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Filing Date - 2024-04-01 05:27:13 PM

Control Number - 54430

Item Number - 207



**SEWER UTILITY TARIFF
Docket No: 54430**

SJWTX, Inc. dba
The Texas Water Company
(Utility Name)

P.O Box 1742
1399 Sattler Road
(Business Address)

Canyon Lake, Texas 78183
(City, State, Zip Code)

(830) 964-2166
(Area Code/Telephone)

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

20877

This tariff is effective in the following counties:

Comal, Kendall

This tariff is effective in the following cities or unincorporated towns (if any):

Bulverde, Spring Branch

This tariff is effective in the following subdivisions or systems:

Bexar Metropolitan WD, HEB for The Texas Water Company Bulverde Regional Treatment Plant: WQ0014131-001

Fairways at River Crossing Condominiums and US-281/Rolling Creek Road Development: WQ0014637-001

The Hills at Vintage Oaks: WQ0015320-001

Star Canyon Subdivision: WQ0015037-001

Honey Creek Ranches, Ranger Creek and Tapatío Springs: WQ0012404-001

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APPENDIX A--SAMPLE SERVICE AGREEMENT AND APPLICATION FOR SERVICE

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$45.00</u> (Includes <u>2,000</u> gallons)	<u>\$6.00</u> per 1,000 gallons over
1"	<u>\$97.50</u>	
1 1/2"	<u>\$185.00</u>	
2"	<u>\$290.00</u>	
3"	<u>\$535.00</u>	
4"	<u>\$1060.00</u>	

Bulk Wastewater Deliveries \$0.00 (Includes 0 gallons) \$6.00 per 100 gallons

System Improvement Charge
(Docket No. 54430)

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8" x 3/4"	<u>\$4.36</u>
3/4"	<u>\$6.54</u>
1"	<u>\$10.90</u>
1 1/2"	<u>\$21.80</u>
2"	<u>\$34.88</u>
3"	<u>\$65.40</u>

Residential:

Winter month's average: volume charges for single family residence with a 1" meter or less are determined based on average water consumption for winter period which includes the following months: December, January, and February. Residential customer with a separate irrigation only water meter will only be billed their sewage charge on their domestic-use meter volume.

Commercial:

Any place of business with a 3/4" or larger water meter: volume charge based UPON the previous month's water consumption for each connection.

New Accounts:

Those residential connections without a history of water consumption shall be charged the lesser of 8,000 gallons per month or actual usage until a winter month's average is established.

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Online

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

REGULATORY ASSESSMENT 1.0%

STATE RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

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SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees

TAP FEE- RESIDENTIAL

TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" CONNECTION PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT ACTUAL COST.

GRAVITY SEWER \$1,200.00

TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR A STANDARD RESIDENTIAL CONNECTION PLUS UNIQUE COSTS AS PERMITTED BY PUC RULES.

TAP FEE- Large Connection Tap Actual Cost

TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8" METERS.

METER TEST FEE \$25.00

THIS FEE, WHICH SHOULD REFLECT THE UTILITY'S COST, MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

RECONNECTION FEE

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

- a) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$45.00

TRANSFER FEE \$45.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (Either \$5.00 or 10% of the bill) 10%

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

RETURNED CHECK CHARGE \$25.00

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

RESIDENTIAL CUSTOMER DEPOSIT (Maximum \$50) \$50.00

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT 1/6TH EST. ANNUAL BILL

SECTION 1.0 -- RATE SCHEDULE (Continued)

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

EQUIPMENT DAMAGE FEE ACTUAL COST

THE UTILITY MAY CHARGE FOR ALL LABOR, MATERIAL, EQUIPMENT AND ALL OTHER ACTUAL COSTS NECESSARY TO REPAIR OR REPLACE ALL EQUIPMENT DAMAGED DUE TO NEGLIGENCE, METER TAMPERING OR BY PASSING, OR SERVICE DIVERSION. THE UTILITY MAY CHARGE FOR ALL ACTUAL COSTS NECESSARY TO CORRECT SERVICE DIVERSION OR UNAUTHORIZED TAPS WHERE THERE IS NO EQUIPMENT DAMAGE, INCLUDING INCIDENTS WHERE SERVICE IS RECONNECTED WITHOUT AUTHORITY. AN ITEMIZED BILL WILL BE PROVIDED TO THE CUSTOMERS.

