

Tariff for Kennedy Ridge Water Supply Corporation

Mailing Address:

KENNEDY RIDGE WSC
PO Box 758
AUSTIN, TX 78724-8545

Telephone: 512-549-3139

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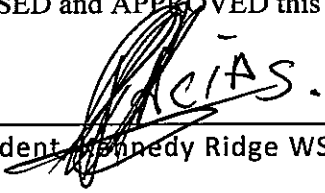
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SECTION A. RESOLUTIONS

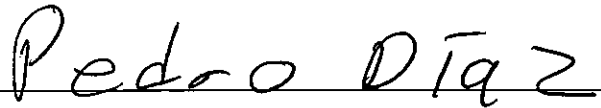
THE BOARD OF DIRECTORS OF THE KENNEDY RIDGE WATER SUPPLY CORPORATION ESTABLISHES THAT:

1. This Tariff of the Kennedy Ridge Water Supply Corporation (KRWSC), serving in Travis County, Texas, consisting of Sections A through H and an Appendix of selected forms inclusive, is adopted and enacted as the current regulations and policies effective as of March 20, 2022.
2. Only those preexisting written contracts or written agreements executed by the present or a previous Board of Directors shall remain in effect, subject only to changes required for compliance with the current Tariff. All past verbal promises and agreements are null and void.
3. The adoption of this Tariff does not prohibit or limit KRWSC from enforcing previous penalties or assessments levied before the current effective date.
4. An official copy of this Tariff shall be available during regular office hours of KRWSC. The Secretary of KRWSC shall maintain the original copy as approved.
5. Rules and regulations of state or federal agencies having jurisdiction shall supersede any terms of this Tariff. If any section, paragraph, sentence, clause, phrase, word, or words of this Tariff are declared unconstitutional or invalid, the remainder of this Tariff shall not be affected.
6. Translations of this Tariff into Spanish or any other language, either by KRWSC or any other party, are not warranted by KRWSC as to accuracy or precision of meaning. Specifically, if any part of any such a translation differs in apparent meaning from that of the English-language version, the meaning connoted in the English-language version shall govern.
7. This Tariff has been adopted in compliance with the Open Meeting Act, Chapter 551 of the Texas Government Code.

PASSED and APPROVED this 7th day of February 2022.



President, Kennedy Ridge WSC; Pedro Macias



Vice President, Kennedy Ridge WSC; Pedro Diaz

STATEMENTS
SECTION B. STATEMENTS

1. **Organization.** The Kennedy Ridge Water Supply Corporation (KRWSC or "Corporation") is a member-owned, nonprofit corporation established in 1991 for the purpose of furnishing potable water and sewer utility service to residents of the Kennedy Ridge Estates Subdivision located in eastern Travis County, Texas. KRWSC is incorporated pursuant to TWC Chapter 67 and the provisions of the Texas Business Organizations Code applicable to member-owned, member-controlled nonprofit corporations. KRWSC is managed by a Board of seven (7) elected directors, consisting of a President, Vice President, Secretary-Treasurer, and four other Directors. The Board is elected by the general membership, per the Bylaws, at annual meetings of Members. As of August 2012, there were approximately 224 Members. KRWSC operating policies, rates, tariffs, and regulations are adopted by the Board of Directors in conformity with TCEQ rules and regulations.
2. **Non-Discrimination Policy.** Membership in KRWSC and water and sewer service is provided to all Applicants who fully comply with the provisions of this Tariff, regardless of race, color, creed, national origin, sex, disability, or marital status.
3. **Policy and Rule Application.** These policies, rules, and regulations apply to the water and sewer services provided by KRWSC. Failure on the part of the Member, Customer, or Applicant to observe these policies, rules, and regulations gives KRWSC the authority to deny or to discontinue service according to the terms of this Tariff as amended from time to time by the Board of Directors.
4. **Corporation Bylaws.** The Members have adopted Bylaws which establish the make-up of the Board of Directors and other important regulations of the Corporation. The Bylaws are incorporated herein by reference and are on file for inspection at the KRWSC office.
5. **No Fire Protection Responsibility.** KRWSC does not provide fire prevention or fire-fighting services, nor is it required by law to do so. KRWSC therefore does not accept any liability for fire-related injuries or damages to persons or property caused by, or aggravated by, the lack of water or water pressure during fire emergencies. Working KRWSC hydrants are for the operation and maintenance of the system, and while they may be used by fire departments during emergencies, the performance of hydrants is not guaranteed. It is possible some hydrant heads existing in Kennedy Ridge Estates are relics of the original system installation and not connected to active water mains. KRWSC reserves the right to remove any hydrant at any time without notice, refund, or compensation to a Member, unless such hydrant was installed under the terms of a Non-Standard Service Contract as provided for in Section F, in which event the terms and conditions of the Non-Standard Service Contract shall apply.
6. **Damage Liability.** KRWSC is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. By acceptance of Membership, Member consents to a waiver of *all* such liability. In all cases the liability of KRWSC is limited to no more than the cost of service provided.
7. **Information Disclosure.** The records of the Corporation shall be kept at the KRWSC office located at 15212 Chamberlain Court, Austin, Texas 78724-8545. All information collected, assembled, or maintained by or for KRWSC shall be disclosed to the public in accordance with the Texas Public Information Act. KRWSC will not disclose the Social Security Number or tax ID number of any Member/Customer to any person other than a director, employee, contractor, or agent of KRWSC. An individual Member/Customer may request in writing that his or her address, telephone number, and account records be kept confidential. (See Information Confidentiality Request Form in Appendix.) Such confidentiality does not prohibit KRWSC from disclosing this information to an official or employee of Travis County or the State of Texas, acting in an official capacity, or to a director, employee, contractor, or agent of KRWSC acting in connection with that person's official duties. Further, such confidentiality does not prohibit KRWSC from disclosing the name and address of each Member entitled to vote on a list to be made available to KRWSC's voting Members, or their agents or attorneys, in connection with a meeting of KRWSC's Members.

8. *Customer Notice Provisions.* KRWSC shall give written notice of rate changes by mail or hand delivery to all Customers at least 10 days prior to the effective date of the new rate. Notice may be mailed as an insert with a monthly water bill. The notice shall contain the old rates, new rates, effective date of the new rate, and date of Board authorization.
9. *Grievance Procedures.* Any Member, or any individual owning land within the KRWSC certificated service area, shall have an opportunity to voice concerns or grievances to KRWSC by the following means and procedures:
- (a) By presentation of concerns to KRWSC's manager or authorized staff person. 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 submitted to KRWSC under this policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors.
10. *Customer Service Inspections.* KRWSC requires that a Customer Service Inspection certification be completed prior to providing continuous water service to new construction and for all new Members as part of the activation of Standard and some Non-Standard Service. Customer Service Inspections are also required on any existing service when KRWSC 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.
11. *Submetering Responsibility.* Submetering and Non-Submetering by Master-Metered Accounts may be allowed in KRWSC's water distribution or sewer collection system provided the Master-Metered Account Customer complies with all applicable Texas laws, including TWC Chapter 13 Subchapter M and all applicable TCEQ rules, including 30 TAC 291 Subchapter H. Master-Metered Account Customers may not charge their Tenants in the aggregate more than the amount KRWSC bills the Master-Metered Account Customer for service each month. KRWSC has no jurisdiction over, nor responsibility to, the Tenants. Tenants receiving water under a Master-Metered Account are not considered Customers of KRWSC. Any interruption or impairment of water service to the Tenants is the responsibility of the Master-Metered Account Customer. Any Tenant complaints regarding submetering should be directed to TCEQ.

SECTION C. DEFINITIONS

Active Service — The status of a Member/Customer connected to the KRWSC water or sewer system and receiving, or capable of receiving, authorized service under the provisions of this Tariff.

Applicant — A landowner of any type applying for service with, and membership in, KRWSC.

Base Rate — The fixed monthly charge assessed each Member/Customer for active service. The Base Rate is independent of consumption but is determined by the water meter size. (See Section G-4(a).)

Board of Directors — The governing body, elected by the Members of KRWSC, responsible for the management of the affairs of the Corporation.

Bylaws — The rules pertaining to the governing of KRWSC, adopted by the Members.

Certificate of Convenience and Necessity (CCN) — The authorization granted under TWC Chapter 13 Subchapter G for KRWSC to provide retail water and sewer utility service within an exclusive service territory. KRWSC has been issued CCN certificate numbers 12643 (water) and 20760 (sewer).

Certificated Service Area — The geographical territory defined by the CCN. (See Section D.)

Corporation — The Kennedy Ridge Water Supply Corporation (KRWSC). (See Section B-1.)

Customer — A Member who has Active Service.

Designated Watering Days — Either of two days of the week assigned to each Customer based on the last digit of the service address. The assignments are tabulated in Section H-3. Outside watering is restricted to these days as detailed in the Stage restrictions under the Drought Contingency and Emergency Water Demand Management Plan. (See Section H.)

Disconnection of Service — The discontinuance of water or sewer service by KRWSC to a Member/Customer.

Easement — A private perpetual dedicated right-of-way for the installation of water and or sewer pipelines and necessary facilities which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable). This may also include restrictions on the adjacent area to limit the installation of sewer lines or other facilities that would restrict the use of any area of the easement. An easement will be recorded in the Real Property Records of Travis County.

Hazardous Condition — A condition that jeopardizes the health or welfare of the Members/Customers or the public at large, as determined by KRWSC, TCEQ, Travis County, or other regulatory authority.

Member — A landowner of any type who holds a membership in KRWSC and who is the owner of record of the real property served, that has qualified for service and been certified as a Member in accordance with KRWSC's Tariff in effect at the time of application for membership.

Membership — The right of a Member of KRWSC to one service connection to the KRWSC water and sewer system. Membership includes the right to vote in KRWSC elections. (See Section E-9(b).)

Non-Standard Service — A water connection and/or sewer connection other than a Standard Connection. (See Section E-7.)

On-site Wastewater (05W) Permit — a permit issued by Travis County Transportation & Natural Resources for a septic system or other on-site sewage facility on land in Travis County. An OSW Permit is informally called a "septic permit."

Proof of Ownership — For the purpose of this Tariff, an Applicant for service and Membership shall provide KRWSC with proof of ownership of the real estate to be served. Proof shall consist of a photocopy of the deed of trust, warranty deed, or comparable document, as recorded in the Real Property Records of Travis County.

Renter — Same as Tenant, below.

Re-Service — Providing service to an Applicant at a location where service previously existed. Costs of such re-servicing shall be based on KRWSC's expenses to restore service. (See Section E-6(b).)

Service Application and Agreement Form — A written agreement between the Member/Applicant and KRWSC defining the specific service requirements requested, and the responsibilities of each party required before service can be furnished.

Service Investigation Fee — A fee for costs associated with determining if service is available and determining cost of service. (See Section G-1 .)

Standard Service — A water connection and sewer connection to a single-family habitation using a standard 5/8" x 3/4" residential water meter. (See Section E-6.)

Subdivision — A tract of land that has been subdivided into lots or smaller tracts and, usually, recorded in the real property records of the county by a plat map of the subdivision. Kennedy Ridge Estates is a subdivision in eastern Travis County.

Tariff — The operating policies, service rules, service extension policy, service rates, and rationing policies adopted by the Board of Directors. A copy of this Tariff is on file at both the KRWSC office and the TCEQ.

Temporary Service — The classification assigned to a builder Applicant that is in the process of construction at the service location. This could also apply to service for nonpermanent uses (agricultural, road construction, drilling, livestock, etc.). The Board will set the length of time associated with this classification. This classification may change to permanent service after requirements in Tariff Section E-1, E-2, E-3, and E-5 are met.

