



TARIFF OF
MANVILLE WATER SUPPLY CORPORATION

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This tariff is effective for operations under all Certificates of Convenience and Necessity issued to and held by Manville Water Supply Corporation, (hereinafter "Manville") as from time to time amended, under authority of the Public Utility Commission of Texas, its predecessors or successors, (hereinafter "PUC.")

This tariff is effective in all counties in which Manville conducts operations, in all cities and special districts in which Manville provides retail water service, and in all subdivisions and to all members to which Manville provides retail water service as identified on PUC service area maps.

This tariff is not applicable to wholesale contract customers of Manville, whose rights and obligations are defined and set out in individual contracts, except as herein specifically provided. When inconsistent, the individual contracts in writing shall prevail.

Manville will make reasonable provisions to supply adequate and continuous water service to all of its members and wholesale customers, but does not guarantee water service against fluctuations, pressure deficiencies, or interruptions. Manville will not be liable for any damages, whether direct or consequential, including, without limitation, loss of profits, loss of revenue, loss of production capacity, or personal injury, property damage or inconvenience, occasioned by pressure fluctuations or service interruptions unless it be shown that Manville had been grossly negligent in failing to supply adequate and continuous water service, consistent with the member or wholesale customer's class of service. In the event of a failure to make such reasonable provisions (whether as a result of gross negligence or otherwise), Manville's liability shall be limited to the cost of necessary repairs of physical damage proximately caused by the failure or interruption of service to those water facilities of the member or wholesale customer that were installed and maintained by Manville, or under the supervision and with the written approval of Manville.

MANVILLE is an equal opportunity provider and employer.

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SECTION 1.0 – DEFINITIONS; RATE SCHEDULE

Section 1.01 Definitions

"Capital Recovery Fee" means the cost for one or multiple new meter connections to recover Manville's costs of existing and future capacity enhancing capital improvements.

"Dwelling" or "Dwelling Unit" means a home, house, mobile home, alternative dwelling unit (ADU) manufactured home, apartment unit or any unit in a multi-unit residential structure. A recreational vehicle that is not located in a recreational vehicle park shall be considered a dwelling under this tariff if it is connected to a Manville meter and is used for human habitation.

"Developer" An individual, partnership, corporation, or other legal entity that has subdivided land or desires to subdivide land or requests more than two water service connections on a single contiguous tract of land.

"Developer Subdivision Project" The construction of facilities by a Developer to serve a Subdivision owned or controlled by the Developer, including water lines and related equipment necessary to transport water from General Purpose Transmission Facilities to provide water service to individual lots in a Subdivision, which facilities will be deeded to Manville.

"Flag Lot" means a parcel of land generally situated behind a lot or lots that front a street and is accessible from the street only over a narrow access strip. A Flag Lot does not have street frontage except along the width of the access strip.

"Large Volume Service" means service provided by means of a connection with a meter size larger than one (1) inch.

"Large Volume Service - Single Owner" means water service provided to a single tract of land owned by a single person, corporation, or other entity by means of a connection with a meter size larger than one (1) inch, and for commercial, industrial, agricultural, and similar nonresidential uses, and excludes apartment, condominium and townhome projects. Water provided under Large Volume Service - Single Owner shall not be sub metered for resale, except in conformity and compliance with PUC submetering regulations.

"Large Volume Service - Multiple Owner" means water service provided to a multiple owner residential development, such as townhouses, condominiums, or cluster homes by means of a connection with a meter size larger than one (1) inch. Water provided under Large Volume Service - Multiple Owner shall not be

sub metered for resale, except in conformity and compliance with PUC submetering regulations.

“Large Volume Service - Conservation Districts” means water service provided to a conservation district created pursuant to Article XVI, Section 59, of the Texas Constitution, such as a municipal utility district or a water control and improvement district, or to a municipal corporation, by means of a connection with a meter size larger than one (1) inch. Water provided under Large Volume Service - Conservation Districts may be metered or sub metered for resale by the district within the boundaries of the district or municipality, but no sales of water are permitted outside the geographic boundaries of the district or municipality.

“Living Unit Equivalent” (LUE) means the equivalent of one single family residence that can be adequately served by a 5/8” X 3/4” water meter.

“Manufactured Housing” means a structure transportable in one or more sections which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. This term shall include any structure defined as a mobile home, HUD-code manufactured home, or manufactured home by Section 1201.003(12), Texas Occupations Code.

“Non-standard Agreement” (NSA) means a contractual agreement between Manville and an applicant for service beyond standard, individual, residential service, typically for developments requiring multiple LUE.

“Recreational Vehicle” means a vehicle which is:

- a. Built on a single chassis;
- b. 400 square feet or less when measured at the largest horizontal projection;
- c. 102 inches or less in width;
- d. Self-propelled or permanently towable by a light duty truck; and
- e. Designed primarily not for use as a permanent dwelling, but as temporary living quarters for recreational, camping, travel, or seasonal use.

“Recreational Vehicle Park” means a property on which parking spaces for recreational vehicles are rented to the general public primarily for transient use, or for which rent is calculated on a daily or weekly basis.

“Standard Service” means service provided by means of a connection with a meter size one (1) inch or less.

“Subdivision” The division of any lot, tract, or parcel of land within the Service Area of Manville, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded.

“Water Capacity Reservation Fee” means a commitment fee to reserve available water capacity in Manville’s System for a specific amount of time. Such fees may be determined pursuant to the terms and conditions of a Non-standard Service Agreement, as determined by Manville at its sole discretion.

“Water Line Locating Fee” means the cost that a developer requesting Manville to locate a water line for non-emergency purpose must pay per pothole.

Section 1.02 - Rates

Except as otherwise provided herein, the retail water rates of Manville are appended hereto in Exhibit A, incorporated herein for all purposes. Rates and charges are subject to amendment from time to time by the Board of Directors of Manville.

Capital Recovery Fee

An applicant for service shall pay a Capital Recovery Fee as described in Exhibit A, per LUE of service requested, plus any other applicable fees.

Standard Service

The monthly service charges for the Standard Service shall include the sum of the monthly minimum charge plus the usage charge for gallonage above the minimum as shown in the tables attached as Exhibit A, and for all purposes incorporated herein.

Large Volume Service

The minimum monthly charge for Large Volume Service shall include the sum of the monthly minimum charge plus the usage charge as shown in tables attached as Exhibit A. For Large Volume Service provided to a local, state, or federal governmental entity, the monthly charges will be set on a case-by-case basis, or by contract.

Multiple Connection Service - Transient Use Facilities

A business such as a recreational vehicle park or motel/hotel that serves transient customers shall be required to pay only one monthly minimum charge for water service to customers of the business. A recreational vehicle park shall pay only one monthly minimum charge for water service provided to

recreational vehicles regardless of the number of such vehicles served by the meter. Similarly, a motel/hotel shall pay only one monthly minimum charge for water service provided to motel/hotel rooms regardless of the number of rooms served by the meter. In each case, usage charges in excess of the monthly minimum charge shall apply.

Multiple Connection Service - Master Metered Non-transient Use

The monthly minimum charge for residential master meter service using meters of one (1) inch or less for duplexes, apartments, multiunit residential structures, condominiums, townhomes, or manufactured housing parks shall be equal to the monthly minimum charge for 5/8" x 3/4" meter times the number of dwelling units connected to the master meter on the date of meter reading each month. Where a master meter larger than one (1) inch is installed as a Large Volume Service pursuant to a feasibility study performed by Manville's engineer, the monthly charge for the master meter shall be equal to the monthly minimum charge for a 5/8" x 3/4" meter times the LUE capacity of the meter as determined and calculated by Manville's engineer, whose determination shall be final. Usage charges in excess of the monthly minimum charge as calculated shall apply.

Multiple Connection Service - General Provisions Applicable to 5/8" x 3/4" Meters

If allowed under this tariff as an exception to Manville's "one dwelling per meter" policy stated in Section 2.05, when more than one dwelling is connected to a single meter, the member shall pay a multiple of the monthly minimum charge, corresponding to the number of dwellings connected to the single meter, plus usage charges. Member must be in compliance with the PUC "one dwelling per meter regulation", as a condition of service or of continued service.

Recreational Vehicle and Manufactured Homes - General Provisions

When any recreational vehicle used for human habitation is parked in a location other than a recreational vehicle park and is connected to a meter, a monthly minimum charge must be paid for that vehicle. Also, a monthly minimum charge must be paid for each and every manufactured home connected to a meter, unless the manufactured home is located in a manufactured housing park where a master meter larger than one (1) inch has been installed as a Large Volume Service pursuant to a feasibility study performed by Manville's engineer, in which case the monthly charges for the master meter shall be equal to the monthly minimum charge for the 5/8" x 3/4" meter times the LUE capacity of the meter as determined by Manville's

engineer, whose determination shall be final. In each case, usage charges in excess of the monthly minimum shall apply.

Regulatory Assessment

A Regulatory Assessment equal to 0.5% of the monthly charge for retail water service shall be collected from each member.

Section 1.03 - Connection Fees

Fees for new connections shall be assessed and collected as follows:

i. Single Dwelling or Single Non-Residential Business Connection

Meter Installation- Straight Set
(No line extension, no road crossing)

For single dwelling or single non-residential business connections, the connection fee and other charges shall be those set out in Exhibit A, attached hereto and incorporated herein.

ii. Multiple Connection Service

Meter Installation- Straight Set
(No line extension, no road crossing)

The connection fee for a multiple dwelling connection such as a recreational vehicle park, apartment larger than a four-plex, or other multiunit residential structure or project larger than a four plex, shall include the meter setting fee for the meter specified by Manville's engineer, whose determination shall be final, plus a capital recovery fee equal to 70% of the capital recovery fee for a 5/8" x 3/4" meter times the number of dwelling units to be connected to the meter.

