

Tariff

Starr Water Supply Corporation

August 12, 2014

Starr Water Supply Corp.



STARR WATER SUPPLY CORPORATION

CCN #10178

Grayson County, Texas

Approved October 4, 2004
Revised 9/22/05, Revised 3/8/07, Revised 9/11/08,
Revised 12/17/09, Revised 10/2/12, Revised 8/12/14

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STARR WSC TARIFF

ORIGINAL SHEET NO. A - 1

Section A: Resolution and Authority

Date Approved – August 12, 2014

RESOLVED BY THE BOARD OF DIRECTORS OF THE STARR WATER SUPPLY CORPORATION THAT:

1. This Tariff of Starr Water Supply Corporation, serving parts of Grayson County, consisting of Sections A through H inclusive, is hereby adopted and enacted as the current regulations which shall supersede all policies passed by the Board of Directors before August 12, 2014, to the extent provided in paragraph 2 hereof.

2. No prior agreement executed by the Board of Directors is repealed by any provision contained herein, save and except as provided in the terms of that agreement.

3. The adoption of the provisions of this Tariff shall not affect any offense or act committed or done, or any penalty of forfeiture incurred, or any contract or vested right established or accruing before the effective date of this Tariff.

4. An official copy of this policy shall be available to the Membership of this Corporation during regular office hours of the Corporation. Requests for copies of this Tariff shall be subject to reproduction charges. The Secretary of the Corporation shall maintain the original copy as approved, and clearly exhibit all additions, deletions, and amendments separately.

5. This Tariff shall take effect immediately upon its approval as provided by law, and according to its terms. Rules and regulations of state and federal agencies having applicable jurisdiction, promulgated under any applicable State or Federal Law, shall supersede any terms of this policy. If any section, paragraph, sentence, clause, word, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected thereby.

PASSED and APPROVED this 12th day of August, 2014.

President, Starr Water Supply Corporation

SEAL

ATTEST:

Secretary, Starr Water Supply Corporation



STARR WSC TARIFF

REVISED SHEET NO. B - 1

Section B: Statements

Date Approved – October 14, 2004

Date Revised - September 11, 2008

Date Revised - August 12, 2014

SECTION B: STATEMENTS

1. Organization. The Starr Water Supply Corporation is a member-owned, non-profit corporation incorporated pursuant to the provisions of Chapter 67 of the Texas Water Code as supplemented with Chapter 22 of the Texas Business Organization Code regulating not-for-profit corporations, for the purpose of furnishing a potable water utility service. Corporation operating policies, rates, tariffs, and regulations are formulated and put into effect by a Board of Directors elected by the Members of the Corporation.

2. Non-Discrimination Policy. Membership in the Corporation, and service of water, are provided to all Applicants who comply with the provisions of this Tariff regardless of race, creed, color, national origin, sex, or marital status.

3. Rules Application. The rules and regulations specified herein apply to the water services furnished by Starr Water Supply Corporation, also referred to as Corporation, Starr, or Starr WSC. Failure on the part of the Member, Consumer, or Applicant to observe these rules and regulations of the Corporation, after due notice of such failure, automatically gives the Corporation the authority to deny or to discontinue the furnishing of service as provided herein and as may be amended from time to time by the Board of Directors of the Corporation.

4. Corporation Bylaws. The Corporation has adopted bylaws which establish the make-up of the Board of Directors, establish the Membership voting rights, provide for annual and regular meetings, provide for reserve accounts, establish the rights of the Members, and establish other important regulations of the water system. These bylaws are included by reference herein, as amended from time to time, and are on file for inspection in the Corporation's office.