Tenant — A consumer who rents or leases property from a Member/landowner. Term includes a consumer occupying a habitation not occupied by the Member/landowner, even if no rent is charged by the landowner. Tenants are neither Members nor Customers of KRWSC. (See Section E-10.)

Texas Administrative Code (TAC) — Codification of state agency rules and regulations. For example, includes TCEQ rules for septic systems (30 TAC 285) and water utilities (30 TAC 290 and 291).

Texas Commission on Environmental Quality (TCEQ) — State regulatory agency having jurisdiction water supply corporations and appellate rate jurisdiction over water supply corporations.

Texas Water Code (TWC) — Statutes governing water resources. Relevant chapters include TWC 13 (utility water rates and services) and TWC 67 (nonprofit water supply or sewer service corporations).

Water Supply Corporation (WSC) — A nonprofit water or sewer service corporation organized under TWC Chapter 67. KRWSC is a Water Supply Corporation.

SECTION D. GEOGRAPHIC AREA SERVED

1. *Service Provided Subject to State Certification.* Section 13.242(a) of the Texas Water Code requires retail water or sewer utilities to obtain State authorization in the form of a Certificate of Convenience and Necessity (CCN). A CCN is both the utility's license to provide retail water or sewer service and the utility's geographic service area. The Kennedy Ridge Water Supply Corporation (KRWSC) was incorporated in 1991 to serve the Kennedy Ridge Estates subdivision. KRWSC was issued CCN numbers 12643 (water) and 20760 (sewer) on February 19, 1992 by the Texas Water Commission, a predecessor agency to the TCEQ. (See Figure D-1.)
2. *Location of Certificated Service Area.* The Kennedy Ridge Estates subdivision is located approximately ten miles east of downtown Austin in the semi-rural area of Travis County commonly known as Hornsby Bend. The subdivision is located just north of FM-969, northeast of the larger Austin's Colony subdivision and east of the adjacent Forest Bluff subdivision. Kennedy Ridge Estates is accessible by Cadillac Drive directly from FM-969 and also by Belafonte Boulevard and Chamberlain Court through the Forest Bluff subdivision. (See Figure D-3.)

The certificated service area closely matches the Kennedy Ridge Estates subdivision boundaries. The subdivision is shown on Travis Central Appraisal District Plat Map 2-0250 as Kennedy Ridge Estates Sections 1 & 2. It consists of almost 300 small residential lots as well as five larger lots at the north end of Melody Lane and several other larger lots (used as a cemetery) between Trumpet Drive and Chamberlain Court. The Kennedy Ridge Estates subdivision includes (a) all addresses on Caroline Lane, Jacquelyn Lane, JFK Drive, Melody Lane, Trumpet Drive, and Armstrong Avenue, and (b) those addresses on Belafonte Boulevard, Chamberlain Court, and Cadillac Drive inside the Kennedy Ridge Estates subdivision boundaries. (See Figure D-3).

Whether a particular parcel is inside or outside the KRWSC service area can be determined in most cases on the Internet by browsing to www.travisead.org/property_search.html, finding the parcel of interest, and looking at the subdivision field of the property details screen. A subdivision name including "Kennedy Ridge Estates" implies location *inside* the KRWSC CCN, while a subdivision name without "Kennedy Ridge Estates" implies location *outside* the KRWSC CCN.

3. *CCN Certificate and Maps.*
Figure D-1 contains an image of the Texas Water Commission order issuing CCN numbers 12643 (water) and 20760 (sewer) to KRWSC.

Figure D-2 is an image of the original 1992 Texas Water Commission (now TCEQ) posting of the CCN service area on TCEQ map WRS-227. [Note that this map is not registered with north at the top. The map top has bearing approximately North-30 degrees-East. In other words, the long dimension of the Kennedy Ridge Subdivision actually runs about North-.30-degrees-East. See Figure D-3 for a more conventional depiction.]

Figure D-3 shows the Kennedy Ridge Estates subdivision and the KRWSC CCN service area in the bounded area. The base used is Travis Central Appraisal District plat map 2-2050.

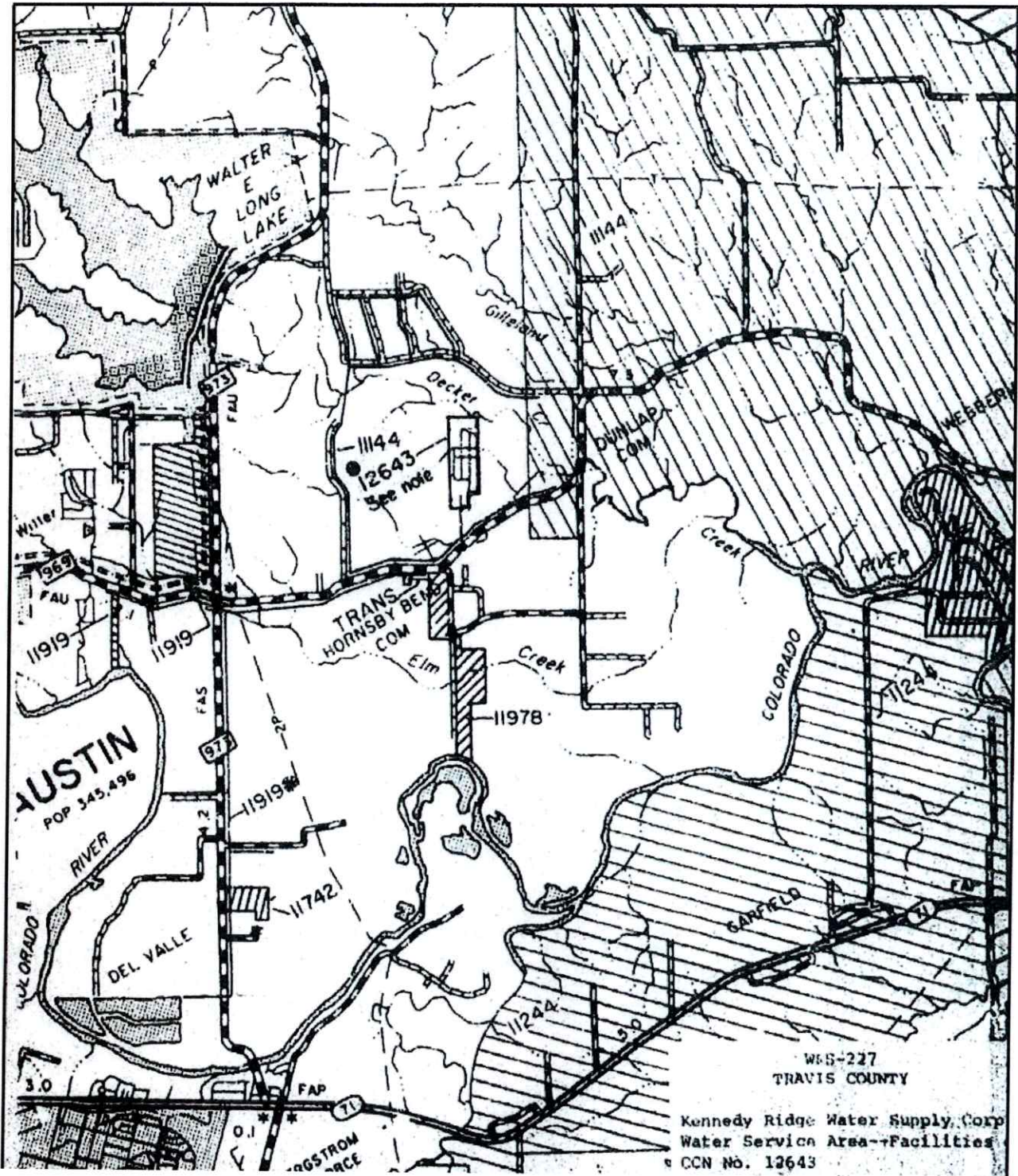


Figure D-2 — Original 1992 posting of the KRWSC water CCN ("12643") service area on TCEQ map WRS-227.
(Note: Map is not oriented with top to North. Top has bearing N30E.)

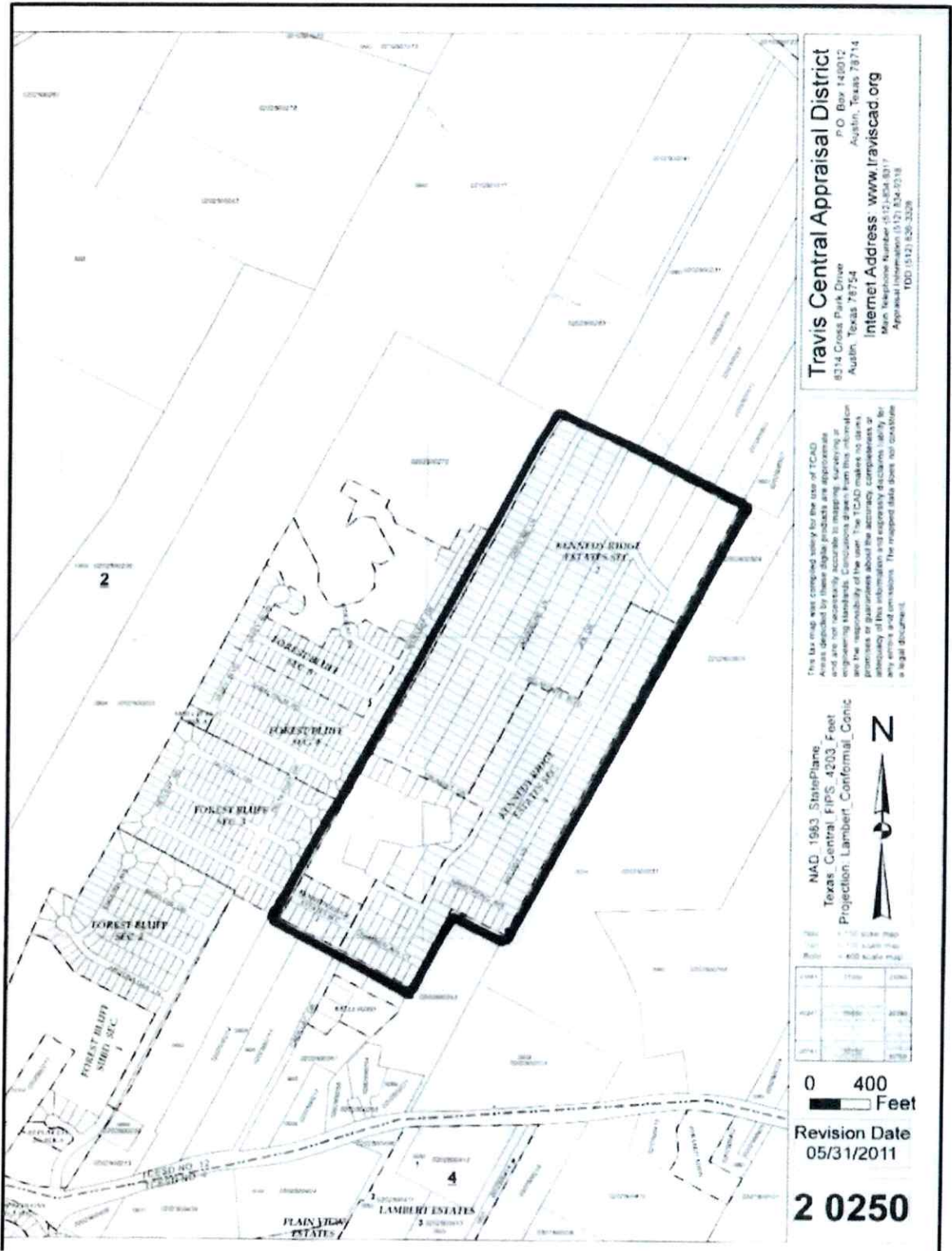


Figure D-3 — Kennedy Ridge Estates subdivision and KRWSC CCN service area (dark outline).