Master meter service is available only for apartments, multiunit residential structures larger than a four-plex, recreational vehicle parks, and manufactured housing parks. All other residential service must comply with the one dwelling per meter policy stated in Section 2.05 of this tariff.

Whenever an increase is proposed in the number of dwelling units, the member shall pay Manville the appropriate fees to Manville, including but not limited to capital recovery, engineering, and feasibility studies, before making such expansion. Whenever Manville determines that the number of dwelling units connected to the master meter exceeds the number of units that have been paid for by the member, the member shall pay a capital recovery fee equal 70% of the capital recovery fee for a 5/8" x 3/4" meter times the number of additional dwelling units that are connected to the meter. Fees for the

additional dwelling units shall be paid upon the effective date of the NSA, if applicable, or upon other notice provided to the applicant that the Manville has approved LUE for any additional dwelling units. Failure to make timely payment shall result in termination of all water service to the member at the subject address.

Manufactured housing parks shall not be eligible for the 70 % capital recovery fee calculation but shall pay one capital recovery fee per space.

iii. Large Volume Service - Single Owner

In order to obtain Large Volume Service - Single Owner, an applicant must obtain a feasibility study and must pay the meter setting fee, capital recovery fees, and membership fee as set forth in Exhibit A. Large Volume Service is only available with meter sizes larger than a 5/8" x 3/4" meter size.

The connection fee for Large Volume Service - Single Owner shall be as shown in Exhibit A. For meters larger than 1", the connection fee shall be the actual cost for purchasing and installing the meter and any flow restriction and backflow prevention devices specified by Manville's engineer, plus the capital recovery fee for a 5/8" x 3/4" meter times the equivalent LUE capacity of the meter, with allowances made for any flow restriction devices installed at member's expense. The membership fee for Large Volume Service - Single Owner shall be as noted in Exhibit A.

Size and adequacy of the proposed meter shall be determined by the Manville engineer as part of the feasibility study, and the determination of the Manville engineer shall be final. Large Volume Service - Single Owner is available only for commercial, industrial, agricultural, and similar non-residential uses, and is not available for residential structures or projects. It is not available for manufactured housing parks.

iv. Large Volume Service - Multiple Owner

The connection fee for Large Volume Service - Multiple Owner shall include the meter setting fee for the meter size specified by Manville's engineer plus a capital recovery fee equal to 70% of the capital recovery fee for a 5/8" x 3/4" meter times the number of residential dwelling units to be connected to the meter. The membership fee for Large Volume Service - Multiple Owner shall be as noted in Exhibit A for each owner. The monthly charge for Large Volume Service - Multiple Owner shall be determined according to the rates for Large Volume Service, supra. Large Volume Service - Multiple Owner shall be subject to the limitations and terms set forth in Section 2.10(b) and the requirements of any rules and regulations concerning Manville's service to subdivisions. Large Volume Service - Multiple Owners is available only to

multiple owner residential developments, such as townhouses, condominiums, or cluster homes, larger than a four-plex. It is not available for manufactured housing parks.

v. Large Volume Service - Conservation Districts

Unless otherwise provided by contract, the membership fee for Large Volume Service - Conservation Districts shall be as noted in Exhibit A, and the monthly charge for Large Volume Service - Conservation Districts shall be determined according to the rates for Large Volume Service, or by contract. Large Volume Service - Conservation Districts shall be subject to the limitations and terms set forth in Section 2.10(c), and such other limitations as may be imposed by contract.

(a) Water Storage and Pressurization provided by the Conservation District Customer

Unless modified by contract, the connection fee for Large Volume Service - Conservation Districts, where the customer provides all water storage and pressurization necessary to provide water service within the boundaries of the customer, shall be determined according to the provisions for Large Volume Service - Single Owner set forth in this Tariff.

(b) Water Storage and Pressurization provided by Manville

Unless modified by contract, the connection fee for Large Volume Service - Conservation Districts, where Manville provides the water storage and pressurization necessary to provide water service within the boundaries of the customer, shall include the meter setting fee for the meter size specified by Manville's engineer plus a capital recovery fee equal to the capital recovery fee for a 5/8" x 3/4" meter times the number of Lies to be connected to the meter. The customer must pay a water storage and pressurization fee based on Manville's associated costs of storing and pressurizing the customer's water capacity.

Manville's Board of Directors may by contract modify the above connection fees and conditions of service in specific cases for the purpose of encouraging development, or for the benefit of the Manville ratepayers. The General Manager shall make an assessment of the facts and circumstances of appropriate cases and make a recommendation to the Board of Directors.

vi. Flag Lots

Because the meter location on a Flag Lot will subject the meter to vehicular traffic, Manville, at the sole expense of applicant, will select a meter box or boxes designed and constructed to minimize the likelihood of damage from

vehicular traffic. Manville requires the flag or access utility easement providing entry to the lot to have a minimum street/road frontage of 30 feet.

vii. Charge for Line Extensions and Road Crossings

Line extensions and road crossings are at the sole expense of the customer. These costs are subject to change and to prevailing contractor prices. Manville will select the contractor who, in the opinion of Manville’s Board of Directors, provides the lowest and best bid. Manville’s selection of a contractor shall be final and binding on the customer. All lines and other infrastructure shall become the property of Manville.

viii. Additional Charges and Regulations

Requests for service or supplemental service other than that set out in the Exhibit A or B or Membership and Connection Fee provisions shall be considered additional charges and shall be determined on a case by case basis by Manville's engineer, unless otherwise addressed in this tariff.

When possible, meters should not be placed in locations where they may be subjected to vehicular traffic, such as a meter placed under a driveway providing access to a dwelling. If an applicant desires that one or more meters be placed in a location where, in the opinion of the General Manager, the meter(s) may reasonably be subjected to vehicular traffic of any sort, then at the sole expense of applicant: (1) the meter box(es) installed shall be designed and constructed to minimize the likelihood of damage to the meter(s) resulting from said vehicular traffic; and (2) prior to installation of the meter(s), the meter box(es) proposed for use shall first be submitted to Manville’s engineer for approval. In cases of dispute, the determination of the General Manager as to meter location, boxes, and similar conditions shall be final.

Section 1.03 (a) Backflow Prevention; Pressure Booster

i. When Manville determines that backflow prevention is required in connection with a meter, the applicant must pay all costs for materials and installation of a backflow prevention device. In the situation where there will be a significant drop in pressure between the meter and the structure where service is to be provided, the applicant requesting service may seek a determination of the feasibility of using a pressure booster unit to serve the structure. This condition is typically caused by a significant difference between the elevation of the meter and the elevation of the structure. If Manville determines a pressure booster unit to be feasible, the applicant for service may elect to have a contractor of the applicant’s choice install the unit or have Manville install the unit subject to the applicant paying all installation costs. The applicant must also pay all costs for materials and installation of a backflow prevention device as required at a location where a pressure booster

unit is installed. Manville may elect to pay the cost of materials and installation of a pressure booster unit at a location which serves more than one member or is remote from Manville's pumping and storage facilities and where no improvements to Manville's System are planned.

ii. All members are required to notify Manville of an actual or potential contamination hazard by submitting a completed Backflow Prevention Assembly Test and Maintenance Report form (TCEQ- 20700). At any residence or establishment where an actual or potential contamination hazard exists, the member is required to install additional protection in the form of an air gap or backflow prevention assembly device. Manville's backflow prevention program identifies potential sources of contamination to Manville's System on a member's property and determines the degree of the existing hazard and the required installation of a backflow prevention assembly device.

iii. Upon installation of the backflow prevention assembly, a Backflow Prevention Assembly Tester must complete TCEQ's Backflow Prevention Assembly Test and Maintenance Report, required by TCEQ, and submit it to Manville. Only a licensed Backflow Prevention Assembly Tester can complete the test and report for the backflow prevention device. Members may obtain a list of licensed testers by contacting Manville. Members must complete backflow testing within 30 days of Manville installing a meter on the subject property. If a member fails to do so, Manville may lock the meter or otherwise discontinue service.

iv. TCEQ requires annual testing of all cross connections assessed as a health hazard. The TCEQ testing requirement applies to any irrigation system installed on sites with an on-site sewage facility (OSSF), such as a septic tank, and which is connected to Manville's System. The existence of the OSSF elevates the classification of the irrigation system to a health hazard requiring annual testing. TCEQ grandfathered backflow prevention devices installed before 2009 until they require "major maintenance, alteration, repair, or service." When the backflow preventer can no longer be repaired in-line and has to be replaced, the owner must upgrade to the required Reduced Pressure assembly (RP). Testable backflow prevention devices on irrigation systems installed on sites without an on-site sewage facility and not classified as a health hazard require testing every three (3) years. Manville mails a notice to the member when it is time for the retest.

v. Manville will test any unreported and/or suspected contamination hazards at the members' expense at \$250.00 per test. In the event a member refuses to allow such testing, Manville will follow established TCEQ guidelines in dealing with the potential for contamination and assess any related expenses against the member.

vi. Applicable fees under this section are provided under Exhibit B.

Section 1.04 - Miscellaneous Fees

All schedule of the fees described below provided under Exhibit B of this Tariff, unless otherwise noted.

BACKFLOW TESTING FEE

Fee for testing backflow devices per TCEQ regulations.

BACKFLOW PREVENTION FEE

To identify potential sources of contamination and pollution to Manville's System on a member's property and determines the degree of the existing hazard and the required installation of a backflow prevention assembly device.

BASE MONTHLY FEE

The minimum monthly service charge all customers shall pay, regardless of their volumetric use of water, according to meter size.