5. Fire Protection Responsibility. No Fire Protection Responsibility or Liability. Fire hydrants installed within the Corporation's water distribution system are provided at the convenience of the Corporation and do not imply any responsibility on the part of the Corporation to meet fire flow requirements of local, county, state, or federal governmental agencies. Such fire hydrants are support facilities only meant to be used as flush and control valves in the public drinking water system. State public health and safety regulations require public drinking water systems to be flushed on a routine basis and metallic flush valves (commonly referred to as "fire hydrant") are a preferred manner of complying with these regulations. The Corporation makes no representation that it is offering fire protection or fire flows under any fire code or fire fighting standard. The Corporation has no obligation at law to provide water for fire related activities because this is not a public water Corporation or potable domestic water service as defined by the Texas Water Code and/or the Texas Health and Safety Code. The Corporation, at its sole option, may permit local area fire departments to use water from its public drinking water system on an "AS IS, AS AVAILABLE" basis and will in no manner be liable for damages caused by its inability to supply sufficient water for the prevention or suppression of fire. Any fire department or other person using the Corporation's water system to take water for fire-fighting purposes shall be liable to the Corporation for damage caused to the Corporation's plant and equipment during such use.



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REVISED SHEET NO. B - 2

Section B: Statements

Date Approved – October 14, 2004

Date Revised - August 12, 2014

The Corporation reserves the right to remove any fire hydrant (metallic flush valve), due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or compensation to the contributors. Any water taken from the Corporation's water system for any purpose, including fire fighting, without prior knowledge and consent of the Board of Directors and/or the General Manager shall be deemed to be theft and shall be prosecuted. Fire Departments may obtain advanced consent for emergency usage on an "AS IS, AS AVAILABLE" basis. The Corporation therefore does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. The Corporation neither possesses nor claims to possess knowledge or expertise in fire fighting or the requirements of fire fighting. No statement or action of the Corporation shall ever be implied or meant to suggest that any facilities of the Corporation comply with any state or local fire code.

6. Damage Liability. Starr WSC 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 service interruptions, normal system failures, or that are occasioned by causes beyond the control of Starr WSC. Starr shall not be liable in any event for consequential damages. The limit of liability of the Starr WSC is the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability.

7. Information Disclosure. The records of the Corporation shall be kept in the Corporation office, 1031 Cleve Cole Road, Denison, Texas. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Open Records Act. An individual customer may request in writing that their name, address, telephone number, or social security number be kept confidential. Such confidentiality does not prohibit the utility from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the Corporation acting in connection with the employee's duties. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each member on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with a meeting of the Corporation's members. The Corporation shall give its applicants and customers notice of rights to confidentiality under this policy and all prevailing associated fees for such request. The records may not be removed from the Corporation's office and the corporation staff reserves the right to require reasonable notice of requests for information and the opportunity to consult its governing body and/or legal counsel prior to disclosure. A reasonable charge may be assessed anyone requesting copies of records.

8. Customer Notice Provisions. The Corporation shall give written notice of monthly water rate changes by mail or hand delivery to all affected Members and/or consumers at least 30 days prior to the effective date of the new rate. The notice shall contain the information required by Texas Law.



Section B: Statements

Date Approved – October 14, 2004

Date Revised - August 12, 2014

9. Grievance Procedures. Any Member of the Corporation, or individual, demonstrating interest under the policies of this Tariff in becoming a Member of the Corporation, shall have an opportunity to voice concerns or grievances to the Corporation by the following means and procedures:

a. By presentation of concerns to the Corporation's manager or authorized staff member for discussion and resolution. If not resolved to the satisfaction of the aggrieved party then,

b. By presenting a letter of request for a hearing before the Board of Directors. The letter shall state the individual's desired business before the Board and the desired result.

c. The President of the Board of Directors shall review the request and determine the best means by which the complaint shall be resolved.

d. The President shall further determine a reasonable time and place for all hearings, but not beyond 45 days from the date of receipt of the letter of complaint.

e. The Board of Directors, committee thereof, and/or legal counsel shall hear the complaint as directed by the Board.

f. Any committees or staff, delegated to hear complaints, shall, after such hearing, report its recommendation(s) to the full Board for a decision by the Board.

g. The Board of Directors shall act upon the information available and direct the President or other representative to respond to the complaint by communicating the Board's decision in writing.

h. Any charges or fees, contested as a part of the complaint in review by the Corporation under this policy, shall be suspended until a satisfactory review and final decision have been made by the Board of Directors. The Board's decision will be final.