SECTION E. SERVICE RULES AND REGULATIONS

1. **Service Entitlement.** Applicant shall be considered qualified and entitled to water and/or sewer utility service when proper application has been made, terms and conditions of Service and Membership have been met and continue to be met, and all fees have been paid as prescribed. (30 TAC 291.85(a).)
2. **Service Location and Classification.** An Applicant's request for service from KRWSC shall be for real estate designated to receive service within the KRWSC Certificated Service Area (see map, Figure D-3). Service shall be through a meter or sewer tap located near an edge of the designated real estate unless the Non-Standard Service Agreement specifies otherwise. Service shall be divided into the following two classes:
 - (a) **Standard Service** is service to a standalone single-family habitation on an existing pipeline where pipeline or service facility extensions are not required, and special design and/or engineering considerations are not necessary. This service is provided using a 5/8" x 3/4" standard residential water meter service set on existing pipelines or 4" gravity sewer taps, pressure collection facilities installed or connected to collection lines no more than five feet in depth. Some low-demand commercial connections that KRWSC determines require this same physical connection may be classified as Standard Service.
 - (b) **Non-Standard Service** is any service which requires a larger meter service, service to a Master-Metered Account (Section E-26, below), an addition or extension of the KRWSC distribution/collection system, or otherwise does not match Standard Service requirements. Requirements for Non-Standard Service are detailed in Section F.
3. **Service Requirements.** KRWSC's Service Application and Agreement Form ("Application") 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 Application; however, even if the spouse or other person sharing an ownership interest does not sign the Application, he or she shall still be responsible for all Application terms and conditions, and for any debt obligation related to the resulting Membership account. (See Service Application and Agreement Form in Appendix.)
 - (a) A completed Right-of-Way Easement Form and/or other easement form, available from KRWSC, may be required from an Applicant for the purpose of allowing future facility additions. This requirement may be delayed for Non-Standard Service requests.
 - (b) Applicant shall provide proof of ownership of the real property for which service is requested in a manner acceptable to KRWSC. Proof of ownership shall consist of a copy of the deed of trust, warranty deed, or comparable document, recorded in the Real Property Records of Travis County. (TWC Sections 67.016(e), and 13.002(11).)
 - (c) On the request by the property owner or owner's authorized agent, KRWSC shall install individual meters owned by KRWSC for an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction begins after January 1, 2003, unless KRWSC determines that installation of individual meters is not feasible and the property owner needs Master-Metered Service instead. The property owner shall install a plumbing system that is compatible with the installation of individual meters or Master-Metered Service. The property owner shall prepay the cost of individual meter installation as well as the cost of any additional facilities or supply required by the total water/sewer service demand represented by full occupancy of the property, as determined under applicable provisions of Section F. The property owner shall obtain the memberships required for each individual meter.
 - (d) Notice of approval of an Application and the costs of service determined by KRWSC shall be presented to the Applicant in writing and shall remain in effect for ninety (90) days. After that time the Applicant must re-apply for service.
 - (e) If the water main has been located in the public right-of-way and is adjacent to Applicant's property due to the current or any previous landowner's refusal to grant easement to KRWSC for the purpose of installing the water main and appurtenances, and KRWSC has documentation of such refusal, the Applicant, prior to receiving the requested service, shall grant easement required under this Tariff and in addition to the normally required fees for new customer service, shall pay such sums as are reasonably

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

4. Ownership of Equipment. All water meters and equipment and materials required to provide water or wastewater service to the point of the Customer connection — the water meter or service tap — is the property of KRWSC upon installation, and shall be maintained by KRWSC only.

5. Requirements for Mandatory Sewer Connection.

- (a) Effective December 1, 2012, as authorized by TWC Section 49.234(a), the installation of any private on-site wastewater treatment or holding facility on property within KRWSC's Certificated Service Area which is less than 300 feet distant (measured from boundary line of the property to the nearest point of KRWSC's wastewater collection system along a public-right-of-way or utility easement) is prohibited and sewer service to any such property will be provided by KRWSC under the terms of this Tariff. This does not apply to anyone who has installed an on-site wastewater treatment or holding facility if that on-site facility was installed prior to construction and operation of KRWSC's wastewater collection system within 300 feet of the property or prior to the effective date stated herein. Any costs for connection to KRWSC's wastewater collection system in excess of the standard costs required under Section G must be paid for by the sewer service Applicant. KRWSC must review and approve plans and specifications for any connection prior to construction.
- (b) Effective December 1, 2012, an Applicant wishing to obtain water-only service to property located 300 or more feet distant (measured from boundary line of the property to the nearest point of KRWSC's wastewater collection system along a public-right-of-way or utility easement), may do so, if he or she provides KRWSC with a copy of the On-site Wastewater (OSW) Permit ("Septic Permit") issued by the Travis County Transportation & Natural Resources (TNR) [currently at 411 W. 13th Street, 8th Floor, Austin, TX 78701; Phone: (512) 854-9383]. Alternatively, applicant may instead provide a copy of the Development Permit issued by Travis County TNR if the Development Permit clearly documents that water service will not result the production of wastewater in violation of Travis County Code, 30 TAC 285, and Texas Health and Safety Code Chapter 366.
- (c) Any KRWSC Member who, prior to December 1, 2012, has Active Service for water-only may not transfer the membership to another party unless (1) the Member or transferee applies for sewer service with KRWSC prior to the transfer, or (2) the Member provides KRWSC with a copy of the On-site Wastewater (OSW) Permit ("Septic Permit") issued by the Travis County Transportation & Natural Resources (TNR) [currently, 411 W. 13th Street, 8th Floor, Austin, TX 78701; Phone: (512) 854-9383]. Alternatively, applicant may instead provide a copy of the Development Permit issued by Travis County TNR if the Development Permit clearly documents that water service will not result the production of wastewater in violation of Travis County Code, 30 TAC 285, and Texas Health and Safety Code Chapter 366.

6. Activation of Standard Service.

- (a) **New Tap** — KRWSC shall charge a non-refundable service installation fee as required under Section G-3 of this Tariff. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid, or a deferred payment contract signed in advance of installation. (30 TAC 291.86 (a)(1)(A))
- (b) **Re-Service** — On property where service previously existed, KRWSC shall charge reconnection costs, any delinquent charges if the applicant is the person that previously incurred those charges, seasonal reconnect fee as appropriate, and other applicable costs necessary to restore service.
- (c) **Performance of Work** — All tap and equipment installations specified by KRWSC shall be completed by KRWSC staff or contractor(s) after all application requirements have been met. The tap for a Standard Service request shall be completed within fifteen (15) working days whenever practicable, but not later than thirty (30) working days. If construction is required to furnish the connection and if it cannot be completed within 30 days, KRWSC will provide Applicant with a written explanation of the construction required and an expected date of service. The 15- and 30-day times may be extended for installation of equipment for a Non-Standard Service Request. (See Section F.)
- (d) **Inspection of Customer Service Facilities** — The property of the Applicant/Member shall be inspected to insure compliance with State-mandated Minimum Acceptable Operating Practices for Public Drinking

Water Systems, as promulgated by the TCEQ or successor agency. The customer must, at his or her expense, properly install, inspect, test, maintain, and provide all required documentation of any approved backflow prevention device required by KRWSC. (30 TAC 290.46(j))

7. **Activation of Non-Standard Service.** Activation of Non-Standard Service shall be conducted as prescribed by Section F of this Tariff.
8. **Changes in Service Classification.** If, at any time, KRWSC determines that the Customer service needs changed from those originally applied for to a different service classification and KRWSC determines that additional or different facilities are necessary to provide adequate service, KRWSC shall require the Applicant/Member to re-apply for service under the terms and conditions of this Tariff. Applicant/Members failing to comply with this provision shall be subject to the Disconnection with Notice provisions in Section E-17.
9. **Membership.**
 - (a) **Eligibility** — A Member must be the legal owner of the specific real property for which water or sewer service is to be provided. Proof of ownership shall be established by providing the KRWSC with a copy of the deed of trust, warranty deed, or comparable documentation, as recorded in the Real Property Records of Travis County. In the case of multiple owners, only one Membership is created, and only one "Member" exists, regardless of the number of names on the Service Application and Agreement Form. Eligibility for Membership shall not guarantee service to the Applicant; however, qualification for service is a prerequisite to Membership eligibility for new Applicants.
 - (b) **Membership** — Upon qualification for service, qualification for Membership, payment of the required fees, and payment of any debt owed to KRWSC, KRWSC shall certify the Applicant as a Member.
 - (1) Membership entitles the Member to one (1) water connection and one (1) sewer connection to KRWSC's system. Membership entitles the Member to one (1) vote in the election of directors and in such other matters requiring the approval of KRWSC's Members at any Annual or Special Membership Meeting as prescribed by the Bylaws.
 - (2) In the case where a Membership lists more than one person's name, any one of these listed persons may vote the Membership in KRWSC elections and otherwise represent the Membership in all matters regarding KRWSC. KRWSC, in good faith, may rely on any of the listed persons as being authorized to represent the Membership, and, in such an event, KRWSC shall not be liable to the other listed persons for such reliance.
 - (3) 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 is assigned to the specified parcel of land originally designated to receive service at the time of Application. (Texas Water Code Section 67.016(0).)
 - (4) In the event the Applicant is in the process of construction the Membership will be considered TEMPORARY until such time as the final Customer Service Inspection is completed and the forms are returned as required. (See Sections C and Section E-1.)
 - (c) **Transfers of Membership.**
 - (1) Membership may not be transferred at the discretion of the Member. Membership is anchored in the real property from which the Membership arose.
 - (2) In the event of the sale (or other transfer of ownership) of the real property served, the seller (or former owner) ceases to qualify for Membership. The buyer (or new owner) meets the ownership eligibility requirement for Membership. To obtain Membership, the buyer (or new owner) must apply for Membership by submitting both Proof of Ownership (described in Section E-3(b)), a completed Service Application and Agreement Form, and pay the requisite fees.
 - (3) If the requirements of Subsection E-9(c)(2) are not completed within ten (10) days of the closing (or ownership change), KRWSC will give the buyer (or new owner) written notice of 10 additional days to produce completed documentation to the KRWSC office. Service will be disconnected on the day following the 10th additional day according to disconnection with notice requirements. Additional time may be allowed at the discretion of the Board or the KRWSC manager.
 - (d) **Cancellation of Membership** — To keep a Membership in good standing, the Base Rates must be paid

monthly to KRWSC, whether or not water is used. Failure to pay this monthly charge to KRWSC shall jeopardize the Member's Membership standing and give rise forfeiture of the Membership.