BULK WATER FEE PER 1,000 GALLONS

All persons or entities receiving actual water service shall pay a monthly volumetric usage rate.

BULK WATER BASE FEE

All persons or entities receiving actual water service shall pay a monthly Water Base Fee.

BULK WATER DEPOSIT

A person seeking bulk service from Manville must complete a bulk water application and pay a deposit. This meter is for temporary use only, up to 12 months with a 6-month extension if requested and will have a non-prorated monthly base fee. Deposit will be forfeited for any equipment lost, stolen or damaged during the term of the bulk water agreement.

CUSTOMER SERVICE INSPECTION FEE

The customer service inspection fee is payable whenever a customer service inspection is required under this Tariff.

DATA LOG

Each member is entitled to one detailed water usage report per year. Additional reports are available for a fee.

EMERGENCY LIVESTOCK BASE FEE

Members may apply to the Corporation pursuant to Section 4.03 of this Tariff for a water meter to be used solely on a temporary basis to provide water to livestock during extreme drought or other conditions that may affect the welfare and safety of a member's livestock.

EMERGENCY STANDBY FEE (FIRE FLOW)

Fee for the Corporation to maintain the required emergency water service on a standby basis.

ENGINEER DESIGN FEE

Fee to design off-site improvements, to obtain bids from Manville contractors and provide a cost estimate for all improvements to a developer for payment.

EQUIPMENT DAMAGE FEES

For residential connections with a meter of 1" or less, equipment damage fees will be charged to compensate Manville for repairs due to damage to Manville's water distribution system which is caused by an unauthorized connection or reconnection of water service where such service has been discontinued. In all cases where the actual cost to Manville of equipment damage exceeds the foregoing charges, the actual cost shall be levied. Equipment damage fees for connections with meters larger than 1" will be determined on a case-by-case basis according to the actual costs incurred by Manville because of such damage.

FEASIBILITY STUDY FEE

When required by this tariff, all requests for a feasibility study shall be accompanied by a non-refundable study fee.

FIRE FLOW / WATER DISTRIBUTION TESTING FEE

Conduct a flow test on Manville's Distribution System that a developer or other applicant is requesting to determine the water availability to meet flow requirements.

LUE EXTENSION FEE

An additional fee paid by a developer, who has paid 100 percent (100%) of the Capital Recovery Fees applicable to a subject development, to extend the length of time, beyond four (4) years, that the Corporation will continue to reserve the LUEs provided under an NSA and as secured by the developer's payment of the Capital Recovery Fees.

MEMBERSHIP FEE

All persons or entities seeking retail water service from Manville must become members of the corporation. The membership fee is refundable upon sale of property less any outstanding balance. The membership fee is not transferable except in cases of inheritance or division by divorce.

METER ACCURACY TEST FEE

A meter accuracy test professionally performed pursuant to Section 2.05 of this Tariff.

PLAN REVIEW FEE

Fee due upon Manville approval of new development for plan review, comments, specifications, and plan approval by the Corporation.

RECONNECT - RESET FEE

When there has been no change in ownership or right of possession, a reconnection fee must be paid before service can be restored to a member whose service has been disconnected. The reconnect fee must be paid in the form of cash, money order, cashier's check or credit card if the service was disconnected for non-payment.

When there has been a change in ownership or right to possession, the new owner shall pay a meter and account reset fee equal to the then-effective reconnection fee. The meter and account reset fee must be paid before service can be restored for the new owner. Additionally, a membership fee must be paid. Payment of a membership fee will be required in all cases where the previous membership was forfeited or otherwise terminated. At service locations where equipment tampering or an unauthorized connection has resulted in forfeiture of membership fee and the connection fee, the fees in effect at the time reconnection of service is requested shall apply.

At service locations where equipment tampering or an unauthorized connection has resulted in forfeiture of membership and connection rights, the former member shall be required to make full payment of the membership fee and the connection fee in effect at the time service is requested. Additionally, the former member shall be required to make full payment of applicable equipment damage fees. When the meter has been out of service for four years or more, the owner shall pay for a new meter, inspection fee and

installation as per Exhibit A.

Water connections are not transferable to other service locations within the system but shall attach to the land to which they were originally allocated and convey with the land.

RETURNED CHECK CHARGE

Returned checks must be redeemed in the form of cash, money order, cashier's check or credit card.

SITE EVALUATION FEE

A non-refundable fee for new single meter service, additional service or an estimate to provide service to a tract of land other than properties requiring a feasibility study.

TEMPORARY RECONNECTION FEE

To temporarily reconnect a service for renovation, inspection, or construction, the service shall not be reconnected for longer than 3 days. The fee for temporary reconnection is the temporary reconnection fee plus a consumption fee as noted in Exhibit A per 1,000 gallons.

TEMPORARY SUSPENSION OF SERVICE FEE

A member may request that the Corporation temporarily lock the member's meter. This fee will apply to restore temporary suspension of service per Exhibit B.

TEST FOR CONTAMINATION HAZARDS

Test for any unreported and/or suspected contamination hazards at the members' expense per test. In the event a member refuses to allow such testing, Manville will follow established TCEQ guidelines in dealing with the potential for contamination.

WATER CAPACITY RESERVATION FEE PER LUE

Manville will assess this fee to reserve available water capacity in Manville's system for a specific amount of time as stated pursuant to an NSA or as otherwise required under this Tariff.

WATER LINE LOCATING FEE

Fee for developer requesting Manville to locate a water line for a non-emergency purpose must pay a fee for each pothole Manville must dig to locate the water line.

SECTION 2.0 – SERVICE AND RULES AND REGULATIONS

Section 2.01 – Application for Service

An owner of title to real property or a purchaser under an executory contract for conveyance of real property (“contract for deed”) may file an application for service and seek to become a member of Manville. All applications for service will be made on Manville’s standard service application and service agreement forms and must be signed by the applicant before water service will be provided by Manville.

A separate application or contract will be made for each service at each separate location. All applications for service must submit a legal description of the property to be served which shall consist of the lot, block, and section number for land in a platted subdivision, or shall consist of a metes and bounds description for tracts of land that are not platted, together with a legible highway map depicting the proposed location of the point of service.

No application for service within a subdivision shall be approved unless the developer has fully complied with all the requirements for service to subdivisions, including, without limitation, full payments of all capital recovery fees, and full payment of all sums of money owed to Manville for any purpose, and full compliance with all conditions for service imposed by Manville. No retail service may be initiated to any tract if the developer has delinquent outstanding indebtedness to Manville.

If two or more meters are used to provide water service to a single contiguous tract of land, Manville shall not transfer one or more of the associated memberships if such transfer will result in service to a subdivided tract of land where all the requirements for service to subdivisions have not been satisfied.

An applicant seeking service for a tract of land located in a subdivision must provide information showing compliance with all applicable city and county subdivision ordinances. This information shall include a copy of the recorded deed conveying the property to the applicant and a copy of the recorded plat depicting the property. Pursuant to Section 13.2501 of the Texas Water Code, Manville will refuse to serve an applicant if the requested service is prohibited under Section 212.012 or 232.0047 of the Texas Local Government Code, which require certification of compliance with plat requirements prior to connection of water, sewer, electricity, gas, or other utility service.

Section 2.01(a) – Application for Service

In the case of a residential or commercial condominium project, PUD, or similar entity governed by a property owner's association managed by a board of directors elected by the individual property owners, Manville may accept the association as an obligor under the terms of this Tariff, without prejudice to the continuing obligations and liabilities of the developer, unit owners, or members. At the discretion of the Manville General Manager, for purposes of billing, maintenance, and similar management functions, the association may be permitted to act for and on behalf of its membership in its dealings with Manville.

Upon sale of title to property, the new owner(s) must comply with the "one dwelling per meter" policy contained in Section 2.05 of this tariff. If additional meters are required, the new owner must pay the corresponding number of connection fees and membership fees.

Section 2.02 - Water Installation, Initiation of Service

After the applicant has met all requirements, conditions, and regulations herein set forth, and paid all fees applicable thereto, Manville will then install a connection, meter, and cut-off valves and take all necessary administrative actions to initiate service.

Section 2.03 - Refusal of Service

Manville shall decline to serve an applicant, and shall decline to provide service within an applicant's project or development, and shall discontinue existing service, until such applicant has complied with all Federal, State and Municipal regulations applicable to the property, all fiscal requirements of Manville, and for the following reasons:

- (1) The applicant's installation or equipment internal to the project is deemed by Manville's engineer to be inadequate, unsafe, or of such character that satisfactory service cannot be given;
- (2) The applicant is indebted to Manville or any utility for the same kind of service as that being applied for;

- (3)** The applicant is indebted to Manville in any capacity or has failed to comply with conditions for service imposed by Manville;
- (4)** The applicant refuses to pay a membership fee or refuses to make a deposit, if applicant is required to make a deposit to Manville;
- (5)** Serving the property is prohibited by Section 212.012 or 232.0047 of the Texas Local Government Code, which require certification of compliance with plat requirements prior to connection of water, sewer, electricity, gas, or other utility service;
- (6)** More than one dwelling will be connected to a single meter on the property, unless the service location qualifies for master meter service under this tariff;
- (7)** The meter to be set would be located within a 100 Year Flood Plain as established by the Federal Emergency Management Agency; or another unit or subdivision of government;
- (8)** The applicant fails or refuses to have a customer service inspection performed or fails or refuses to submit a properly completed customer service inspection certification form as required by Manville or TCEQ regulations;
- (9)** The applicant refuses to provide Manville such easements and rights of access Manville determines to be necessary in order to maintain continuous and adequate service throughout Manville's service area;
- (10)** The applicant makes any material misrepresentation of fact to Manville in his application or during the course of the application process;
- (11)** No additional service shall be initiated to a project or tract of land, and any existing service shall be disconnected, if the applicant or ratepayer cannot demonstrate compliance with all applicable state, county, and municipal ordinances or regulations for the lawful disposal of sewage, with all required sewage disposal permits in place for each structure on the property for which water service is requested or required under Section 2.05 ("One Meter Per Dwelling Policy").