10. Threats to Utility Personnel or Property. Threats to utility personnel or other actions which prevent the lawful conduct of utility business on utility property, easements or rights of entry shall result in immediate discontinuance of utility service until the condition is corrected or the threat is permanently removed. Threats to or assaults upon utility personnel shall result in criminal prosecution.



STARR WSC TARIFF

REVISED SHEET NO. C - 1

Section C: Definitions

Date Approved – October 14, 2004

Date Revised - September 4, 2008

SECTION C: DEFINITIONS

ACTIVE SERVICE - Service status of any Member receiving authorized water service under the provisions of this Tariff.

APPLICANT - Person, partnership, cooperative corporation, corporation, agency, public or private organization of any character applying for service with the Starr Water Supply Corporation.

BOARD OF DIRECTORS - The Board of Directors elected by the Members of the STARR Water Supply Corporation.

BYLAWS - The rules pertaining to the governing of the Starr Water Supply Corporation, adopted by the Corporation Members.

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) - The authorization granted, under Chapter 13 of the Texas Water Code, for Starr Water Supply Corporation to provide water utility service within a defined territory. Starr Water Supply Corporation has Certificate Number 10178. Territory defined in the CCN shall be the Certificated Service Area.

CORPORATION - The Starr Water Supply Corporation also referred to as Starr, Starr WSC, and The Corporation.

DISCONNECTION OF SERVICE - The locking or removal of a water meter to prevent the use of water by a Member/Consumer.

DWELLING – “Dwelling”, “Dwelling Unit”, or “Residence” means a home, house, mobile home, manufactured home, apartment unit, or any unit in a multi-unit residential structure maintaining a restroom facility and an area for preparation and storage of foods. 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 Starr WSC meter and is used for human habitation

EASEMENT - A private perpetual dedicated right-of-way, for the installation of water pipelines and necessary facilities, which allows access to property for future maintenance, facility replacement, and/or installation of additional pipelines.

FINAL PLAT - A complete and exact plan, for the subdivision of a tract of land into lots for marketing, which has been approved by all regulatory agencies having jurisdiction over approval of the design, planning, and specifications of the facilities of such subdivision. The Starr Water Supply Corporation shall determine if a plat submitted for the purposes of this Tariff shall qualify as a final plat.



STARR WSC TARIFF

REVISED SHEET NO. C - 2

Section C: Definitions

Date Approved – October 14, 2004

Date Revised – July 10, 2007

Date Revised - August 12, 2014

FRONT-END CAPITAL CONTRIBUTION - A fee assessed of new Applicants, for water service, for the purpose of acquiring capital to defray the costs of expanding the system facilities in order to meet the customer growth needs of the Corporation. This fee is charged for each meter for which service has been requested.

HAZARDOUS CONDITION – A condition which jeopardizes the health and welfare of the Member/Consumer of the Corporation, as determined by the Corporation.

LIQUIDATED MEMBERSHIP - A Membership which has been cancelled due to delinquent charges exceeding the Membership Fee or for other reasons as specified in this Tariff. Service shall not be provided to any person whose Membership Fee has been liquidated until a new Membership Fee has been paid and all other applicable requirements for service, as provided in this Tariff, have been satisfied.

MEMBER - An Applicant who has received a Membership Certificate, is receiving water utility service from Starr Water Supply Corporation, and is paying the monthly, billed amount.

MEMBERSHIP CERTIFICATE - A stock certificate purchased from the Corporation, evidencing a Member's interest in the Corporation.

MEMBERSHIP FEE – A fee qualified as such under the terms of the tariff and bylaws of the Corporation assigned to the real estate designated to receive service

MINIMUM MONTHLY CHARGE - The term Minimum Monthly Charge (proper name) is used to define the monthly charge assessed each Member of the Corporation utilizing service, or each Member who has the opportunity to utilize service, via a metering device installed by the Corporation.