CUSTOMER SERVICE INSPECTION FEE \$50.00

ASSESSED AN APPLICANT FOR SERVICE BEFORE PERMANENT CONTINUOUS SERVICE PROVIDED TO NEW CONSTRUCTION, THE CUSTOMER HAS THE OPTION TO HAVE THE INSPECTION COMPLETED BY ANOTHER PROVIDER.

RECEIVING TANK PUMP-OUT FEE

FOR SYSTEMS WITH ON-SITE RECEIVING TANK OR GRINDER STATION WHEN UTILITY DETERMINES THAT PUMP-OUT IS REQUIRED FOR CONTINUOUS SAFE OPERATION.

RESIDENTIAL ACTUAL COST

COMMERCIAL ACTUAL COST

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	\$62.09 (Includes 0 gallons)	\$5.01 per 1,000 gallons for each additional 1,000 gallons over the minimum
1"	\$155.23	
1 1/2"	\$310.45	
2"	\$496.72	
3"	\$931.35	
4"	\$1,552.25	

Volume charges are determined based on an average consumption for winter period which includes the following months: December, January, and February

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

Cash , Check , Money Order , Credit Card , Other
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT TO THE TCFQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$600.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" OR 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large connection tap) ACTUAL COST
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

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

- a) Nonpayment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$35.00

TRANSFER FEE \$35.00
 THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

SECTION 1.0 - RATE SCHEDULE (Continued)

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... 10%

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

RETURNED CHECK CHARGE..... \$30.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS

The Utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 – Application for Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant before wastewater service is provided by the utility. A separate application or contract will be made for each service location.

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

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

The customer will be responsible for furnishing and laying the necessary customer service pipe from the connection location to the place of use.

Section 2.02 – Refusal of Service

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

Section 2.03 – Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the Utility, the applicant may be required to pay a deposit as provided for in Section 1.0 of this tariff. The Utility will keep records of the deposit and credit interest in accordance with Commission rules.

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)**Refund of deposit**

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

Section 2.04 – Meter Requirements, Readings, and Testing

All wastewater service supplied by the utility will be billed based on customer's metered water use measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers. One water meter is required for each residential, commercial or industrial facility in accordance with the PUC Rules. One sewer service connection is required for each residential, commercial or industrial facility in the area where the utility provides wastewater services.

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

Section 2.05 – Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date. A late penalty of 10% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by Commission Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a telephone number (or numbers) that may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.06 – Service Disconnection

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

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

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

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

Section 2.07 – Reconnection of Service

Utility service may also be disconnected without notice for reasons as described in the Commission Rules. Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

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

Section 2.08 – Service Interruptions

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

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.09 – Quality of Service

The utility will plan, furnish, maintain and operate treatment and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable residential and commercial consumer uses and to treat sewage and discharge effluent to the degree required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TCEQ Rules.

Section 2.10 – Customer Complaints and Disputes

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

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

Section 2.11– Customer Liability

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

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with TCEQ and PUC Rules to be effective.

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

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payer or payee's bank shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Customers shall not be allowed to use the utility's water cutoff valve on the utility's side of the water meter or the utility's cleanouts located on its collection mains. Existing customers may install cleanout installations on their service lateral and are encouraged to do so. All customers must install customer-owned and maintained cleanout valves on their service lateral.

No water connection from any public drinking water supply system shall be made to any establishment where an actual or potential contamination or system hazard exists without an air gap separation between the drinking water supply and the source of potential contamination. The containment air gap is sometimes impractical, and instead, reliance must be placed on individual "internal" air gaps or mechanical backflow prevention devices.

Tap fees may be increased by unique costs not normally incurred as may be permitted by 16 TAC § 24.163(a)(1)(C).

The Utility adopts the Uniform Plumbing Code pursuant to Title 30 TAC § 290.46(i). The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the TCEQ, the Uniform Plumbing Code and with the service rules and regulations of the Utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the Utility subject to such requirements as may exist by TCEQ Rule.