Section 2.04 - Security Deposits, Bankruptcy

If a member or applicant has filed a petition for relief in U.S. Bankruptcy Court, Manville may require a security deposit to assure payments for service in accordance with 11 U.S.C. 366. Unless otherwise ordered by the Court, the required security deposit shall be as noted in Exhibit B.

Section 2.05 - Meter Requirements, Readings and Testing

All water sold by Manville shall be billed based on meter measurements. Manville shall provide, install, own, and maintain meters to measure amounts of water consumed by its members.

Pursuant to 16 Tex. Admin. Code, § 24.169, one meter is required for each residential, commercial, or industrial facility.

Manufactured housing parks will be allowed to serve more than one manufactured home through a master meter, provided that all minimum monthly charges and usage charges are paid in accordance with Section 1.02 of this tariff. Apartment buildings, duplexes or other multi-unit residential structures, and recreational vehicle parks may be served by a single master meter for each structure or connection, provided that all minimum monthly charges and usage charges are paid in accordance with Section 1.02 of this tariff.

Upon request by a customer, Manville will have a meter professionally tested for accuracy. If the meter is found to be within the accuracy standards established by the American Water Works Association, the customer shall be charged as noted in Exhibit B and shall pay the cost of the test. If the meter is found to be outside the accuracy standards established by the American Water Works Association, Manville will pay the cost of the test, and Manville will take whatever steps are necessary to provide an accurate meter.

ONE DWELLING PER METER POLICY

In keeping with PUC regulations, it shall be Manville's policy to require one paid meter and connection for each residence and dwelling for human habitation.

If the General Manager detects possible multiple dwellings on one meter, the General Manager shall communicate verbally and in writing to the suspected party and/or parties violating this policy and require pre- payment for the setting of additional water meters for the dwellings requiring same.

Non-compliance shall constitute basis for a disconnection from Manville, with reconnection fee to be borne by the member, upon full compliance.

The General Manager shall also enforce any corporation rules, regulations and bylaws in the event of non- payment of any other water charges or other indebtedness.

In the event that more than one monthly minimum charge is currently being paid by a member and is currently being accepted by Manville for service to more than one dwelling connected to a single meter, service will be continued, accepting two or more minimum payments (plus applicable usage charges) each month until such time as the property is sold in whole or part. The new owner(s) must then comply fully with this one meter per dwelling policy by submitting an application and all fees as determined by Manville.

When property having more than one dwelling connected to a single meter is subdivided, an owner of the subdivided portion of the property who wishes to continue water service must become a member of Manville and obtain a meter dedicated to providing water service to the individual portion of the property.

Each owner of a portion of the property shall be required to convey to Manville any easements that are necessary or appropriate to provide water service to other portions of the property. The new service connection shall be subject to all of the requirements of Manville's tariff and the rules and regulations contained herein, including, without limitation, full payment of connection fees and membership fees. Failure to have meters installed to serve each tract may result in disconnection of service to any or all subdivided portions of the property.

Multiple Meters on a Single Tract of Land

If the owner desires to obtain more than two meters for a single contiguous tract of land, the owner must submit a written request for a Feasibility Study and pay applicable fees to determine if there is sufficient capacity in Manville's system to serve the additional meters. The owner must pay a Water Capacity Reservation Fee for each additionally requested meter. Manville may require an owner requesting more than two meters for a single contiguous tract of land to obtain Large Volume Service in lieu of multiple meters.

If the owner desires to obtain more than one meter for a single contiguous tract of land and the tract is a Flag Lot, Manville will review the request and may require further analysis before approval. Manville allows no more than two meters on a single contiguous tract of land that is a Flag Lot.

Manville will not locate a meter in an access easement unless the tract is a Flag Lot with road frontage or has an access utility easement acceptable to Manville. If the owner desires to obtain more than one meter in an access easement for a single contiguous tract of land that is a Flag Lot with road frontage or with an acceptable access utility easement, Manville will review the request and may require further analysis before approval.

Section 2.06 - Billing

Water bills shall be rendered monthly unless service is terminated before the end of a billing cycle. Service initiated less than one week before the next billing cycle may be billed with the following month's bill.

Payment is considered late if not received at Manville's office or postal address, or at an authorized and designated remote payment facility, by the 10th of the month following the month the bill is mailed. Service can be disconnected for non-payment of a bill after five (5) days written notice. Notice shall be deemed given on the date notice is mailed.

The member will in all cases be responsible for the bill. Manville will not bill occupants who are not members of the corporation separately unless the member agrees to be responsible for any unpaid bills.

Section 2.07 - Service Disconnection

Disconnection with and without notice.

A member's utility service may be disconnected if a bill has not been timely paid and proper notice has been given. If service is terminated for non-payment all charges billed must be paid to restore service. Proper notice shall consist of a separate mailing, e-bill or hand delivery at least five (5) days prior to stated date of disconnection, with the words "termination notice" or similar language prominently displayed within the notice. The notice must also list the past due balance and is deemed given on the date notice is mailed.

Service may be disconnected after proper notice for any of the following reasons:

- (1) Failure to pay a delinquent account or to comply with a deferred payment agreement, or non-payment of or delinquency in payment of any amounts due to Manville for any purpose;
- (2) Willful violation of usage rule when that violation interferes with another member's service;
- (3) Failure to comply with valid deposit or guarantee arrangements;
- (4) Upon discovery by Manville that the property had been subdivided in violation of applicable subdivision ordinances;
- (5) Upon discovery by Manville that more than one dwelling is connected to a single meter on the property, unless the present members pay each month and Manville has accepted the appropriate multiple of the monthly minimum charge; or
- (6) Upon discovery by Manville that one meter is serving more than one dwelling and the dwellings are located on separate parcels of land;
- (7) A member has failed to have a customer service inspection performed or has failed to provide access to the service location for the purpose of performing a customer service inspection; or

- (8) Non-payment of charges for sewer service that are collected by Manville under an agreement between Manville and the provider of the sewer service.

Service may only be disconnected without notice:

- (1) When a known dangerous condition exists, for as long as the condition exists;
- (2) When service is established through meter bypassing, an unauthorized connection or unauthorized reconnection; or when the General Manager detects evidence of water theft; or
- (3) In instances of tampering with Manville's meter or equipment.

A residential member may request a delay of disconnection of service upon establishing that disconnection of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is disconnected. Each time a member seeks to avoid termination of service under this provision, the member must have the attending medical doctor call or contact Manville prior to the disconnection date. Upon receipt of the doctor's statement, Manville may, at the discretion of the Manager, delay disconnection of service for a period not exceeding 30 days from the issuance of the bill. At the discretion of the Manager, Manville may allow the member to enter into a deferred payment plan.

Section 2.08 - Customer Service Inspections

A customer service inspection (CSI) certification conforming to TCEQ Regulation 30 TAC 290.46(j) must be completed for all new connections and for existing service locations where Manville has reason to believe that cross-connections or other unacceptable plumbing practices exist, or after any material improvement, correction, or addition to the private plumbing facilities. A customer service inspection fee will be collected at the time an application for service is made. For existing service locations where a customer service inspection is required by Manville, a customer service inspection fee will be added to the member's monthly bill. A licensed CSI inspector from Manville must conduct the inspection and complete a certification form before Manville will provide or continue water service.

The inspection will be based on the conditions existing at the service location at the time the meter is set. If any material improvement, correction, or addition to the private plumbing facilities occurs, the member shall have an

additional customer service inspection performed for the service location. For example, in cases where water service is provided to facilitate construction of a new structure, a properly completed customer service inspection certification form must be completed by Manville before occupancy of the structure occurs. Upon Manville's discovery that there has been a change in service conditions and an appropriate inspection certification has not been conducted by Manville, service to the location will be disconnected, unless payment for a properly completed certification form is paid within 30 days after the date that Manville provides notice pursuant to Section 2.07 of this tariff. Service will not be restored until after the customer service inspection is performed.

Section 2.09 (a) - Meter Relocation

Upon submittal of a site evaluation application by a member and payment, Manville will consider relocating a meter to a point as near as possible to the member's property line consistent with ease of access to and safety and maintenance of the meter. On a case-by-case basis, Manville will determine whether moving the meter location is feasible, including a determination whether water capacity is available at the selected location where the meter is to be relocated. The member must grant a permanent easement to Manville across the property frontage in accordance with the Water Service Agreement before Manville will move the meter. Review and approval of a meter relocation may require prior completion of a Feasibility Study.

A meter must be located and remain on the property of the structure which it is serving and will not be relocated or put into service on a different property. Manville will not relocate a meter across property lines except to relocate a meter to the property it is serving after a tract is subdivided. Manville requires an owner to relocate a meter to the property served. If the owner of the property and meter wishes to subdivide the tract, the owner should ensure the meter remains on the desired tract after subdividing or move the meter to the desired tract before subdividing.

The owner must reactivate an inactive meter to active service and pay all applicable fees before Manville will consider relocation of the meter. The reactivated meter must meet all requirements for service per the Water Service Application and the Water Service Agreement including the grant of an easement across the property frontage.

After setting a meter in a new location, the owner has 30 days to install a new

customer line. At the end of the 30-day period, Manville will remove the old (original) meter.

The fee for moving a meter includes but is not limited to (depending on circumstances), the cost of a site evaluation, any line extensions or other materials necessary to deliver water to the new location, the meter installation and setting fee, customer service inspection, meter disconnect and removal fee, plus any applicable fees provided under Exhibits A, B, or elsewhere in this Tariff.