- (1) A Member may be relieved of this obligation to pay by surrendering the Membership, properly documented, to KRWSC. The Member shall also complete a Service Discontinuance Request Form, available from KRWSC, prior to termination of service. However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership prior to termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the Re-Service Activation requirements of Section E-6(b).
 - (2) When (a) a Member's service has been disconnected pursuant to Section E-17 of this Tariff, (b) the Member's account was delinquent at the time of disconnection, and (c) the Member does not pay KRWSC the full amount of the delinquent charges owed by the Member within ninety (90) days of the disconnection, the Membership shall be canceled and transferred back to KRWSC. KRWSC may collect any remaining account balances by initiation of legal action. Re-instatement of service shall be subject to the terms of the Re-Service Activation requirements of Section E-6(b).
- (e) Cancellation Due to Policy Noncompliance** — KRWSC may cancel a Membership anytime a Member fails to comply with any policy of KRWSC, including, but not limited to, Member's failure to provide Proof of Ownership of the real property from which the Membership arose, as authorized under Texas Water Code Sections 67.016(d & e).
- (f) Reassignment of Canceled Membership.**
- (1) KRWSC, upon cancellation of Membership under the provisions of this Tariff, may reassign the canceled Membership to a person or entity that has legal title to the real estate from which the canceled Membership arose and for which water or sewer service is requested (Texas Water Code Section 67.016(0)). Membership will not be reassigned unless the person or entity that has legal title to the real estate has complied with KRWSC's current conditions of service set forth in this Tariff.
 - (2) KRWSC 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. KRWSC will require Proof of Ownership resulting from the foreclosure and compliance with KRWSC's current conditions of service set forth in this Tariff. In the event of foreclosure by a mortgage institution, KRWSC may allow a property management company to acquire the Membership if the management company provides written documentation showing that the management company is legally responsible for the management of the property and it is not practical for the mortgage institution to be the Member.
- (g) Cancellation and Reassignment of Membership as a Result of Bankruptcy Proceedings** — Upon notice of the filing of a petition in bankruptcy, KRWSC may require the posting of a deposit or other form of security, acceptable to KRWSC, 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. KRWSC 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 KRWSC may result in termination of service according to the Disconnection with Notice Provisions of Section E-17, with a copy of the notice to the bankruptcy Trustee.
- (h) Cancellation and Reassignment of Membership as a Result of Divorce (or Dissolution of Joint Tenancy)** — KRWSC shall transfer the Membership to a spouse (or joint tenant) who has been awarded the property designated to receive service. The spouse (or joint tenant) requesting the transfer must provide KRWSC with adequate documentation of his or her ownership rights, such as final divorce decree, temporary court order, or agreement. A Membership shall be transferred only to a person who meets the qualifications both for Membership and for service.

- 10. Owners and Tenants.** When a Member rents or leases property receiving service under this Tariff to a Tenant, the Member remains responsible for all charges due KRWSC for such service. The Membership for rental or leased property shall remain in the name of the Member/owner of the property. KRWSC, at its sole discretion, may elect — but is not required — to bill the Tenant for utility service as a third party, if the Member so requests. If KRWSC elects to bill the Tenant, the Member is fully responsible for any and all unpaid bills

left by the Tenant. The Member shall submit a Tenant Billing Authorization Form (copy in Appendix) if the Member requests that a Tenant be billed for utility service. It is the Member's responsibility to collect a sufficient deposit from the Tenant to ensure payment of any past due bill. KRWSC will notify the Member of the Tenant's past due payment status. If at any time the Member requests that Membership be canceled thereby discontinuing service to an occupied rental property, KRWSC shall provide written notice to the Tenant a minimum of five (5) days prior to the scheduled disconnection date.

11. Denial of Service. KRWSC 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 of KRWSC, including this Tariff and the KRWSC Bylaws;
- (c) Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Members of KRWSC upon connection;
- (d) Failure of Applicant or Transferee to provide representatives or employees of KRWSC reasonable access to property, for which service has been requested;
- (e) Failure of Applicant or Transferee to comply with all governmental rules and regulations imposed on Customers of KRWSC;
- (f) Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of KRWSC, of property for which service has been requested;
- (g) Applicant's service facilities (plumbing) are known or determined to be inadequate or of such character that satisfactory service cannot be provided;
- (h) Failure of Applicant or Transferee to comply with applicable regulations for on-site sewage disposal systems if KRWSC 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.
- (i) Failure of the Applicant or Transferee to pay any previous outstanding delinquent account in full for past service provided to Applicant or Transferee by KRWSC either at the same property or at another service location.

12. Applicant's Recourse. In the event KRWSC refuses to serve an Applicant under the provisions of these rules, KRWSC must notify the Applicant, in writing, of the basis of its refusal. The Applicant may file for an appeal, in writing, with the KRWSC Board of Directors.

13. Insufficient Grounds for Refusal of Service. The following shall not constitute sufficient cause for the refusal of service to an Applicant:

- (a) Delinquency in payment for service by a previous Member or occupant of the premises to be served;
- (b) Failure to pay a bill to correct previous under-billing by KRWSC due to misapplication of rates more than six (6) months prior to the date of application;
- (c) Violation of KRWSC's rules pertaining to operation of non-standard equipment or unauthorized attachments which interfere with the service of others, unless the Applicant has first been notified and given a reasonable time to comply with KRWSC's requirements;
- (d) Failure to pay a bill of another Member as guarantor thereof unless the guarantee was made in writing to KRWSC as a condition precedent to service;
- (e) Failure to pay the bill of another Member or Customer at the same address except where the change of Customer identity is made to avoid or evade payment of a bill.

14. Deferred Payment Agreement. KRWSC may offer — but is not required to 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 KRWSC, including any Late Penalty Fees or interest on the monthly balance to be determined by written agreement. Failure to make required payments on time under a deferred payment agreement will void that agreement and service will be discontinued, if service is disconnected for nonpayment of any amount under a deferred payment agreement, service will not be restored until both the account and all other charges resulting from the service disconnection are paid in full. If the requester is a

Tenant of rental property, KRWSC shall notify the Member/owner of the deferred payment agreement.

15. Charge Distribution and Payment Application.

- (a) Base Rate Charges are for the billing period from the first day of the month to the last day of the month. Charges shall be prorated for meter installations and service termination's falling during the billing period. Billings for this amount shall be mailed on or about the 10th of the month following the month for which this charge is due. Member shall be subject to this charge whether or not the service is in use by the Member. (See Section G-4(a).)
- (b) Gallonage Charges shall be billed at the rate specified in Section G-4(b) and billing may be calculated in one thousand (1,000) gallon increments. The industry-standard practice of truncating meter readings after the thousand-gallon digit may be employed. Gallonage charges are based on monthly meter readings and are calculated from reading date to reading date, regardless of the calendar. Readings used in all billing calculations shall be taken by KRWSC's employees, contractor, 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: KRWSC will accept the following forms of payment: personal check, cashier's check, or money order (bank or postal). KRWSC will not accept cash, two-party checks, pay checks, or any other instrument of payment not originally made out to KRWSC.

16. Due Dates, Delinquent Bills, and Service Disconnection Date.

- (a) KRWSC shall mail all bills on or about the 10th of the month. All bills are considered the joint and severable responsibility of each person signing the Service Application and Agreement Form. All bills shall be due and payable upon receipt and are past due beyond the past due date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a Late Payment Fee (Section G-6) shall be applied. A bill is delinquent if not paid on or before the past due date. Payments made by mail will be considered late if postmarked after the past due date. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposes shall be the next day the KRWSC office is open for business after that weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings.
- (b) The KRWSC Board of Directors or manager may elect to not charge a late fee or disconnect fee in accordance with this Tariff during or after the occurrence of a natural disaster or other incident that affects the property of members or interrupts the management and operation of the system.

17. Rules for Disconnection of Service. The following describes the rules and conditions for disconnection of service. Notwithstanding any language to the contrary in the Service Application and Agreement Form, KRWSC may only discontinue service for the reasons set forth in this Section. For the purposes of disconnecting sewer service under these policies, water service will be terminated in lieu of disconnecting sewer service. In instances of nonpayment of sewer service or other violations by a Member who is not a water customer, KRWSC retains the right to disconnect the sewer tap or take other appropriate actions.

- (a) Disconnection *with* Notice — Water utility service may be disconnected for any of the following reasons after proper notification has been given:
 - (1) Returned Checks — KRWSC shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument to be made in the KRWSC office within ten (10) days of the date of the notice. Redemption of the returned instrument shall be made only by cashier's check or money order. Failure to meet these terms shall initiate disconnection of service. Any such instruments 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 KRWSC. The Member/Customer in violation shall be placed on a "no-personal-check" status for the next 12 months and, during that time, shall make payment only by cashier's check or money order.
 - (2) Failure to pay a delinquent Member account, failure to provide a timely deposit required under

- Section E-9(g), or failure to comply with the terms of a deferred payment agreement.
- (3) Violation of KRWSC'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.
 - (4) Failure of the Member to comply with the terms of KRWSC's Service Agreement, Tariff (including, where appropriate, Section H), Bylaws, or a Special Contract provided that KRWSC 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 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 of any fact on any form, document, or other agreement required to be executed to obtain service.
 - (7) Failure of Member to reapply for service upon notification by KRWSC 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/sewer service to the Member's Tenant, even if the Tenant has kept the account balance current under a Tenant Billing Authorization. Note: The cancellation of Membership must be in writing and signed by the Member. KRWSC assumes no liability to Member's Tenant. Member is solely responsible for compliance with, and liability under, all federal, state, or local law protecting the rights of Tenants/renters.
 - (9) Violation of any applicable regulation pertaining to on-site sewage disposal systems if KRWSC 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. (See Section G-9.)
 - (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 or sewer lines, service taps, meter boxes, valves, or meters by engaging in activities such as property excavations, installment of a driveway or roadway requiring encasements, lowering or re-routing of lines or system components, or by any other action. KRWSC 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 in 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.
 - (12) Failure to disconnect or secure additional service tap(s) for an RV or other service connection after notification by KRWSC of violation of the Prohibition of Multiple Connections. (See Section E-25.)
 - (b) **Disconnection without Notice** — Water utility service may be disconnected without notice for any of the following conditions:
 - (1) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a public health nuisance under Section 341.011 of the Texas Health and Safety Code. If there is reason to believe a dangerous or hazardous condition exists, KRWSC may conduct a Customer Service Inspection (CSI) to verify the hazardous condition and may notify the local county health office. KRWSC will disconnect without notice if the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (30 TAC 290.46(j) and 290.46(i).) Service will be restored when a CSI confirms no health hazard exists, the health hazard has been removed or repaired, or the health hazard has been isolated from KRWSC's water system by the installation of an adequate backflow prevention device.
 - (2) A line leak on the Member's side of the meter is considered a potential hazardous condition under

Section E-17(b)(1). If KRWSC conducts a CSI and discovers that the line leak has created a hazardous condition, KRWSC may, at its sole discretion, provide the Member a limited time period to repair the line prior to disconnection of service.

- (3) Service is connected without authority by a person who has not made application for service, or service is reconnected without authority following termination of service by KRWSC.
- (4) Instances of tampering with KRWSC's meter or equipment, bypassing the meter or equipment, or other diversion of service.

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

(c) Disconnection Prohibited — Utility service may not be disconnected for any of the following reasons:

- (1) Failure of the Member to pay for merchandise or charges for non-utility service provided by KRWSC, unless an agreement exists between the Applicant and KRWSC whereby the Member guarantees payment of non-utility service as a condition of service;
- (2) Failure of the Member to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
- (3) Failure of the Member to pay charges arising from an under-billing occurring due to any misapplication of rates more than six (6) months prior to the current billing;
- (4) Failure of the Member to pay the account of another Member as guarantor thereof, unless KRWSC has in writing the guarantee as a condition precedent to service;
- (5) Failure of the Member to pay charges arising from an under-billing due to any faulty metering, unless the meter has been tampered with or unless such under-billing is due under an inoperative meter issue (See Section E-21).
- (6) Failure of the Member to pay estimated bill, unless KRWSC is unable to read the meter due to circumstances beyond its control.

