hereby agree to submit to personal jurisdiction.

Applicant/Member signature _____

Approved and Accepted by _____

Date _____