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

The Utility will have the right of access to the customer's premises at all times reasonable for the purpose of installing, testing, inspecting or repairing sewer mains or other equipment used in connection with its provision of sewer service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system, including inspecting the customer's plumbing for code, or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

Sewer service is provided for the residence or facility physically located at the location of the service. Bulk quantities of sewage generated at locations off the premises of the service location shall not be disposed of in the customer's service line. Customer shall not connect, nor allow any other person or party to connect, onto any sewer on their premises. Two places shall not be permitted to be supplied with one service pipe where there is a sewer main abutting the premises.

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other sewer service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a cross-over valve or any other connection.

Section 2.21 – Limitation on Product/Service Liability

Public sewer utilities are required to transport and treat domestic wastewater from approximately the customer's property line and the service connection that meets the water quality standards of the TCEQ. The utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's side of the water meter or sewer service line when the service provided meets state standards. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in sewer service whatever the cause. The utility will not accept liability for injuries or damages to persons or property due to disruption of sewer service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the utility if the utility has undertaken such preventive measures as are required by TCEQ rules, (3) electrical power failures in homeowners pressure sewer systems, utility-owned lift stations, and treatment facilities not required by TCEQ rule to have auxiliary power supplies, or (4) termination of water and or sewer service pursuant to the utility's tariff and the PUC's rules.

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

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection. Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by PUC rule) for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria.

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

Section 2.21 – Threats to or assaults upon utility personnel shall result in criminal prosecution.

Section 2.22 – Required Customer Premises Equipment

(A) Pressurized Collection Systems

In areas served by pressurized collection systems, specific Customer Premises Equipment may be required by the Utility to be constructed on the customer's property at the customer's expense that is compatible with the specific collection and treatment system serving the customer's property. Pressurized collection systems may be of two basic forms: (1) Grinder Pump Systems; or (2) Sewer Tank Effluent Pump (STEP) systems. Requirements for either of these types of systems include the following:

Prior to construction or installation of the Customer Premises Equipment, the Utility must be given the opportunity to verify that the Applicant will comply with its rules for Required Customer Premises Equipment. In order to prevent inflow and infiltration, all materials must comply with standard specifications approved by the TCEQ and the Utility.

After the Utility has confirmed compliance with its equipment standard for the Required Customer Premises Equipment, the construction may begin. Once the work has been completed, the Utility will do an inspection of the Customer Premises Equipment to ensure the installation is correct and as specified.

The customer will retain ownership of the Customer Premises Equipment, and all maintenance, repairs and replacement are the customer's responsibility. The Customer will supply its own electric power for the pump and alarm. **Repair and replacement of the Customer Premises Equipment will be at the customer's expense.** Repairs on Customer Premises Equipment must be performed by a qualified plumber certified by the Utility. The Utility requires that parts and equipment meet the minimum standards approved by the TCEQ and the Utility to ensure proper and efficient operation of the sewer system.

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

An adequate easement must encompass the Customer Premises Equipment. An adequate easement must be at least a 15 foot radius and also a 15 foot access easement to the receiving tank lift station site. If this easement does not exist, one must be created and filed of record. The form of any easement must be approved in advance by the Utility.

Pumps and tanks must be of adequate size to ensure proper operation in the event of high flow. If the existing pumps and receiving tanks or lift stations are of inadequate size, the utility will not accept liability for backups due to high flows, rainfall causing inflow or infiltration, power outages, lack of proper storage capacity, etc. The utility is not responsible for the collection system that discharges into the receiving tank / lift station.

(B) Grinder Pump Systems

In certain subdivisions, the Utility will operate utilizing a Grinder Pump sewer system. Prior to the initiation of service to a location that has not previously received service, the customer must install at the customer's expense a receiving tank, grinder pump, service line to the Utility main, and related appurtenances (collectively "Customer Premises Equipment"). The facilities to be installed will typically be a 70 gallon receiving tank, HDPE dual wall corrugated with electric powered one horsepower Grinder Pump, and alarm constructed by approved manufacturer.

The owner shall be responsible for the monthly electric bill.

(C) Septic Tank Effluent Pump Systems (STEP)

In neighborhoods or subdivisions utilizing STEP systems, service shall only be provided after the customer has installed, at the customer's expense, Customer Premises Equipment consisting of the following (sizes are typical for a residential home and may be adjusted for larger residences):

- 1) an approved concrete or fiberglass septic tank (1500 gallon typical)
- 2) a high head stainless steel effluent pump (1/2 horsepower, 10 gpm)
- 3) an effluent filter
- 4) level monitor and alarm

The owner shall be responsible for the monthly electric bill.