If the meter to be installed at the new location is larger in size than the existing meter, the member must also pay the difference between the Capital Recovery Fees for the larger meter size and the smaller meter size in effect at the time of the relocation request. A customer inspection fee shall also be applicable to the new meter connection.

Section 2.09 (b) - Member-requested Disconnections

Upon request by a member, Manville will temporarily suspend that member's service, provided that (i) the member shall pay Manville the "Monthly Base Fee", as provided within Exhibit A, multiplied by the number of months the meter is locked (not to exceed 12 months of monthly base fee). Temporary suspension under this section will be subject to the "Temporary Suspension of Service Fee" and "Reconnection Fee" provide under Exhibit B.

If a member requests a permanent disconnection the member shall pay Manville a Site Evaluation Fee provided within Exhibit B, Manville's actual cost, plus a 10 percent administrative fee.

Section 2.10(a) - Large Volume Service - Single Owner

(Meters Larger Than 1")

Large Volume Service - Single Owner may only be used to serve a facility located within a single tract of land that is owned by a single person, corporation, or other entity. Large Volume Service - Single Owner is not available for service to land that is intended to be subdivided; provided however, the capacity purchased for a Large Volume Service - Single Owner location may be converted to serve a subdivision that is created on the same

land within 10 years of the date of connection of the Large Volume Service - Single Owner. This right of conversion of capacity shall not be severable but shall be assignable with the land as long as the land stays in a single tract, with a single owner. Large Volume Service - Single Owner is not applicable to water purchased for resale or water sold to wholesale customers, and is applicable only to commercial, industrial, agricultural, and similar non-residential uses.

Section 2.10(b) - Large Volume Service - Multiple Owner

(Meter Larger Than 1")

Large Volume Service - Multiple Owner may be obtained by a management company, homeowners association, or other similar entity for water service to a multiple owner residential development such as townhouses, condominiums, or cluster homes by means of a master meter connection. Water provided under Large Volume Service - Multiple Owner shall not be sub metered for resale, except in conformity with the PUC sub metering regulations. In order to obtain Large Volume Service - Multiple Owner, an applicant must obtain a feasibility study and enter into an appropriate contract with Manville. Large Volume Service - Multiple Owner shall be subject to the requirements of this tariff and the rules and regulations for subdivision service contained herein, including the requirement for payment of capital recovery fees.

Section 2.10(c) - Large Volume Service - Conservation Districts

(Meter Larger Than 1")

Large Volume Service - Conservation Districts may be obtained by conservation districts that are created pursuant to Article XVI, Section 59, of the Texas Constitution, such as municipal utility districts or water control and improvement districts, or municipal corporations, to supply water to land within the boundaries of the district or municipality. Water provided under Large Volume Service - Conservation Districts may be sub metered for resale by the district or municipality but only within the boundaries of the district or municipality. Except in exceptional circumstances, the area within the boundaries of the district or municipality will be removed from the authorized service area under Manville's Certificate of Convenience and Necessity

issued by the PUC. In order to obtain Large Volume Service - Conservation districts, the district or municipality must enter a contract with Manville providing that Manville shall be a provider of water supply for the district or municipality. The district or municipality has the obligation to provide all water storage and pressurization necessary to provide continuous and adequate water service within the boundaries of the district or municipality and must maintain water storage facilities of a capacity approved by Manville's engineer. The district or municipality shall not make any direct pressure connections to water supply lines between Manville's meter and the point where purchased water discharges into the customer's water storage facilities. The terms of any wholesale water supply contract between Manville and the district or city shall prevail over this section.

Section 2.11 – Feasibility Study

Any person seeking Large Volume Service, service to a Subdivision, multiple connection service, such as apartments, recreational vehicle parks, manufactured housing parks or multi-unit residential structures such as duplexes, commercial or industrial development or as otherwise required by this tariff, shall submit a written request that Manville perform a feasibility study to determine if there exists sufficient capacity in Manville's system to serve the demand proposed on the tract of land, or if a need exists for an expansion to the capacity of the production and storage or general purpose transmission facilities, or a combination of both, to serve the proposed connection. A feasibility study is valid for 90 days from completion. Each request for a feasibility study shall include the following:

Under this section an applicant must include the following with each request for Feasibility Study:

- (1) A completed Feasibility Study application.
- (2) A copy of a map or plat showing the property and its location within Manville's CCN, and the proposed improvements to be constructed by the applicant to connect such facilities to Manville's system. The map or plat must provide the legal description, the dimensions of the property, and the dimensions of the lots or tracts resulting from subdivision of the property. A licensed surveyor or registered professional engineer must sign and seal the map or plat, and any revisions, amendments, or supplements.
- (3) The intended land use of the property, including detailed information concerning the types of proposed land uses.
- (4) The estimated number of LUE necessary to serve the subject property.

- (5) The projected water demand of the service connection when fully built-out and occupied, including average and peak demands in gallons per minute (GPM). Include the anticipated water demands for each type of land use and a projected schedule of build-out completion and associated water demand schedule of events leading up to the approximate date when Manville must first provide water service.
- (6) A statement of whether the applicant requires fire flow and, if required, the requested water demand, in flow quantity and time, to meet any fire flow requirements.
- (7) A proposed calendar of events including design, plat approval, construction phasing and initial occupancy, and the approximate date upon which Manville must initiate water service.
- (8) Information concerning on-site storage and pressurization facilities to reduce peak demand.
- (9) Any other information required by Manville to facilitate the evaluation of water service for the proposed service connection.
- (10) Feasibility Study Fee and water capacity reservation fee.

Because of factors such as unique topographic features, after initial review of the request, Manville's engineer may determine that additional information will facilitate evaluating the proposed project. The developer shall submit such additional information as specified by Manville's engineer on a case-by-case basis.

Manville will not reserve or otherwise hold back capacity prior to payment of all capital recovery fees and other fees imposed by this tariff and compliance with all conditions of service by the applicant.

Section 2.12 - Forfeiture of Membership

(a) If a service has been disconnected for non-payment for more than 10 days, the member shall forfeit all rights and privileges of membership and become a non-member. All application and fee requirements of Section 1.03 and 2.01 of this tariff, including payment of all past-due amounts, must be satisfied prior to reconnection of service at the property.

(b) If a member is found to have tampered with Manville's equipment, or to have

taken water by means of an unauthorized connection, the member shall forfeit all rights and privileges of membership and shall forfeit all rights of connection. The member's meter shall be removed, and the line connection shall be sealed.

Any future service at the location of an unauthorized connection, water theft, or other tampering with Manville's equipment will at the discretion of the Board of Directors and shall be subject to all application and fee requirements of Section 1.03 and 2.01 of this tariff. In addition to payment of a membership fee, full payment must be made of the connection fee in effect at the time service is requested, including the meter setting fee and any capital recovery fee not previously paid for the location.

Section 2.13 - Service Outside Certificated Area

Manville may, where permitted by law and authorized by the Board of Directors, provide water outside the area of its Certificate of Convenience and Necessity on a contractual basis. Each case will be considered separately. Water will be sold on a term basis only. Manville assumes no obligation to provide service outside its certificated area.

Section 2.14 - Service to Areas of Purchased Water Systems

Whenever Manville purchases a certificated water system and the PUC has approved the transfer of the Certificate of Convenience and Necessity, service to the customers of the purchased water system will be conducted under this tariff and all rules and regulations of Manville. Upon transfer of the certificate, all existing customers of the purchased water system automatically become members of Manville. As members of Manville, the terms and conditions of this tariff will be binding on the customers of the purchased water system as a condition of service, regardless of whether the transferred customer has executed a service agreement with Manville. Except as provided in Section 2.16, no membership will be transferred to a subsequent customer. Prior to the effective date of Manville's purchase of a certified water system, the seller of the water system shall notify every customer of the applicability of any rules, regulations, and policies of Manville, including the terms and conditions of Manville service agreement.

Section 2.15 - Limitation of Liability

As a condition of membership and of service from Manville, Manville shall not be liable for any damages, including without limitation, direct damages, special damages, incidental damages, consequential damages, or loss of profit or revenue, resulting from failures or interruptions of water supply occurring because of maintenance of Manville's water distribution system or that are occasioned by causes beyond the control of Manville. Manville shall not be liable in any event for consequential damages. Unless otherwise provided by contract, Manville does not undertake to provide fire protection in its service area and assumes no liability or risk of loss resulting from fire.

Section 2.16 - Transfer of Membership

Manville does not transfer memberships, except in cases of inheritances or division by divorce. A purchaser or new owner of property within the Manville service area will apply for membership as a condition of service.

Section 2.17 – Litigation

This tariff shall be construed under and in accordance with laws of the State of Texas. All obligations of the parties created under this tariff shall be performable in Travis County, Texas. All payments required to be made to Manville under this tariff shall be payable at Manville's offices in Coupland, Texas, and Travis County, Texas shall be the exclusive place of venue for any disputes arising under this agreement. In the event Manville is required to retain an attorney to enforce this tariff or collect amounts owed under this tariff, the member shall be responsible for all costs incurred by Manville, including reasonable attorney's fees.

Section 2.18 - Limitation on Fire Protection; Water Lines for Fire Protection; Emergency Standby Fee; Fire Hydrants and Flushing Valves

(a)The Manville distribution system does not uniformly provide fire protection. Manville does not provide nor imply that water for fire protection is available throughout Manville's distribution system. Hydrants or flush valves in rural water systems are installed only to facilitate operation and maintenance of the water distribution system and may only be used for refilling purposes by authorized fire departments. The presence of a hydrant or flush valve in the distribution system

does not represent or suggest adequacy of the system for fire protection. Manville's hydrants may be color-coded to indicate authorized levels of use by fire departments. Manville reserves the right to remove any hydrant or flush valve, due to improper use or detriment to the system as determined by Manville, at any time without notice, refund, or compensation to the contributors.