INDICATION OF INTEREST FEE - A fee paid by a potential Member of the Corporation for the purpose of aiding Starr officials in determining the feasibility of a construction and/or expansion project. The INDICATION OF INTEREST FEE may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. Upon such conversion, the Applicant may then further qualify as a Member and shall become a Member of the Corporation upon receipt of a Membership Certificate.

PERSON - Any natural person, partnership, cooperative corporation, association, private corporation, agency, or public or private organization of any character.

PUBLIC UTILITY COMMISSION - State regulatory agency having appellate jurisdiction over the rates and fees charged by Non-Profit Water and Sewer Service Corporations

RENTER - A consumer who rents property from a Member and may otherwise be termed a lessee or tenant.



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ORIGINAL SHEET NO. C - 3

Section C: Definitions

Date Approved – October 14, 2004

RE-SERVICE - Providing service to an Applicant at a location for which service previously existed, but where Membership has been liquidated and now requires the fitting of a metering device into an existing setting and possibly requiring modifications to the setting in order to restore service. Costs of such re-servicing shall be based on justifiable and reasonable costs to the Corporation for restoration of service.

SERVICE CLASSIFICATION - A type of service which warrants a specific charge for service based on specific criteria such as usage, meter size, demand, type application, etc., as determined by the Corporation upon evaluation of the service requirements of the Applicant or Member.

SERVICE APPLICATION AND AGREEMENT – A Service Application is a written agreement between the Member/Applicant and the Corporation, outlining the responsibilities of each party regarding the service of water.

SURRENDERED MEMBERSHIP - A Membership in which service has been discontinued upon request of the Member and all indebtedness due the Corporation has been paid in full.

TARIFF - The Corporation's published rates, fees, and conditions of service. It also includes operating policies, service rules, service extension policy, service rates, rationing policies, sample application packet, and miscellaneous transaction forms adopted by the Board of Directors. A copy of this Board approved tariff is on file at the Corporation office.

TEMPORARY SERVICE - The classification assigned an applicant that is in the process of construction. This could also apply to service for uses other than a permanent installation (construction, drilling, etc.). This classification will change to permanent service after requirements in Section E1, E2, E3, and E5. are met.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ) - State regulatory agency having jurisdiction of water and sewer service utilities. (30 TAC - Texas Administrative Code)

TRANSFeree - An Applicant receiving a Starr Water Supply Corporation Membership by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity.

TRANSFEROR - A Member who transfers Membership by legal means to another person or entity desiring to qualify for service to a property for which the Membership is currently issued, or to the Corporation.

USAGE – Amount billed or to be collected based on the meter reading.