(d) Disconnection on Holidays and Weekends — Unless a dangerous condition exists or the Member requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of KRWSC are not available to the public for the purpose of making collections and reconnecting service.

(e) Disconnection Due to Utility Abandonment — KRWSC 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 TCEQ.

(1) Disconnection for Ill Customers — KRWSC may not discontinue service to a delinquent residential Member or Tenant permanently residing in an individually-metered dwelling unit when that Member or Tenant establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. To avoid disconnection under these circumstances, the Member or Tenant must provide to KRWSC prior to the stated date of disconnection a written statement from a physician. Service may be disconnected in accordance with Section E-17(a) if the next month's bill and the past due bill are not paid by the due date of the next month's bill, unless the Member or Tenant enters into a Deferred Payment Agreement. KRWSC shall provide notice to an owner of rental property if a Tenant requests no disconnection of service due to illness.

(g) Disconnection of Master-Metered Accounts and Non-Standard Sewer Services — When a bill for water utility services is delinquent for a Master-Metered service complex (defined as a complex in which a single meter is authorized by KRWSC to serve two (2) or more residential dwelling units), the following shall apply (30 TAC 291.126):

- (1) KRWSC shall send a notice to the Member as required. This notice shall also inform the Member that notice of possible disconnection will be provided to the Tenants of the service complex in five (5) days if payment is not rendered before that time.
- (2) At least five (5) days after providing notice to the Member and at least five (5) days prior to disconnection, KRWSC shall post notices, stating "Termination Notice" in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.
- (3) The Tenants may pay KRWSC for any delinquent bill in behalf of the owner to avert disconnection

or to reconnect service to the complex.

(h) Disconnection of Temporary Service — When an Applicant with a Temporary Service fails to comply with the conditions stated in the Service Application and Agreement Form, or other rules of this Tariff, service may be terminated with notice.

18. Billing Cycle Changes. KRWSC reserves the right to change its billing cycle 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 KRWSC.

19. Back-billing. KRWSC may back-bill a Member for up to four (4) years (48 months) for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a Member's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service.

20. Disputed Bills. In the event of a dispute between a Member and KRWSC regarding a bill, KRWSC shall promptly investigate the particular case, and report the results in writing to the Member. All disputes must be submitted to KRWSC in writing, prior to the due date of the disputed bill.

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

22. Bill Adjustment.

(a) Due to Meter Error. Upon Member's written request, KRWSC shall arrange a formal test of the Member's meter. If the meter tests within the accuracy standards of the American Water Works Association or under-registers usage, a Meter Test Fee per Section G-12 shall be imposed. If the test results indicate that the meter over-registers Member's usage; then the Meter Test Fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment shall be made as far back as six (6) months but not extending beyond the current Membership. The billing adjustment shall be made to the degree of the meter's over-registering, as determined by the test.

(b) Due to Estimated Billing. If KRWSC has estimated usage because KRWSC is unable to access the meter due to circumstances beyond KRWSC's control, such as a natural disaster; or because access is hindered or denied by a Member, KRWSC shall adjust the bill once access has been regained and actual usage is determined.

23. Meter Tampering and Diversion.

(a) For purposes of this Tariff, the term "Tampering" shall mean meter-tampering, meter by-passing, or diversion of KRWSC's service equipment, or other instances of diversion, including:

- (1) removing a locking or shut-off device used by KRWSC to discontinue service,
- (2) physically disorienting the meter,
- (3) attaching objects to the meter to divert service or to by-pass meter,
- (4) inserting objects into the meter,
- (5) other electrical, magnetic, and mechanical means of tampering with, by-passing, or diverting service, and
- (6) adjusting a valve so that flow is reduced below metering capability.

(b) The burden of proof of Tampering is on KRWSC. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by KRWSC's staff when any action regarding Tampering is initiated. A court finding of Tampering may be used instead of photographic or other evidence, if applicable. Theft of KRWSC service shall be prosecuted under the Texas Penal Code.

(c) If KRWSC determines under Subsection (a) that Tampering has occurred, KRWSC shall charge the offending party the total actual loss to KRWSC, including the cost of repairs, replacement of damaged facilities, and lost water and sewer revenues.

(d) In addition to actual damages charged under Subsection (b), KRWSC may assess a penalty against the

person who committed the Tampering. The penalty shall not exceed six (6) times the Base Rate.

24. Meter Relocation. Relocation of services shall be allowed by KRWSC 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 KRWSC; and
- (c) The Member pays the actual cost of relocation including any administrative fees.

25. Prohibition of Multiple Connections to a Single Tap.

(a) No more than one (1) residential, commercial, or industrial service connection is allowed per water meter or sewer tap. KRWSC may, at its sole discretion, authorize an apartment building or mobile home/RV park to apply as a "Master-Metered Account" and have a single meter or sewer tap. (See Section E-26.) Any unauthorized sub-metering or diversion of service shall be considered a Multiple Connection (defined in Subsection (b), below) and subject to disconnection of service. If KRWSC has reason to believe a Multiple Connection exists, KRWSC shall discontinue service for the first violation under the Disconnection with Notice provisions of Section E-17(a) and for subsequent violations under the Disconnection without Notice provisions of Section E-17(b).

(b) For purposes of this section, the following definitions shall apply:

- (1) A "Multiple Connection" occurs when a Member, who has obtained KRWSC service from a KRWSC primary delivery point to the Member's one residence or commercial or industrial facility, allows or causes the Member's water or wastewater plumbing to connect to one or more additional residences or commercial or industrial facilities. Water lines to outbuildings, barns, or other accessory structures shall not be considered a multiple connection if (i) those structures are located on the same tract as the primary delivery point and (ii) such structures are not used as a residence or as a commercial or industrial facility at any time.
- (2) A "primary delivery point" shall mean the physical location of a KRWSC meter or sewer tap that is installed in accordance with this Tariff and which provides water or sewer service to the residence or commercial or industrial facility of the Member.
- (3) A "residence" shall mean any structure which is being used for human habitation, which may include kitchen and bathroom facilities or other evidence of habitation.
- (4) A "commercial facility" shall mean any structure or combination of structures at which any business, trade, occupation, profession, or other commercial activity is conducted. A member that utilizes water within his or her residence, or elsewhere on the property, for commercial purposes may be required to obtain a separate meter. A home business conducted within a Member's residence or property that does not require water shall not be considered a commercial facility.

(c) KRWSC may, at its sole discretion, allow a Member in good standing to temporarily share water usage with a visiting recreation vehicle (RV) or travel trailer on the Member's property for a period less than two (2) weeks. If the RV or travel trailer is present for two (2) weeks or more, this Tariff requires that an additional meter installation and Membership be purchased. The determination of the two-week timeframe is based solely on the physical presence of the RV or travel trailer. The Member must submit a written request to KRWSC's business office at least five (5) business days prior to sharing KRWSC water with a visitor. KRWSC has the right to refuse or deny the shared usage for any reason. KRWSC also has the right to inspect the premises for any potential cross-contamination issues as outlined in the Customer Service Inspection requirements and to ensure that the meter is properly sized for the additional usage at the time of total peak water demand. These requirements pertain to temporary visitors only. No commercial usage, such as an RV park where fees are charged, is allowed. If a Member is found to violate these conditions, the Member will be sent a letter of notice stating that water service will be disconnected in ten (10) days if the situation is not corrected.

26. Master-Metered Account Regulations. An apartment building, condominium, manufactured housing (modular, mobile, or RV) community, business center, or other similar type enterprise may be considered by KRWSC to be a single commercial facility if the owner applies for a meter as a "Master-Metered Account" and complies with all requirements of this Tariff, state and county law, and TCEQ rules. KRWSC may allow Master-Metering and/or Non-Standard sewer service to these facilities at an Applicant's request.

27. Member's Responsibility.

- (a) The Member shall provide access to the meter and sewer tap location as per the easement and Service Agreement. If access to the meter is obstructed or denied, preventing the reading of the meter, Member shall receive an estimated bill for the month and notice that the meter is inaccessible to KRWSC. If access is denied for three (3) consecutive months after notice 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 water and wastewater service and plumbing facilities.
- (1) All connections shall be designed and installed to prevent on-site sewage contamination, back-flow, and/or siphon age into KRWSC's water supply. All livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC 290.46, 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 KRWSC's system. On-site customer service pipelines are the responsibility of the Member. (30 TAC 290.46)
 - (3) All pipe and fittings used by the customer to convey sewage from its source to the sewer line must be a minimum of D-3034, SDR-35 or equivalent, 4-inch diameter pipe. No DWV ("drain, waste, and vent") pipe or fittings will be allowed. All joints must be watertight and pipe must be installed to recommended grade. All non-household sewer customers who have potential for dirt, grit, sand, grease, oil, or similar substances must install and maintain a trap ahead of their entrance to KRWSC's sewer collection piping. A double cleanout is required at the property line and recommended at the house. KRWSC may impose other site-specific requirements. All sewer and potable water service pipeline installations must be a minimum of nine feet apart and meet all applicable plumbing standards for crossings, etc.

Requirements for Traps:**(A) Discharges requiring a trap include but are not limited to:**

- (i) grease or waste containing grease in amounts that will impede or stop the flow in the public sewers;
- (ii) oil, flammable wastes; and/or
- (iii) sand, and other harmful ingredients.

(B) Any person responsible for discharges requiring a trap shall, at his own expense:

- (i) provide equipment and facilities of a type and capacity approved by KRWSC;
- (ii) locate the trap in a manner that provides ready and easy accessibility for cleaning and inspection; and
- (iii) maintain the trap in effective operating condition.

(C) KRWSC Review and Approval:

- (i) If pretreatment or control is required, KRWSC shall review and, at its sole discretion, approve design and installation of equipment and processes.
- (ii) The design and installation of equipment and processes must conform to all applicable statutes, codes, ordinances and other laws.
- (iii) Any Member responsible for discharges requiring pretreatment, flow equalization, or other facilities shall provide and maintain the facilities in effective operating condition at his or her own expense.

When the installation of a new facility or repair of an existing facility is found to be in violation of this Section, service shall be discontinued without further notice until the violation is corrected.

- (c) A Member shall keep payments current on his or her Membership account(s). Failure to maintain current status on the Membership account(s) shall be enforceable as per Service Application and Agreement executed by the Member.
- (d) KRWSC'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 KRWSC shall be subject to charges as

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

- (e) KRWSC 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 line and plumbing facilities from KRWSC's water pressure. The valve shall meet AWWA standards (a ball valve is recommended). (This cut-off valve may be installed as a part of the original meter installation by KRWSC.) The Member's use of KRWSC's curb stop or other similar valve for such purposes is prohibited. Any damage to KRWSC's equipment shall be subject to service charges.
- (f) The Member is required to notify KRWSC forty-eight (48) hours prior to digging or excavation activities along or near KRWSC's water and/or sewer lines, mains, and other equipment.

SECTION F. NON-STANDARD SERVICE REQUIREMENTS

- 1. Purpose.** It is the purpose of this Section to define the process by which the specific terms and conditions for Non-Standard Service are determined, including the Non-Standard Service Applicant's and KRWSC's respective costs.