(b) If an applicant intends or is otherwise required by local or other law to install or maintain fire protection facilities, the applicant must provide the required water demand information to Manville, in terms of flow quantity and time, necessary to meet the fire flow requirements. Additionally, the applicant must pay an additional fee, as provided under Exhibit B, and submit a request for Feasibility Study to Manville to conduct a Feasibility Study to review the plan and determine any necessary water system improvements. The applicant must also pay the costs of the meter assembly and all other necessary appurtenances to be placed on the fire line or loop, plus the cost of any necessary backflow prevention device. If Manville approves the application, the member/user will be billed a monthly Emergency Standby Fee, as defined in Exhibit B, plus any usage charges for all used water excepting those instances where water is used for firefighting. It is the responsibility of the member/user to notify Manville of the quantity of water used for a firefighting incident.

Section 2.19 - Unused Capital Recovery Fees

Unless otherwise stipulated by the terms of a NSA or other written agreement between a member/user and Manville, Capital Recovery Fees paid to Manville in full prior to December 10, 2021, attach to the land for which they are allocated and convey with the land. Capital recovery fees are not subject to refund or transfer to other properties.

Section 2.20 – Easements; Modification or Release of Easements

(a) Easements

As a condition of membership and of service, each retail customer must dedicate to Manville such easements as Manville determines, in its sole judgment, are necessary or appropriate to providing continuous and adequate service. All easements shall be located on private property.

(b) Modification or Release of Easements

(1) Manville will not, as a matter of general policy, release existing

easements, and shall not reduce blanket easements to specific easements. Exceptions to this general policy may be made by the Board when an exception will result in a recognizable benefit to the utility.

- (2) When the Board makes an exception to the foregoing general policy, the following guidelines apply:
- i. Every applicant for release must provide a substitute easement at a location acceptable to the Manville staff.
 - ii. All substitute easements will be dedicated to the sole use of Manville for public water supply purposes, deeded by metes and bounds, and be located on private property. Use of road or highway right-of-way is never an acceptable substitute for an easement.
 - iii. In all cases where Manville paid consideration for the original easement, whether in cash or in kind (i.e. water taps, LUEs, etc.) the applicant for release or modification will reimburse Manville for that consideration at current market or tariffed rates. In all cases, Manville expects good and valuable consideration for the release or modification of easements.
 - iv. In all cases, the release or modification of easements, and the review process in making the determination to approve or disapprove an application, is conducted at the sole expense of the applicant. The applicant will be responsible for all costs incurred by Manville in considering the application, including legal, engineering, survey, and similar expenditures.
 - v. All applications for the release or modification of an existing easement shall be in writing, signed by the record owner of the land, and shall depict by map, plat or other graphic means the location and course of the easements at issue, the parent tract, and any proposed substitute easements. The application shall contain a concise statement of the benefit that will accrue to Manville if the application is granted, and the consideration that the applicant proposes to exchange for the release or modification. Each application shall be accompanied by a non-refundable deposit of \$1000.00 against expenses incurred and to be incurred by Manville in processing and evaluating the application. Expenses in excess of the deposit shall be reimbursed to Manville upon delivery of the release or modification documents, if granted.

- (3) When in the best interest of the utility, the Board may exchange, release or modification of easements for other useful utility property, such as well or storage tank sites or similar interests in real or personal property.
- (4) The Board may depart from these guidelines for good cause shown, and for the benefit of the utility.

Section 2.21 – Increase in Meter Size

In situations where the member has an existing Manville meter and wishes to increase the size of the meter, up to one inch (1”) the member must pay Manville the difference between the current amount of the Capital Recovery Fee on the existing meter and the current amount of the Capital Recovery Fee on the proposed meter. In addition, the member must pay the any other applicable fees, including but not limited to the Customer Inspection Fee and Meter-Setting Fee for the corresponding meter size.

If a member seeks a meter replacement over one inch (1”), the member shall pay the applicable Feasibility Study Fee provided under this Tariff.

Section 2.22 – Water Distribution Flow Test

To conduct a flow test on Manville’s distribution system, the applicant requesting the test must pay Manville a non-refundable fee, as provided under Exhibit B, for each individual flow test.

Section 2.23 – Driveways Over Water Lines

Manville requires a member or an applicant to provide notification if a concrete or asphalt driveway is to be installed on the property. If the driveway must cross a Manville water line, the member or applicant must pay the cost to encase the water line. If an applicant’s requested water service requires a water line extension and that water line extension must pass beneath one or more concrete or asphalt driveways, the applicant must pay the cost to encase the water line at every driveway location. If a member installs a concrete or asphalt driveway over a Manville water line without notifying Manville in writing and paying Manville to encase the water line, a leak repair or other maintenance to the water line may result in damage to the driveway for which Manville will not compensate the member.

SECTION 3.0 – NEW DEVELOPMENT

Section 3.01 - Extension to Subdivisions and other New Development

- (a) Subject to water availability and system capacity, Manville will extend water service to subdivisions, proposed subdivisions, and new development within its certificated service area at the applicant's sole expense and if conformity with this section and this tariff. Such service shall be provided pursuant to an NSA, provided that Manville may, at its sole discretion, waive the NSA requirement. Additional provisions relating to NSA are provided herein at Exhibit C. Regardless of whether Manville determines an NSA is required, the applicant shall be required to pay all applicable new development fees, including, but not limited to Capital Recovery Fees and Water Capacity Reservation Fees.
- (b) When possible, Manville will make extensions from existing lines and facilities to locations within its certificated area. All labor and materials shall be at the expense of the Applicant, including road cuts and bores, lines, storage, and related infrastructure. Manville's choice of contractors shall be final, and Manville shall be in sole charge of design and supervision of the project. All new or improved infrastructure will be owned by Manville. No work will commence or materials purchased until the Applicant deposits the estimated cost, as determined by Manville's engineer, with Manville. Any additional costs, as determined by change orders or market increases, shall be paid by the Applicant upon request by Manville.
- (c) A new application for service to a subdivision or proposed subdivision or development shall provide all the information required by Section 2.11 – Feasibility Study, and such additional information as the Corporation or its Engineer might request.
- (d) The Applicant must be the owner of the subject property. The Applicant shall, when the application is tendered, pay all application fees, including but not limited to the cost of the engineering feasibility study and the water capacity reservation fee, as set out in this tariff.
- (e) Upon approval of the application as tendered or as amended by the board, the Applicant shall pay 50 percent of the applicable Capital Recovery Fees to

Manville within 365 days of the effective date of Manville approving the application, whether by Manville Board or staff approval. Applicant shall pay the remaining 50 percent within two (2) years of the paying the first 50 percent per the preceding sentence or upon approval of final plat, whichever is first. If not timely paid, Manville's commitment to serve shall expire, be deemed forfeited, and be of no further force or effect. There shall be no refund of costs and fees paid. In the event capital recovery fees have been changed since the date of original approval, the balances due and payable shall be based on the new fees.

- (f) Commitments for subdivision and development service pursuant to this section shall attach to the land for which issued and are not severable or transferable apart from the land to which they attach and are not refundable.
- (g) Applicants shall pay a Water Capacity Reservation Fee of \$100.00 times the number of LUE the applicant requests.
- (h) Unused Capital Recovery Fees are only valid for four (4) years from the date of Manville's approval. There shall be no extension of the four (4) year period unless a developer pays an LUE Extension Fee, as provided by mutual written agreement, in the form of an amendment to the subject NSA, between the developer and Manville. There shall be no refund of any fees paid by an applicant prior to the expiration of Capital Recovery Fees.

3.02 Conveyance of Groundwater Rights

The owner of real property that will be developed pursuant to an NSA or a wholesale water service agreement must, simultaneous with the execution and delivery of the agreement, execute and deliver a warranty deed conveying to Manville all groundwater that may be produced, pooled, or accessed from the property and all associated groundwater rights. Said warranty deed must be approved by Manville prior to execution and Manville has sole discretion over the language of said deed. An owner of real property will not be excused from the requirements of this Section due to the owner's failure to obtain ownership of all groundwater that may be produced, pooled, or accessed from the property and all associated groundwater rights unless otherwise approved by the Board.

SECTION 4.0 – WATER RATIONING PLAN

Section 4.01 – General Provisions

- (1) Declaration of Necessity for Rationing: When system demand threatens to exceed production or storage capability, or refilling the storage facilities is rendered impossible, Manville, acting through its General Manager, may declare that a necessity for rationing exists, and thereafter ration water in the manner herein set out. The purpose of the water rationing plan, as mandated by the TCEQ, is to limit the total amount of water demand imposed upon the Manville system until such time as supply is restored to normal levels.
- (2) Notice Requirements: Reasonable notice, including, by way of example and without limitation, emergency alert system, email, text, notice published in a local newspaper, radio and television announcement, billing inserts or similar correspondence, or by posting notice in public buildings, of proposed rationing shall be provided 24 hours before Manville actually starts the program. Published notice may be followed by mailed notice included in the next regular bill. Any notice shall contain the following information.
- (a) the date rationing shall begin,
 - (b) the date rationing shall end, if known,
 - (c) the stage (level) and explanation of rationing to be employed, and
 - (d) a brief explanation of penalties for violations.
- (3) Violation of Rationing Rules:
- (a) First violation - Manville may terminate service or may install a flow restrictor in the line to limit the amount of water which will pass through the meter in a 24-hour period. The cost to be charged to the member's account shall be the actual installed cost to Manville, or the costs set out in this tariff, whichever is greater.
 - (b) Subsequent violations - Manville may terminate service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is less. The reconnect fee of Manville shall apply for restoration of service.