(D) Conversion of Existing Septic System to STEP or Grinder Pump System

Existing septic tanks, pump tanks or on-site sewage systems may be converted for use with utility operated STEP or Grinder Pump systems, provided certain requirements are met.

Prior to conversion to a Utility connected sewage system, the Customer Premises Equipment must be cleaned, inspected, repaired, modified, or replaced, if necessary, to minimize inflow and infiltration into the collection system.

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

Section 2.23 – Prohibited Wastes

The disposal into the utility's sewer collection system of bulk quantities of food or food scraps not previously processed by a grinder or similar garbage disposal unit and grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption or for sale to the public shall be prohibited. Specifically included in this prohibition are grease and oils from grease traps or other grease and/or oil storage containers. These substances are defined as "garbage" under Section 361.003(12) of the Solid Waste Disposal Act, Texas Health and Safety Code, and are not "sewage" as defined by Section 26.001(7) of the Texas Water Code. The utility only provides sewage collection and disposal service to the public. This service is limited to the collection, treatment and disposal of waterborne human waste and waste from domestic activities such as washing, bathing, and food preparation. This service does not include the collection, treatment or disposal of waste of such high BOD or TSS characteristics that cannot reasonably be processed by the utility's state-approved waste water treatment plant within the parameters of the utility's state and federal waste water discharge permits. THIS SERVICE DOES NOT INCLUDE THE COLLECTION AND DISPOSAL OF STORM WATERS OR RUN OFF WATERS, AND SUCH STORM WATERS AND RUN OFF WATERS MAY NOT BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM.

If the customer's collection system has an inflow or infiltration problem and collects rainfall discharge, the owner will correct it within 90 days of written notice from the utility. If no action is taken to correct the problem within 90 days, the utility may take the responsibility to make corrections at the owner's expense.

(E) Damages to Equipment

Pursuant to 16 TAC § 24.165(o) and § 24.169(h), the utility may charge for all labor, material, equipment, and other costs necessary to repair or replace all equipment damaged due to service diversion or the discharge of wastes that the system cannot properly treat. This shall include all repair and clean-up costs associated with discharges of grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and /or processing of food for other than domestic consumption or for sale to the public discharged from grease traps or other grease and/or oil storage containers. The utility may charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage including incidents where service is reconnected without authority. The utility may not charge any additional penalty or charge other than actual costs unless such penalty has been expressly approved by the regulatory authority having rate/tariff jurisdiction and filed in the utility's tariff.

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

(F) Operations

Pursuant to 16 TAC §24.163(b)(3)(A) and (B), the customer's service line and appurtenances shall be constructed in accordance with the laws and regulations of the State of Texas, local plumbing codes, or, in the absence of such local codes, the Uniform Plumbing Code. It shall be the customer's responsibility to maintain the service line and appurtenances in good operating condition, i.e., clear of obstruction, defects, or blockage. If the utility can provide evidence of excessive infiltration or inflow or failure to provide proper pretreatment, the utility may, with the written approval of the PUC, require the customer to repair the line or eliminate the infiltration or inflow or take such actions necessary to correct the problem. If the customer fails to correct the problem within a reasonable time, the utility may disconnect service after proper notice.

(G) Pretreatment

Non-residential customers electing the pretreatment option for sewage with non-standard characteristics (see Section 3.20 below) may be charged those costs set forth in the utility's extension policy if such pretreatment fails or otherwise causes the utility's facilities to violate their waste-water discharge permits.

SECTION 3.0 - EXTENSION POLICY

Section 3.01 – Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: No Contribution In Aid of Construction may be required of any customer except as provided for in this approved extension policy.

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

The utility will bear the full cost of any oversizing of sewer mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional collection or treatment facilities. Contributions in aid of construction **may not be required** of individual residential customers for collection, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

COST UTILITIES SHALL BEAR: Within its certificate area, the utility will pay the cost of the first 200 feet of any sewer main or collection line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the TCEQ's Rules.

Section 3.20 – Specific Utility Extension Policy

This section contains the utility's specific extension policy that complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with PUC and TCEQ Rules to be effective.