For purposes of the Section, the term "Applicant" shall refer to the individual or entity seeking Non-Standard Service from KRWSC. "Applicant" includes an existing Member who received Standard Service to Member's property before Member made change(s) which require Non-Standard Service. The Applicant must be the same person or entity that is authorized to contract with KRWSC regarding the terms and conditions specified in the Non-Standard Service Contract. Usually, the Applicant will be the owner of real property for which Non-Standard Service is sought. In the event that the Applicant is not the real property owner, the Applicant must furnish proof to KRWSC that Applicant is authorized to request Non-Standard Service on behalf of the real property owner, or that Applicant otherwise has authority to request Non-Standard Service for the real property.

- 2. Application of Rules.** Non-Standard Service is required whenever KRWSC cannot provide water and sewer service to an Applicant's property using one or more standard 5/8" x 3/4" single-family residential connections. Typical Non-Standard Service situations include, but are not limited to, multi-family apartment buildings, commercial or industrial facilities, and non-residential agricultural activity. Non-Standard Service also applies whenever Applicant requires an extension to the distribution system, a water service line exceeding 3/4" diameter, a service line exceeding 25 feet, Master-Metering, or a meter larger than 5/8" x 3/4". In every case, an Applicant's specific service needs shall be reviewed by KRWSC and classified, at KRWSC's sole discretion, as either Standard Service or Non-Standard Service.

This Section sets forth the *general* terms and conditions under which KRWSC will process Non-Standard Service requests. The *specific* terms and conditions under which KRWSC will provide Non-Standard Service will depend upon the Applicant's specific request and may be detailed in a written Non-Standard Service Contract between KRWSC and the Applicant. If any terms or conditions in the Non-Standard Service Contract conflict with those of this Section, this Section shall govern.

- 3. Non-Standard Service Application.** The Applicant shall meet the following requirements prior to the initiation of a Non-Standard Service Contract by KRWSC:

- (a) The Applicant shall provide KRWSC a completed Service Application and Agreement Form. The Applicant shall specify any Special Service Needs, such as a multi-family habitation.
- (b) A Non-Standard Service Investigation Fee shall be paid to KRWSC in accordance with the requirements of Section G-I of this Tariff for purposes of paying initial administrative, legal, and engineering fees. KRWSC shall refund any balance that remains after it has completed its service investigation and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all expenses incurred by KRWSC, the Applicant shall pay to KRWSC upon KRWSC's request all additional expenses that have been, or will be, incurred by KRWSC and KRWSC shall have no obligation to complete processing of the Application until all remaining expenses have been paid.

- 4. Design.** KRWSC shall approve the design requirements of the Applicant's required facilities prior to initiation of a Non-Standard Service Contract in accordance with the following schedule:

- (a) KRWSC's Consulting Engineer shall design, or review and approve plans for, all on-site and off-site service facilities for the Applicant's requested service within KRWSC's specifications, incorporating any applicable governmental codes and specifications.
- (b) The Consulting Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee.
- (c) The Consulting Engineer shall submit to KRWSC a set of detailed plans, specifications, and cost estimates for the project.
- (d) KRWSC's Consulting Engineer shall ensure that all facilities for any Applicant meet the demand for service as platted and/or requested in the plans or plat submitted in the Service Application and

Agreement. KRWSC reserves the right to upgrade design of service facilities to meet future demands provided, however, that KRWSC shall pay the expense of such upgrading in excess of that which is reasonably allocable to the level and manner of service requested by the Applicant.

- (e) In cases where the Non-Standard Service requirements are sufficiently simple and within the experience and expertise of KRWSC and its contractors, KRWSC retains the option, at its sole discretion, of waiving the requirement for a Consulting Engineer.

5. Non-Standard Service Contract. Applicants requesting or requiring Non-Standard Service may be asked to sign a written Non-Standard Service Contract, drawn up by KRWSC, in addition to submitting KRWSC's Service Application and Agreement Form. This contract shall define the terms of service prior to construction of required service facilities. The Non-Standard Service Contract may include, but is not limited to:

- (a) All costs associated with required administration, design, construction, and inspection of facilities for water/sewer service to the Applicant's service area and terms of payment.
- (b) Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
- (c) Terms by which KRWSC shall administer the Applicant's project with respect to:
 - (1) Design of the Applicant's service facilities;
 - (2) Securing and qualifying bids;
 - (3) Execution of the Service Contract;
 - (4) Selection of a qualified bidder for construction;
 - (5) Dispensing advanced funds for construction of facilities required for the Applicant's service;
 - (6) Inspecting construction of facilities; and
 - (7) Testing facilities and closing the project.
- (d) Terms by which the Applicant shall indemnify KRWSC from all third-party claims or lawsuits in connection with the project.
- (e) Terms by which the Applicant shall dedicate, assign, and convey to KRWSC all constructed facilities and related rights (including contracts, easements, rights-of-way, deeds, and warranties) by which KRWSC shall assume operation and maintenance responsibility for the Applicant's project. The Applicant shall also provide reproducible as-built drawings of all constructed facilities. These as-built drawings must verify that all facilities have been properly located within easements conveyed to KRWSC.
- (1) Terms by which the KRWSC shall review and approve the Non-Standard Service Contract.

6. Construction of Facilities by Applicant Prior to Execution of Service Contract. KRWSC and the Applicant must execute a Non-Standard Service Contract prior to the purchase of supplies and materials and prior to initiation of construction of facilities by the Applicant. KRWSC may refuse service to an Applicant who commences construction of any such facilities prior to signing a Non-Standard Service Contract with KRWSC. KRWSC may require that all facilities be uncovered by the Applicant for inspection by KRWSC, require that any facilities not approved by KRWSC be replaced, and take any other lawful action KRWSC deems appropriate.

7. Dedication of Water System Extension to KRWSC.

- (a) Upon proper completion of construction of all on-site and off-site service facilities to meet the service requested by the Applicant (the "Facilities"), the Facilities shall become the property of KRWSC. The Facilities shall thereafter be owned and maintained by KRWSC subject to the warranties required of Applicant under Subsection (b), below. Any connection of individual customers to the Facilities shall be made by KRWSC.
- (b) Upon transfer of ownership of the Facilities to KRWSC, Applicant shall warrant materials and performance of the Facilities constructed by Applicant for one (1) year following the date of the transfer.

8. Property and Right-of-Way Acquisition. With regard to construction of facilities, KRWSC shall require private right-of-way easements or purchase of private property as per the following conditions:

- (a) If KRWSC determines that right-of-way easements or facility sites outside the Applicant's property are required, the Applicant shall secure easements or title to facility sites in behalf of KRWSC. All right-of-

way easements and property titles shall be researched, validated, and filed by KRWSC at the expense of the Applicant.

- (b) All additional costs associated with facilities that must be installed in public rights-of-way on behalf of the Applicant, due to the inability of the Applicant to secure private right-of-way easements, such as road bores and pavement repairs, shall be paid by the Applicant. Alternatively, Applicant shall pay all costs, including legal and other professional fees and the condemnation award in the event KRWSC secures such private easements or facility sites through eminent domain proceedings.
- (c) KRWSC shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by KRWSC) and title to property required for other on-site and off-site facilities.
- (d) Easements and facilities sites shall be prepared for the construction of KRWSC's pipelines and facility installations to meet KRWSC's requirements and at the expense of the Applicant.

9. Bids for Construction. KRWSC's Consulting Engineer (or KRWSC, if no Engineer is used) shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available to prospective bidders. Although KRWSC reserves the right to reject any bid or contractor, KRWSC shall generally award the contract to the lowest qualified bidder ("Contractor") in accordance with the following criteria:

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

10. Pre-Payment for Construction and Service. After the Applicant has signed the Non-Standard Service Contract, the Applicant shall pay to KRWSC all costs necessary for completion of the project prior to construction and in accordance with the terms of the Non-Standard Service Contract.

11. Construction.

- (a) KRWSC shall, at the expense of the Applicant, inspect the facilities to ensure compliance with KRWSC standards.
- (b) Construction plans and specifications shall be strictly adhered to, but KRWSC reserves the right to issue change-orders of any specifications, due to unforeseen circumstances during the design phase, to better facilitate construction or operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

SECTION G. RATES AND SERVICE FEES

Unless specifically noted otherwise in this Tariff, all stated fees, rates, and charges shall be non-refundable.

1. **Service Investigation Fee.** KRWSC shall conduct a service investigation for each Service Application submitted to KRWSC. An initial determination shall be made by KRWSC, 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 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 KRWSC'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, if applicable,
 - (3) to advertise and accept bids for the project, if applicable,
 - (4) to present a Non-Standard Service Contract to the Applicant, and
 - (5) to provide other services as required by KRWSC for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.)
2. **Easement Fee.** When KRWSC determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of KRWSC and/or pay all costs incurred by KRWSC in validating, clearing, and retaining such right-of-way in addition to installation fees required under this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites in behalf of the Applicant. (See Sections E-3 and F-8(b).)
3. **Installation Fee ("Tap Fee").** KRWSC shall charge an Installation Fee for service as follows:
 - (a) **Standard Service Installation Fee** shall include all current labor, materials, engineering, legal, customer 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 Installation Fee** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by KRWSC under Section F of this Tariff.
 - (c) Both Standard and Non-Standard Service Installation Fees shall be increased to include the cost of any pipeline relocations under Section L-3(e) and the cost of any pavement repairs.
4. **Monthly Charges (Base Rates plus Gallonage Charges).**
 - (a) **Base Rate Charges** — The monthly Base Rate charges for water service and sewer service is determined by the water meter size and use. Standard Service is one connection with a 5/8" x 3/4" residential water meter. Base Rates for both water and sewer for a Non-Standard Service connection using a larger water meter are subject to a multiplier based on the water meter size that reflects the added service capacity needed. Base Rates for a Non-Standard Service residential connection using a larger water meter are subject to a 30% discount (or, equivalently, an additional multiplier of 0.7) to reflect the randomization of demand between living unit equivalents. Note that a water and sewer service Customer will pay both the Base Rate for water plus the Base Rate for sewer regardless of monthly water consumption. The Base Rate charges are shown in Table G-1 below:

RATES AND SERVICE FEES

Section G

Tariff Service Classification	Physical Water Meter size	Meter Equivalent Multiplier (AWWA)	Monthly Water Base (General)	Monthly Water Sewer (General)	Monthly Water Base (Residential)	Monthly Sewer Base (Residential)
Standard	5/8"x3/4"	1.00	\$41.00	\$41.00	\$41.00	\$41.00
Non-Standard	1"	2.5	\$70.00	\$70.00	\$49.00	\$49.00
Non-Standard	1.5"	5.00	\$140.00	\$140.00	\$98.00	\$98.00
Non-Standard	2"	8.00	\$224.00	\$224.00	\$156.00	\$156.00
Non-Standard	3"	15.00	\$420.00	\$420.00	\$294.00	\$294.00

Table G-1 - Water and Sewer Base Rates.

(b) Gallonage Charges - In addition to the Base Rates, Customer will pay Gallonage Charges for water and sewer service usage:

- (1) Water - \$8.20 per 1,000 gallons.
- (2) Sewer - \$8.20 per 1,000 gallons.

Water gallonage is based on monthly meter readings and may be computed using industry-standard practice of truncating meter reading to the thousand-gallon digit. Sewer gallonage is computed using the industry-standard practice of computing a "winter average" (average of water usage for the previous November, December, and January billing periods). New Customers without an established winter average will be billed sewer gallonage at 5,000 gallons until they establish winter averages.