- (4) Exemption or Variances From Rationing Rules: Manville's General Manager may grant any member an exemption or variance from the uniform rationing program, for good cause. Manville shall treat all members equally concerning exemptions and variances and shall not employ discrimination in such grants.
- (5) Rates: All existing rate schedules, including conservation rates, shall remain in effect during the rationing period, and no charges may be levied against a member which is not contained in the approved tariff of Manville as filed with the PUC.
- (6) All wholesale, district and municipal customers on Manville's water system, as a condition of service, will comply with and enforce Manville's water rationing plan.

Section 4.02 - Stages of Rationing

The Water Conservation - Drought Contingency Plan adopted by Manville, and as from time to time amended, is incorporated herein for all purposes by reference, as fully as if set out verbatim.

The plan contemplates stages of rationing as therein provided.

Section 4.03 - Emergency Livestock Water

During periods of rationing or drought or similar livestock emergencies, the General Manager may authorize a temporary connection to the system to provide emergency water for livestock. The applicant for emergency livestock water shall pay the cost of tapping into the nearest line, meter cost, backflow prevention, and any other applicable expenses provided under this Tariff, but shall be exempt from payment of any impact or capital recovery fees for the connection. The applicant shall pay for emergency livestock water at the same rate per thousand gallons as set out in the then Water Rate Schedule and a monthly base fee. When, in the judgment of the General Manager or the Board, the emergency necessitating emergency livestock water has passed, the temporary connection shall be terminated.

SECTION 5.0 – REQUESTS FOR PUBLIC INFORMATION

Section 5.01 – Procedures

The procedures for inspecting or obtaining copies of Manville's records that are subject to inspection under Chapter 552 of the Texas Government Code are as follows:

- (1)** All requests for inspection and/or copies of public information must be made in writing.
- (2)** The request must sufficiently identify the required information. If the request is vague or too broad, Manville may require that it is narrowed in writing.
- (3)** The requestor must complete inspection of the public information not later than the 10th day after it is made available. Two additional ten-day periods, one at a time, may be granted if a written request for additional time is filed with Manville.
- (4)** If the requested information is stored electronically, and requires programming or manipulation of data, Manville will provide a written statement in accordance with Section 552.231 of the Texas Government Code.
- (5)** Whenever possible, Manville will estimate the time needed to fulfill the request and provide an estimate of applicable charges.
- (6)** Manville will require a cash deposit in the amount of the estimated cost of complying with the request before compiling the information. Any additional charges must be paid upon delivery of copies.

Section 5.02 - Copy Charge Schedule

The charges for obtaining copies of Manville records that are subject to inspection under Chapter 552 of the Texas Government Code are those charges approved by the Attorney General of Texas and set out in 70 Texas Administrative Code Sec. 70.3, as from time to time amended.

- (1)** Nonstandard-size copy:
 - (a)** Diskette--\$1.00 each;
 - (b)** Magnetic tape--Manville's actual cost;
 - (c)** VHS video cassette--\$2.50 each;
 - (d)** Audio cassette--\$1.00 each;
 - (e)** Paper copy--\$.50 each;
 - (f)** Other-actual cost

- (2)** Standard size paper copy - \$.10 per page

- (3)** Personnel charge - \$15.00 per hour

- (4)** Overhead charge - 20% if personnel charge

- (5)** Microfiche or microfilm charge -
 - (a)** paper copy-\$1.00 per page
 - (b)** fiche or film copy-actual cost

- (6)** Remote document retrieval charge - Actual cost

- (7)** Computer resource charge: PC or Land-\$.50 per minute

- (8)** Programming time charge - \$26.00 per hour

- (9)** Postage & Shipping charge - Actual costs

- (10)** Miscellaneous supplies - Actual costs

SECTION 6.0 – MISCELLANEOUS

Section 6.01 – Penalty

Manville will assess a fine to any member, person or entity diverting and/or taking water from Manville’s System through a fire hydrant, an illegal tap, bypassing a meter, or using any other means to obtain water without specific authorization. In addition to the theft of service fine, Manville will charge the actual costs associated with repairing any system facilities damaged and, if required, the subsequent service trip to reactivate service after payment of these charges. Manville may also pursue criminal charges for theft under Texas Penal Code Section 28.03(b)(3)(B) and 28.03(c). Manville may also assess appropriate sanctions against any member, person, or entity found to have violated any other provision of this Tariff.

Section 6.02 – Variances; Non-Waiver of Authority

Manville may, at its sole discretion, provide a variance from one or more rules provided under this Tariff, to the extent that doing so will not result in a violation of law or rules of the TCEQ or PUC. Any person seeking a variance under this Tariff shall submit a written request to Manville and Manville’s General Manager will consider such requests on a case-by-case basis.

Manville’s decision to enforce or not enforce a provision of this Tariff may under no circumstances be interpreted as a Waiver of Manville’s authority to enforce all provisions of this Tariff as well as those statutory obligations and rules of the PUC and TCEQ by which Manville is bound.

Manville WSC Exhibit A

Residential & Commercial Base Fees

New Rates Effective on November 1, 2023, the base Monthly Fee by meter size.

Meter Size	Fee
5/8"	\$35.15
3/4"	\$52.73
1"	\$87.88
1.5"	\$175.75
2"	\$281.20
3"	\$527.25
8"	\$950.00

Residential & Commercial Monthly Conservation Rate Schedule

New Rates Effective on November 1, 2023, the chart below shows cost per every thousand gallons of water usage.

Usage (gal.):	Cost \$/1000 gal.:
0-6,000	\$4.25
6,001-10,000	\$5.31
10,001-20,000	\$6.33
20,001-30,000	\$7.70
30,001 & over	\$8.35

Residential & Commercial Monthly Drought Rate Schedule

New Rates Effective on November 1, 2023, the chart below shows cost per every thousand gallons of water usage during drought restrictions.

Usage (gal.):	Cost \$/1000 gal.:	
	Stage 3	Stage 4
0-6,000	\$4.25	\$4.25
6,001-10,000	\$6.31	\$7.31
10,001-20,000	\$7.33	\$8.33
20,001-30,000	\$8.70	\$9.70
30,001 & over	\$9.35	\$12.35

Manville WSC Exhibit A

Capital Recovery Fee Chart

	Meter Size	CR Fee
Residential-Commercial	5/8"	\$12,071.00
Residential-Commercial	3/4"	\$18,106.50
Residential-Commercial	1"	\$24,142.00
Residential-Commercial	above 1"	Requires Engineer Study

Meter Setting Fee Chart

Meter Size	Meter & Installation Fee	Membership Fee	Inspection Fee	CR Fee	TOTAL*
5/8" x 3/4"	\$1,425.00	\$100.00	\$75.00	\$12,071	\$13,671.00
3/4" x 3/4"	\$1,520.00	\$100.00	\$75.00	\$18,106.50	\$19,801.50
1"	\$1,645.00	\$100.00	\$75.00	\$24,142	\$25,962.00
1.5"	\$2,590.00	\$100.00	\$75.00	Requires Engineer Study	
2" T-10	\$3,250.00	\$100.00	\$75.00	Requires Engineer Study	
2"	\$4,195.00	\$100.00	\$75.00	Requires Engineer Study	
3"	\$16,370.00	\$100.00	\$75.00	Requires Engineer Study	
4"	\$19,350.00	\$100.00	\$75.00	Requires Engineer Study	
6"	\$22,600.00	\$100.00	\$75.00	Requires Engineer Study	

Manville WSC Exhibit B

Miscellaneous Fees

Backflow Testing Fee	\$250.00	
Backflow Prevention Fee	\$25.00	
Bulk Water Fee per 1,000 gallon	\$10.00	
Bulk Water Base Fee	\$75.00	
Bulk Water Deposit	\$2,000.00	
Customer Service Inspection Fee	\$75.00	
Date Log Fee	\$75.00	
Emergency Livestock Base Fee	\$35.15	
Emergency Standby Fee (Fire Flow)	Monthly Fee	
Gallons Per Minute	2 Hours	3 Hours
1,500 or less	\$35.00	\$52.50
1,501 to 2,500	\$55.00	\$82.50
2,501 to 3,500	\$75.00	\$112.50
Engineer Design Fee	\$5,000.00	
Equipment Damages Fees	(for 1"-meter size or less) *	
Replace damaged, removed or destroyed locks **		
1st Offense	\$200.00	
Subsequent Offense(s)	\$300.00	
Replace damaged or destroyed angle stops**	\$300.00	
Replace damaged or destroyed water meters	** See Exhibit A	

* *Damage fees for meter sizes greater than 1" to be determined on a case-by-case basis.*

** *If actual costs exceed schedule, the actual costs should be levied.*

Manville WSC Exhibit B

Miscellaneous Fees

Feasibility Study Fee	*0-10 LUE	\$1,200.00
	11-99 LUE	\$4,800.00
	100-299 LUE	\$6,300.00
	300-799 LUE	\$8,500.00
	800+ LUE	Special Study Required
	*0-10 LUE - Fire Flow Requested - Additional	\$3,000.00
Fire Flow/Water Distribution Flow Test		\$250.00
LUE Extension Fee: Base Monthly Fee, multiplied by 12, multiplied by the number of lots for which LUEs are being reserved		
Meter Accuracy Test Fee		\$200.00
Plan Review Fee	0-10 LUE	\$1,500.00
	11-99 LUE	\$3,600.00
	100-299 LUE	\$4,860.00
	300-799 LUE	\$6,120.00
	800+ LUE	Special Contract Required
Reconnect / Reset Fee		\$75.00
Returned Check Fee		\$30.00
Site Evaluation Fee		\$200.00
Temporary Reconnect Fee		\$65.00
Temporary Suspension of Service Fee		
	Monthly Base Fee (see Exhibit A) multiplied by the number of months meter is locked (not to exceed 12 months of base fees), plus reconnection fee (see Exhibit A)	
Test for Contamination Hazards		\$250.00
Water Capacity Reservation Fee, per LUE		\$100.00
Water Line Locating Fee, per pothole non-emergency		\$600.00