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

SECTION 3.0 - EXTENSION POLICY (Continued)

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

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

When an individual residential applicant requires an extension of a main line beyond 200 feet, the charge to that applicant shall be the actual cost of such extension in excess of 200 feet, plus the applicable tap fee plus such other approved costs as may be provided in this tariff and/or PUC rule.

Residential tap fees may be increased by other unique costs not normally incurred as permitted by PUC rule. Larger meter taps shall be made at actual cost associated with that tap, and those costs shall include such extraordinary expenses.

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

Non-residential sewer customers producing water borne waste significantly different from waste generated by residential customers may be required to provide a suitable sampling point at the property line for testing the customer's waste from chemicals or substances, e.g., grease, oils, solvents, pesticides, etc. that can reasonably be believed to have an injurious effect on the Utility's plant and/or its ability to treat and dispose of such wastes within the parameters of the Utility's permit. Utility shall have reasonable access to the sampling point at all times.

SECTION 3.0 - EXTENSION POLICY (Continued)

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

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

Unless expressly exempted by PUC rule or order, each point of use (as defined by 16 TAC § 24.3) must be individually metered.

The imposition of additional extension costs or charges as provided by Sections 2.20 and 3.20 of this tariff shall be subject to appeal as provided in this tariff, PUC rules, TCEQ rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall have the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located. Unless the PUC or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service applications forms will be available for applicant pick up at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions that might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

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

SECTION 3.0 - EXTENSION POLICY (Continued)

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

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements of service contained in this tariff, PUC Rules, PUC order, (2) has made all payments for tap fees and extension charges, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary, (4) delivered an executed customer service inspection certificate to the Utility and (5) has executed a customer service application for each location to which service is being requested.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. The tap request must be accompanied with a plat, map, diagram or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the Customer Premises Equipment is to be installed within the applicant's property. The actual point of connection and installation must be readily accessible to Utility personnel for inspection, servicing and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, applicant may refer the matter to the PUC for resolution. Unless otherwise ordered by the PUC, the tap or service connection will not be made until the location dispute is resolved.

The Utility shall require a developer (as defined in the rules and regulations of the PUC) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property. The Developer shall be required to obtain all necessary easements and rights-of-way required to extend the Utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by TCEQ rules and local service conditions) to and throughout the Developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise agreed to by the utility, pipe line right-of-way easements must be at least 15 feet wide to allow adequate room to facilitate backhoe and other heavy equipment operation and meters. Easements must be provided for all production, storage, treatment, pressurization and disposal sites that are sufficient to construct and maintain all weather roads as prescribed by TCEQ rules. All easements shall be evidenced, at Developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

SECTION 3.0 - EXTENSION POLICY (Continued)

Prior to the extension of utility service to developers (as defined in PUC and TCEQ rules) or new subdivisions, the Developer shall comply with the following:

- a) The Developer shall make a written request for service to property that is to be subdivided and developed. The Developer shall submit to the Utility a proposed plat on a scale of one inch (1") to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the Utility may be required to cover preliminary engineering, legal and copy cost to be incurred by the Utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify, the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers and/or the environment.
- b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the Utility to the Developer for final plat preparation.
- c) Copies of all proposed plats and plans must be submitted to the Utility prior to their submission to the county for approval to insure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the Utility so that necessary changes may be incorporated into the Developer's final submitted plat(s) and plans.
- d) The Utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the Utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the Utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the Developer will be so notified. Plat amendments must be obtained by the Developer. The Developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant that requires prior TCEQ plans approval shall be commenced until that approval has been received by the Utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.

SECTION 3.0 - EXTENSION POLICY (Continued)

- e) The Developer shall be required to post bond or to escrow the funds necessary to construct all required utility plant, except individual taps, meters and sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance that are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.
- f) At the sole option of the Utility, the Developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property, including all contributions-in-aid of construction and developer reimbursements, if any.
- g) The Utility may require the Developer to commence construction of subdivision improvements within three (3) months of utility plans' approval or the Utility may abate its construction activities until full development construction begins. If the Developer stops construction of subdivision improvements for any purpose, the Utility may abate its construction for a similar period.
- h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The Developer must notify the Utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the Utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The Developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.
- i) The Developer, not the Utility, shall ensure that Developer's employees, agents, contractors and others under its control coordinate their work or construction throughout the property with the Utility to ensure the orderly and timely construction of all utility plant necessary to serve the public.