- 5. **Special Assessments.** If, at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount of service charges collected from Customers is insufficient to pay the costs to operate KRWSC's system during the year in which such charges are collected, the Board shall make and levy a special assessment on Members so that the special assessment, when combined with the collected service charges, is sufficient to fully pay all costs of the operation, maintenance, replacement, and debt repayment for the year's operations. Any such special assessment shall be assessed to Members in proportion to their individual service charges billed over the previous twelve (12) months.
- 6. **Late Payment Fee.** Once per billing period, a penalty of \$15.00 shall be applied to delinquent bills. This Late Payment Fee 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.
- 7. **Returned Check Fee.** In the event a check, draft, or any other instrument is given by, or on behalf of, a Member to KRWSC for payment of services provided under this Tariff, 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 Returned Check Fee of \$25.00.
- 8. **Reconnect Fee.** KRWSC shall charge a fee of \$55.00 for reconnecting service after KRWSC has previously disconnected the service for any reason provided for in this Tariff except for activation of service under Section E-6(b) Re-Service. The fee for reconnecting services after a voluntary disconnection is \$40.00.
- 9. **Service Trip Fee.** KRWSC shall charge a Service Trip Fee of \$65.00 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 KRWSC's or another Member's facilities, for customer service inspections due to suspicion of meter tampering, by-pass, or diversion of service, or for the purpose of disconnecting or collecting payment for services. For service trips that extend beyond one hour, such as when an extensive line location is required, KRWSC shall charge the contract rate per employee per hour for each additional hour required.
- 10. **Equipment Damage Fee.** If KRWSC's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and

other necessary KRWSC actions. This fee shall be charged and paid before service is re-established. If KRWSC'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 responsible Member. If KRWSC's facilities or equipment have been damaged due to negligence or unauthorized use of KRWSC's equipment, right-of-way, or meter shut-off valve, or due to other acts for which KRWSC incurs losses or damages, the responsible Member shall be liable for all labor and material charges incurred as a result of such acts or negligence.

- 11. Meter-Tampering and Diversion Penalty.** In addition to the Equipment Damage Fee, KRWSC may charge a penalty for "Tampering" as defined in Section E-23. The penalty may only be assessed against the person who committed the Tampering. An owner cannot be assessed for the Tampering committed by their Tenant. The penalty shall not exceed six (6) times the applicable Base Rate.
- 12. Meter Test Fee.** KRWSC shall impose a charge of \$195.00 for a formal (laboratory) meter test under Section E-22(a) when as a result of the test the meter is found to be operational and accurate or under-registering. This fee is waived if the meter is found to over-register. KRWSC may perform an informal meter test using a measured hose-bibb draw at any time at no fee.
- 13. Transfer Fee.** An Applicant for service at a service location already connected to the KRWSC system shall complete all required application forms and pay a Transfer Fee of \$50.00.
- 14. Information Confidentiality Request Fee Exempt.** No fee shall be assessed any Member requesting in writing that his or her personal account information not be disclosed to the public per Section B-7. (See Information Confidentiality Request Form in Appendix.)
- 15. Regulatory Assessment Tax.** A TCEQ regulatory assessment tax of 0.5% of the amount billed for retail water and sewer service will be billed to the Customer as a "pass through" charge and remitted to TCEQ per TWC Section 5.701 and 30 TAC 291.76. This tax is collected on the sum of the Base Rate Charges and Gallonage Charges defined in Section G-4 above.
- 16. Additional Assessments.** In the event any federal, state, or local government imposes on KRWSC any additional fee, assessment, or tax, either on a per meter basis, a per Member basis, or as a percent of the charge for water or sewer service, this fee, assessment, or tax will be billed to the Customer as a "pass through" charge and remitted as directed by the government agency.
- 17. Name Change Fee.** A Member or tenant requesting a change in the name of the person to whom the bill is mailed shall be assessed a one-time administrative fee of \$30.00.
- 18. Other Fees.** The cost of all services outside the normal scope of utility operations that KRWSC may be compelled to provide at the request of a Member shall be charged to the Member.

**SECTION H. DROUGHT CONTINGENCY
AND EMERGENCY DEMAND MANAGEMENT PLAN**

1. **Introduction.** All water KRWSC delivers to its retail Customers is purchased under wholesale contract from the Hornsby Bend Utility Company (HBUC). The physical source of the purchased water is unknown to KRWSC and disclosure of the source is not required under the terms of KRWSC's contract with HBUC. KRWSC also relies on HBUC to pressurize KRWSC's water distribution system. Consequently, KRWSC has no direct knowledge of conditions affecting either the supply of water or pressure maintenance in its distribution system. For its part, HBUC has no direct control over the usage behavior of KRWSC's retail Customers nor does HBUC communicate with them. To reconcile this situation in a manner equitable to all parties, KRWSC adopts this Drought Contingency and Emergency Demand Management Plan ("Plan"). The goal of this Plan is to (a) promote water conservation and (b) reduce water use by KRWSC retail Customers in response to drought or emergency conditions so that water availability can be preserved.

2. **Coordination with Wholesale Water Supplier.** As explained above, the effect of drought and other emergency conditions on both water supply and system pressure cannot be directly monitored by KRWSC. Instead, KRWSC, as a HBUC wholesale water customer, will follow, to the extent practical and reasonable, guidance and directives it receives from HBUC regarding conservation and water usage reduction. In this way, conservation measures within the KRWSC CCN will complement those undertaken by HBUC in the contiguous HBUC CCN.

HBUC currently uses the industry-standard Water Availability and Restraint Notification (WARN) System consisting of four numbered Stages: 1—Awareness, 2—Mandatory, 3—Alarm, and 4—Critical. HBUC is responsible for determining when the corresponding trigger conditions are met and terminate. KRWSC will adopt these same conservation Stages when directed to do so by HBUC. If, in the future, HBUC adopts a successor policy to the WARN System, KRWSC reserves the right to adopt that successor policy. KRWSC also reserves the right to implement its own system-specific conservation program if unforeseen future conditions justify such a change.

3. **Water Usage Restrictions by Stage.** Current WARN System conservation targets are achieved using the following four Stages of usage restrictions. For all Stages, the Designated Watering Days are assigned to each Customer based on the last digit of the service address as tabulated here:

SERVICE ADDRESS ENDS IN	DESIGNATED WATERING DAYS
2 or 9	Monday and Thursday
1 or 5	Tuesday and Friday
6 or 7	Wednesday and Saturday
0 or 3	Thursday and Sunday
4 or 8	Friday and Monday

(a) Stage 1: Awareness Conservation ("Voluntary Conservation") Restrictions

Goal: Voluntary 10% reduction in daily water usage.

- (1) All Customers are requested to limit outdoor watering using hose-end sprinkler or automatic systems to one of three-time periods —12:01 AM to 4:00 AM *or* 7:00 AM to 10:00 AM *or* 8:00 PM to 11:59 PM — on Designated Watering Days.
- (2) Water garden, trees, flowers, or other landscaped areas with hand-held hose or a faucet-filled bucket or watering can any day between 6:00 PM and 10:00 AM the next day, and avoid unattended hoses.
- (3) Utilize soaker hoses anywhere except lawns between 8:00 PM and 10:00 AM.
- (4) Limit vehicle washing with bucket or hand-held hose with automatic shut-off.
- (5) Draw less water for bath or reduce shower time.
- (6) Do not let water run while shaving, dish washing, brushing teeth, etc.
- (7) Keep pools covered if not used on a daily basis.

- (8) Use water displacement device in toilet tank.
- (9) Install aerators on faucets.
- (10) Utilize water reuse where possible.
- (11) Replacement or retrofit with ultra-low-flow fixtures is encouraged.
- (12) Use a broom or blower instead of a hose to wash off driveways, sidewalks, or streets.

(b) Stage 2: Mandatory Conservation Restrictions.

Goal: Mandatory 10% reduction in daily water usage.

- (1) Use of automatic irrigation systems and hose-end sprinklers is restricted to the one of three-time periods —12:01 AM to 4:00 AM or 7:00 AM to 10:00 AM or 8:00 PM to 11:59 PM — on Designated Watering Days.
- (2) Use of soaker hoses on landscaped areas is only allowed between 12:01 AM and 10:00 AM or between 8:00 PM and 11:29 PM on Designated Watering Days.
- (3) Use of a hand-held hose (unattended hoses are prohibited), a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation systems is permitted any day between 12:01 AM and 10:00 AM or between 7:00 PM and 11:59 PM.
- (4) Washing vehicles (including trailers and boats) with a hand-held bucket or a hand-held hose equipped with an automatic shutoff nozzle is permitted one (1) time every two (2) weeks. Vehicle washing may be exempted from these regulations if the health, safety, or welfare of the public is contingent upon frequent vehicle cleaning, such as garbage trucks or food vending trucks.
- (5) Topping off pools is allowed on Designated Watering Days only. However, filling, refilling, or topping off swimming pools, wading pools, and Jacuzzi-type pools; and the operation of any ornamental fountain or pond for aesthetic purposes except where necessary to support aquatic life or where such fountain or pond is equipped with a re-circulation system, is prohibited.
- (6) Washing or rinsing driveways, sidewalks, or streets is prohibited.

(c) Stage 3: Alarm Restrictions.

Goal: Mandatory 20% reduction in daily water usage.

- (1) Use of automatic irrigation systems and soaker hoses are limited to between 12:01 AM and 4:00 AM or between 8:00 PM and 11:59 PM on Designated Watering Days.
- (2) Use of hose-end sprinklers or hand-held hoses (unattended hoses are prohibited) are limited to only between 12:01 AM and 4:00 AM or between 7:00 PM and 11:59 PM on Designated Watering Days.
- (3) Washing vehicles (including trailers and boats) is prohibited. Vehicle washing may be exempted from these regulations if the health, safety, or welfare of the public is contingent upon frequent vehicle cleaning, such as garbage trucks or food vending trucks.
- (4) Topping off pools is allowed on Designated Watering Days only. However, filling, refilling, or topping off swimming pools, wading pools, and Jacuzzi-type pools; and the operation of any ornamental fountain or pond for aesthetic purposes except where necessary to support aquatic life or where such fountain or pond is equipped with a re-circulation system, is prohibited.
- (5) Washing or rinsing driveways, sidewalks, or streets is prohibited.
- (6) Due to the serious nature of State 3, KRWSC reserves the right to mandate a monthly consumption limit for customers to ensure the target reduction is achieved.

(d) Stage 4: Critical Water Use Restrictions.

Goal: Mandatory 30% reduction in daily water usage.

- (1) Irrigation of landscaped areas is prohibited except by a faucet-filled bucket or watering can of five (5) gallons or less and only between 7:00 AM and 9:00 AM or 7:00 PM to 9:00 PM. Use of soaker hose to hydrate clay adjacent to building foundations is permitted between 6:00 AM and 9 AM and between 8:00 PM and 11:59 PM on the Designated Watering Days.
- (2) All other outdoor water use is prohibited including use of water to wash any vehicles, to fill or top off any pools, fountains, or ponds (except where necessary to support aquatic life), or to wash or rinse driveways, sidewalks, or streets.
- (3) Due to the extreme nature of State 4, KRWSC reserves the right to mandate a monthly consumption limit for customers to ensure the target reduction is achieved.