Manville WSC Exhibit C

Non-Standard Service

1.0 NON-STANDARD SERVICE AGREEMENTS

Section 1.01

The Developer agrees to pay all costs of construction and installation, including without limitation, all planning, design, surveying, geotechnical, materials, labor, inspection, workers' compensation and general liability insurance, payment, performance and maintenance bond coverage, capital, and easement acquisition costs, of all water mains, water lines, and related fittings, equipment and appurtenances necessary to transmit water from the existing Water System to, and distribute the same internally within, the tract or property to be served ("Property"), a description of which shall be attached to the NSA as Exhibit "A", all such facilities and improvements, and as applicable the construction and installation of the same (collectively the "Project"). The plans and specifications for the offsite facilities necessary to transmit water from the Water System to the Property are generally described in the plans and specifications attached to the NSA as Exhibit "B". Required offsite facilities and/or the plans and specifications for the same may be changed at the reasonable discretion of the Corporation's engineer.

Section 1.02

Developer will use commercially reasonable efforts to provide all necessary easements to the Corporation. If it becomes necessary, the Developer may request that the Corporation obtain the easements by eminent domain and the Corporation may, in its sole discretion determine to exercise this power in a manner it deems appropriate. Subject to the final approval of the Corporation, the Developer may determine the routes of any and all water easements in the Property.

Section 1.03

The design, construction and installation of the Internal Facilities shall meet those planning and design standards and specifications established by the Corporation's Bylaws, Tariff, rules and regulations; the Texas Commission on Environmental Quality ("TCEQ"); the Public Utility Commission ("PUC"); and any municipality, county or other governmental entity of relevant jurisdiction. The Corporation's construction standards and specifications showing minimum requirements to Developer are attached to the NSA as Exhibit "C". The Internal Facilities shall be constructed in a good and workmanlike manner and fit for its intended purpose, and all material used in such construction shall be new, not used, and shall be free from defects. The designs (including phases of construction), plans (including engineering plans), specifications, and contract documents for the construction and installation of the Internal Facilities shall be prepared by the Developer at Developer's sole cost and expense and shall be submitted to and for approval by the Corporation and its consulting engineer, and, as required, to and for approval by any municipality, agency or other governmental entity with jurisdiction, prior to the start of construction of any such facilities and improvements. The Corporation's review and approval of such designs, plans, specifications, and contract documents will not be unreasonably delayed or withheld.

Section 1.04

Developer may advertise for bids for the construction of the Internal Facilities in accordance with generally accepted bidding practices and may award the contract for the construction of the Internal Facilities to the lowest or most qualified bidder. The contractor selected to undertake construction of the Internal Facilities shall be experienced in waterline construction and shall be subject to approval by Corporation prior to notification of the award of the contract, which approval shall not be unreasonably delayed or withheld. Within ten (10) days after written notification of the award of and prior initiation of the construction of the Internal Facilities, Developer shall furnish (i) payment and performance bonds to the Corporation in accordance with the terms of this Tariff and the NSA and (ii) a certificate of insurance naming the Corporation as an other-insured.

Section 1.05

Prior to commencing construction and installation of the Internal Facilities, Developer shall provide at least two (2) weeks' advance written notification to the Corporation of such commencement so that a pre-construction meeting may be scheduled. At least forty-eight (48) hours advance notice to the Corporation shall be given before making any tap or connection into the Water System.

Section 1.06

Corporation may require any part of the Project to be oversized in anticipation of the needs of other customers. Notification of such oversizing shall be in writing and, with respect to any oversizing of any portion of the Internal Facilities, provided to Developer at the time of the Corporation's review of the bid form associated with the Internal Facilities. The Corporation shall be responsible for any additional costs of construction attributable to the oversizing, as reasonably determined by Corporation's consulting engineer and Developer's consulting engineer. Payment for costs incurred by Developer and attributable to oversizing shall occur within thirty (30) days after such costs are accrued.

Section 1.07

Corporation shall have the right to inspect all phases of the construction. Developer agrees that the Corporation's engineers or other representatives may inspect, test, and approve the construction of the Internal Facilities, based upon compliance with the approved designs, plans and specifications therefor, and shall inspect all taps or connections made to the Water System; provided, however, that such approval shall not be unreasonably withheld or delayed.

Section 1.08

Developer shall furnish the Corporation with one reproduction and two copies, one of which shall be in electronic format, of the as built or record drawings of the Internal Facilities promptly upon completion of construction and installation of such facilities and improvements.

Section 1.09

The Developer shall obtain bacteriological samples and shall perform pressure tests in the presence of the Corporation's manager or other representative, at no cost to the Corporation, on the Internal Facilities in accordance with TCEQ rules and regulations. Corporation shall take possession of bacteriological samples and deliver samples to a certified laboratory for test. Developer shall provide the results of the pressure tests to the Corporation promptly upon completion of such testing.

Section 1.10

After completion of construction of a phase of the Internal Facilities, Developer will provide to Corporation a concurrence letter from Developer' engineers certifying that the construction of such Internal Facilities has been completed in accordance with the designs, plans, specifications and change orders approved by Corporation, that the facilities have been tested and approved for use in accordance with the approved contract documents, the Corporation's Bylaws, Tariff, rules and regulations, and TCEQ rules, and that such facilities are properly located within easements. Developer shall also provide Corporation with a two-year maintenance bond in the amount of thirty-five percent (35%) of the final construction cost of the Internal Facilities. Within thirty (30) days of the date of the Corporation's inspection and acceptance of the applicable portion of the Internal Facilities and as a condition for Corporation's acceptance, Developer shall dedicate such Internal Facilities (including dedication of all easements necessary to access, operate, maintain and repair the facilities and improvements) to the Corporation, free and clear of any and all construction liens or other liens related thereto. The document dedicating the Internal Facilities shall be in a form approved by Corporation's attorney and shall include a representation by Developer that the Internal Facilities have all been constructed in rights-of-way or within legal easements that are a minimum of fifteen (15) feet wide and dedicated to the Corporation, and Developer shall bind itself and its successors and assigns to warrant and defend the title to the Internal Facilities, including against any claims that such lines have been constructed illegally or not within proper easements or rights-of-way. The Parties agree that Corporation's agreement to provide retail water service to the Property pursuant to the terms and conditions of this Agreement constitutes satisfactory and complete consideration for the Developer's dedication of the Internal Facilities.

Section 1.11

Upon the Developer's dedication of Internal Facilities and the Corporation's inspection and acceptance of the same, Corporation shall be solely responsible for operation, maintenance and administration of the accepted Internal Facilities. Corporation will not accept ownership of, shall have no responsibility for, and shall not operate or maintain any facilities constructed on the customer's side of individual meters located within the Property.

Section 1.12

The Corporation agrees to install water meters to service each approved service address within the Property receiving water service from the Corporation in accordance with the Corporation's Bylaws, Tariff, rules and regulations governing the same and subject to payment of all applicable security deposits, membership fees, capital contribution fees, impact fees, installation fees, connection fees and other charges. To receive water service from the Corporation, individual customers shall make application for service and meet all terms and conditions of service and membership as provided for by the Corporation's Bylaws, Tariff, rules and regulations.

2.0 ADDITIONAL REGULATORY MATTERS

Section 2.01

Corporation will have no obligation with regard to the construction, ownership, operation or maintenance of wastewater, drainage, or other non-water service facilities. Corporation shall use good faith efforts to negotiate and execute a billing or service disconnection agreement with any retail wastewater service provider to the Customers located within the Property.

Section 2.02

The parties understand that their rights and obligations under this Tariff and the NSA are, or may be, subject to, without limitation: (i) the laws of the State of Texas; (ii) the laws of the United States; (iii) the regulations promulgated by the TCEQ; (iv) the regulations promulgated by the United States Environmental Protection Agency; (v) the regulations promulgated by the United States Fish & Wildlife Service; (vi) the United States Army Corps of Engineers; and (vii) the regulations promulgated by any other regulatory agency that may now or in the future have jurisdiction over Corporation. Developer is responsible for obtaining all permit(s) and approval(s), if any, required by the United States Fish & Wildlife Service, the United States Army Corps of Engineers and/or any other regulatory agency, for construction of the Project pursuant to this Agreement.

Section 2.03

Developer shall ensure that all non-Corporation workers involved with the installation and construction of the Internal Facilities are covered by workers' compensation insurance as required by the laws of the State of Texas. Developer shall also procure and maintain, at its own cost, comprehensive general liability insurance insuring against the risks of bodily injury, property damage, and personal injury liability occurring from, or arising out of, construction of the Internal Facilities, with such insurance in the amount of a combined single limit of liability of at least \$500,000 and a general aggregate limit of at least \$1,000,000. Such insurance coverage shall be maintained in force at least until the inspection and acceptance of the Internal Facilities by the Corporation.

3.0 FORCE MAJEURE

Section 3.01

In the event either Developer or Corporation is rendered unable by force majeure to carry out any of its obligations under the NSA, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give written notice and full particulars of the force majeure to the other party.

Section 3.02

The force majeure cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas (including any agencies or political subdivisions thereof) or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to

equipment, pipelines, or partial or complete failure of water supply, and any other inability of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

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