4. **Penalties for Violations.** During the time mandatory usage restrictions (Stages 2, 3, or 4) are invoked, the following penalty progression will be applied. When usage restrictions return to Stage 1 or lower, the Customer citation count resets to zero.
- (b) **First Violation:** Customer will be sent a written notice of the specific violation.
 - (c) **Second Violation:** Customer will be sent a written notice and fined \$25.
 - (d) **Third and Fourth Violations:** Customer will be sent a written notice and fined \$50. If this violation occurs during Stage 3 or 4 rules, KRWSC may install a flow-restricting device in the water line to limit the amount of water which will pass through the meter. The flow-restricting device will remain in place until the restrictions drop to Stage 2 or lower.
 - (e) **Fifth and Subsequent Violations:** Customer will be sent a written notice and fined \$100. If this violation occurs during Stage 3 or 4 rules, KRWSC will discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever period is shorter. The normal reconnect fee (see Section G-8) will be payable to restore service.
5. **Petitions for Variance.**
- (a) KRWSC may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an bona fide emergency condition adversely affecting the health or sanitation of the public at large or of the Customer petitioning for such variance, and if either of the following conditions are met:
 - (1) Compliance with this Plan cannot be technically accomplished during the duration of the water usage restrictions.
 - (2) Customer agrees in writing to implement alternative methods which will achieve the same level of reduction in water use.
 - (b) Persons requesting a variance shall file a petition with the KRWSC within 5 days after a particular drought response stage has been invoked or after a condition justifying the variance first occurs. Any petition for variance shall include the following:
 - (1) Name and address of the petitioner.
 - (2) Purpose of water use.
 - (3) Specific provision(s) of the Plan from which the petitioner is requesting relief.
 - (4) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what harm will occur to the petitioner or others if petitioner complies with this Plan.
 - (5) Description of the relief requested.
 - (6) Period of time for which the variance is sought.
 - (7) Alternative water use restrictions or other measures the petitioner is taking, or proposes to take, to meet the Plan reduction target.
 - (8) Any other pertinent information requested by KRWSC.
 - (c) All variances granted by KRWSC shall be subject to the following conditions, unless specifically waived or modified by KRWSC:
 - (1) Variance granted shall include a timetable for compliance.
 - (2) Variance granted shall become null and void if the petitioner fails to meet the specific requirements applicable to the petitioner.
 - (3) Variance granted for a condition requiring water usage restriction shall expire when the Stage(s) requiring that restriction are no longer in effect.
 - (4) Any variance for a subsequent water usage restriction must be petitioned for again. The fact that a variance has been granted in response to an earlier petition will have no relevance to KRWSC's decision on any subsequent petition.
 - (5) No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.
6. **Implementation.** KRWSC will implement the Plan as follows. KRWSC will notify Customers of Stage initiation and termination using notices printed on, or inserts included with, the monthly utility bill sent to each Customer. Stage initiation notices will include the Stage number, water usage restrictions, and penalties

for violations. KRWSC may use separate mailings, temporary entry-way signage, and other cost-effective methods of communication as the situation warrants.

This Plan was adopted by the KRWSC Board of Directors at a properly-noticed meeting held on November 29, 2012.

**KENNEDY RIDGE
WATER SUPPLY CORPORATION
SERVICE APPLICATION AND AGREEMENT**

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY

Account Number: _____

PROOF OF OWNERSHIP OF THE PROPERTY MUST BE ATTACHED.

PLEASE PRINT. Service Inspection Date: _____

KRWSC USE ONLY	
Date Approved:	_____
Service Classification:	_____
Cost:	_____
Work Order Number:	_____
Account Number:	_____
Service Inspection Date:	_____

DATE: _____

NAME: _____

TEXAS DRIVERS LICENSE OR ID #: _____

APPLICANT: _____

CO-APPLICANT: _____

CURRENT BILLING ADDRESS: _____

FUTURE BILLING ADDRESS: _____

PHONE NUMBERS:

Home (____) _____ Work (____) _____ Cell (____) _____

LEGAL DESCRIPTION OF PROPERTY:

(Include street address, subdivision phase & lot number) _____

PROOF OF OWNERSHIP PROVIDED BY: _____

PREVIOUS OWNER'S NAME AND ADDRESS: _____

(If lot already has water and sewer connections) _____

YOUR HOUSEHOLD SIZE: _____

(Number of people that will be living at service location)

SPECIAL SERVICE NEEDS OF APPLICANT: _____

THIS AGREEMENT is made this _____ day of _____, 20____, between Kennedy Ridge Water Supply Corporation, a Texas non-profit corporation (hereinafter called KRWSC) and _____ (hereinafter called Applicant and/or Member).

KRWSC shall sell and deliver water and wastewater service to the Applicant and the Applicant shall purchase and receive service from KRWSC according to the Tariff and By-laws of KRWSC, as amended from time to time by the Board of Directors of KRWSC. Applicant qualifies for Membership, and may hereinafter be called a Member, only after Applicant (a) complies with all applicable Tariff and By-law requirements and (b) pays of all applicable connection fees in the case of new service connections or pays of the transfer fee in the ease of existing service connections.

The Member shall pay KRWSC for service as determined by KRWSC's Tariff and under the terms and conditions of KRWSC's Tariff, a copy of which has been provided as an information packet, for which Member acknowledges receipt hereof by execution of this agreement. A copy of this agreement shall be executed before service will be provided to the Applicant.

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

Upon becoming a Member, Applicant agrees to utilize service as soon as it is available, and Applicant agrees to pay the monthly charges for such service as prescribed in KRWSC's Tariff. Any breach of this agreement shall give cause for KRWSC to liquidate, as damages, the fees previously paid to date of the breach. In addition to any fees forfeited, KRWSC may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by KRWSC. If delivery of service to Applicant's location is deemed infeasible by KRWSC as a part of this project, the Applicant shall be denied Membership in KRWSC and all fees paid, less expenses incurred by KRWSC, shall be refunded to Applicant. The Applicant may re-apply for service at a later date under the terms and conditions of KRWSC's policies.

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

KRWSC 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 KRWSC, 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 its business operations, and upon discontinuance of service KRWSC shall have the right to remove any of its equipment from the Member's property. The Member shall install, at Member's expense, any necessary service lines from KRWSC's facilities and equipment to the point of use, including any customer service isolation valves, backflow prevention devices, clean-outs, and other equipment as may be specified by KRWSC. KRWSC 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 KRWSC's Tariff and service policies.

Both KRWSC and its Members responsible for protecting the drinking water supply from contamination caused by improper practices. This Service Agreement serves as notice to each Member of restrictions necessary to provide this protection. KRWSC 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 compliance 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.
- (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.

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

KRWSC shall notify the Member in writing of any cross-connections or other undesirable practices which have been identified during an inspection. The Member shall immediately correct any undesirable practice on Member's property. The Member shall, at Member's expense, properly install, test, and maintain any backflow prevention device required by KRWSC. Copies of all testing and maintenance records shall be provided to KRWSC upon request. Failure to comply with the terms of this Service Agreement shall cause KRWSC to either terminate service or install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this Agreement shall be the sole responsibility of Member.

In the event the water supply is insufficient to meet the Members' normal consumption level, or in the event there is a shortage of water, KRWSC may initiate the Drought Contingency and Emergency Water Demand Management Plan specified in KRWSC's Tariff. By execution of this agreement, the Applicant agrees to fully comply with the terms of that Plan.

Applicant agrees to hold KRWSC harmless from any and all claims for damages caused by service interruptions due to waterline breaks, tampering by other Members, normal failures of the system, or other events beyond KRWSC's control.

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

By execution of this Agreement, the Applicant shall guarantee payment to KRWSC of all rates, fees, and charges due on any account for which Applicant owns a Membership. Termination of Membership shall result in discontinuance of service under the terms and conditions of KRWSC's Tariff.

By execution of this Agreement, the Applicant agrees that Applicant's non-compliance with its terms shall result in denial or discontinuance of service until such time as the violation is corrected to the satisfaction of KRWSC.

Any misrepresentation of the facts by the Applicant anywhere in this Agreement shall result in denial or discontinuance of service.

Signature of Applicant

Date

Signature of KRWSC Representative

Date

**KENNEDY RIDGE
WATER SUPPLY CORPORATION**

KRWSC USE ONLY
Date Approved: _____
Account Number: _____
Billing Database Update: _____

TENANT BILLING AUTHORIZATION FORM

KRWSC may, but is not required to, bill a Member's Tenant as a convenience to the Member. Tenant Billing is at KRWSC's sole discretion and KRWSC reserves the right to discontinue Tenant Billing at any time. Only Standard Service residential connections will be considered for Tenant Billing. Members with Master-Metered Accounts are solely responsible for their Tenant billing. FORM MUST BE COMPLETED BY MEMBER ONLY, PLEASE PRINT.

MEMBER/LANDLORD: _____

KRWSC ACCOUNT NUMBER: _____

SERVICE ADDRESS: _____

I hereby request Kennedy Ridge Water Supply Corporation consider sending all monthly water utility bills for my account described above to the person(s) and address below until further written notice.

NAME(S) OF TENANT(S): _____

TENANT'S BILLING ADDRESS: _____

TENANT'S PHONE NUMBERS:

Home (____) _____ Work (____) _____ Cell (____) _____

Member/Landlord remains the Customer of KRWSC. Tenant is neither Member nor Customer of KRWSC. Member remains responsible for all charges due KRWSC for service, including any and all unpaid bills left by the Tenant. It is the Member's responsibility to collect a sufficient deposit from the Tenant to ensure payment of any past due bill. KRWSC will notify the Member of the Tenant's past due payment status prior to disconnection of service. (Tariff Section E-10.)

KRWSC may offer — but is not required to offer — a deferred payment plan to a rental Tenant who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by KRWSC, including any Late Penalty Fees or interest on the monthly balance to be determined by written agreement. KRWSC shall notify the Member/owner of the deferred payment agreement. Failure of Tenant to make required payments on time under a deferred payment agreement will void that agreement and service will be discontinued. If service is disconnected for nonpayment of any amount under a deferred payment agreement, service will not be restored until both the account and all other charges resulting from the service disconnection are paid in full. (Tariff Section E-14.)

If Member requests that Membership be canceled, thereby discontinuing service to an occupied rental property, KRWSC will provide written notice to the Tenant a minimum of five (5) days prior to the scheduled disconnection date. (Tariff Section E-I O.) KRWSC assumes no liability to Member's Tenant. Member is solely responsible for compliance with, and liability under, all federal, state, or local law protecting the rights of Tenants/renters. (Tariff Section F-17(a)(8).)

Member Signature _____ Date _____

KRWSC TENANT BILLING AUTHORIZATION FORM

Page 1 of 1

**KENNEDY RIDGE
WATER SUPPLY CORPORATION**

<p>KRWSC USE ONLY</p> <p>Date Received: _____</p> <p>Account Number: _____</p> <p>Database Update: _____</p>

INFORMATION CONFIDENTIALITY REQUEST

KRWSC is subject to the Texas Public Information Act. Therefore, most information collected, assembled, or maintained by or for KRWSC is subject to disclosure to the public upon request. An individual Member/Customer may use this form to request that his or her address, telephone number, and account records be kept confidential. Such confidentiality does not prohibit KRWSC from disclosing this information to an official or employee of Travis County or the State of Texas, acting in an official capacity, or to a Director, employee, contractor, or agent of KRWSC acting in connection with that person's official duties. Further, such confidentiality does not prohibit KRWSC from disclosing the name and address of each Member entitled to vote on a list to be made available to KRWSC's voting Members, or their agents or attorneys, in connection with a meeting of KRWSC's Members. If Membership account in more than one Member name, signature of any one Member on this form is sufficient to invoke account information confidentiality. FORM MUST BE COMPLETED BY MEMBER ONLY. PLEASE PRINT.

MEMBER NAME: _____

KRWSC ACCOUNT NUMBER: _____

SERVICE ADDRESS: _____

I hereby request Kennedy Ridge Water Supply Corporation keep my account information confidential to the extent permitted by law. I understand the KRW SC is subject to the Texas Public Information Act.

Member Signature _____ Date _____