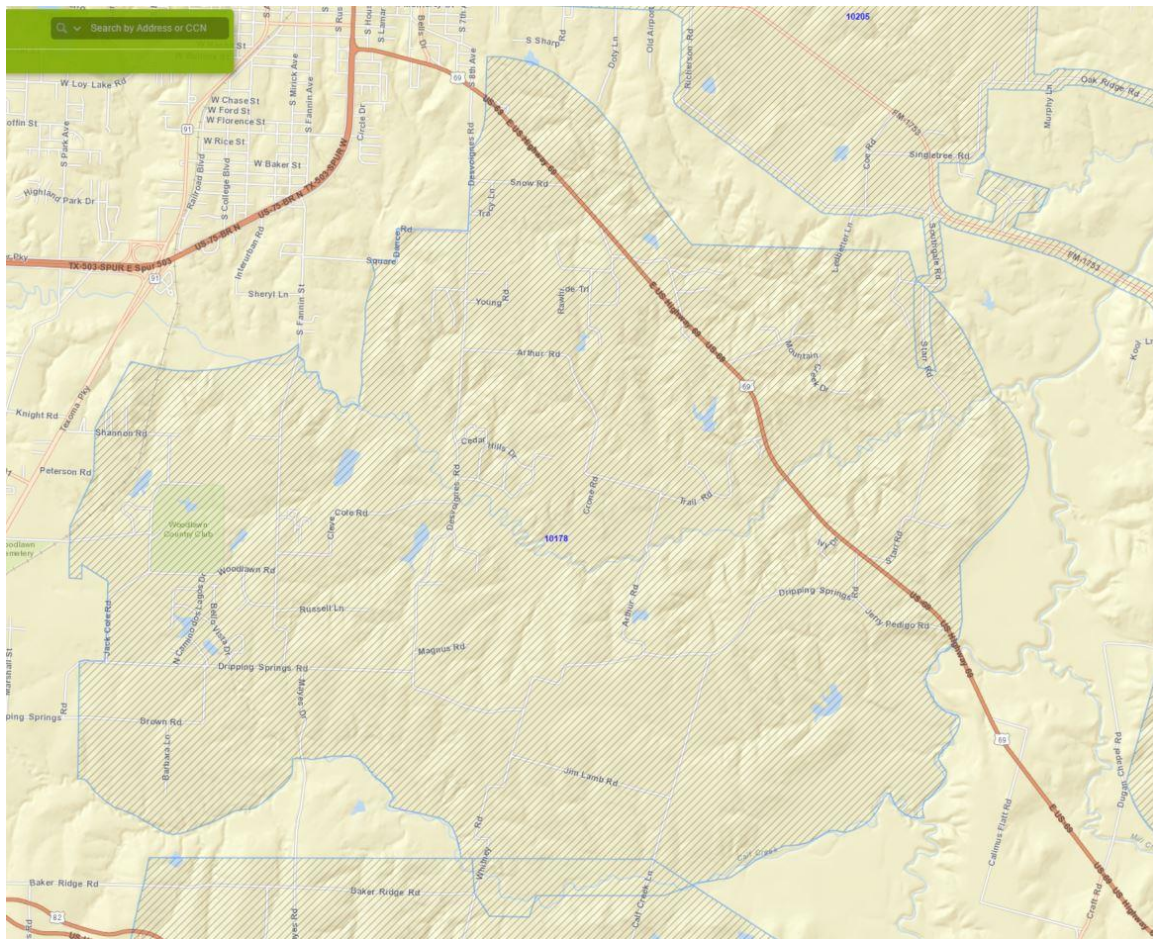
STARR WSC TARIFF
Section D: Geographic Area Served
Date Approved – October 14, 2004

ORIGINAL SHEET NO. D - 1

SECTION D: GEOGRAPHIC AREA SERVED

The service area of Starr Water Supply Corporation is located approximately two miles southeast of downtown Denison, Texas, and is generally bounded on the north by an area .5 miles north of U.S. Hwy 69; on the east by an area .5 miles east of Starr Road; on the south by Calf Creek; and on the west by an area .5 miles east of S. H. 91 (Texoma Parkway)

For more specific details on the geographic area served please see the Certificate of Conveyance and Necessity.





STARR WSC TARIFF

REVISED SHEET NO. E - 1

Section E: Service Rules and Regulations

Date Approved – October 14, 2004

Date Revised - September 4, 2008

SECTION E: SERVICE RULES AND REGULATIONS

1. Service Entitlement. An Applicant shall be considered fully qualified and entitled to water service when proper application has been made, terms and conditions of SERVICE APPLICATION AND AGREEMENT have been met and continue to be met, and all fees have been paid as prescribed by this Tariff. (30 TAC 291.85 (a))

2. Application Procedures and Requirements. For the purposes of this Tariff, service requested by an applicant and provided by the Corporation shall be divided into the following two (2) classes:

a. Standard Service is defined as service on an existing pipeline, where pipeline or service facility extensions are not required, and special design and/or engineering considerations are not necessary. Typically, this would include only 5/8" X 3/4" to 3/4" sized meter services set on existing pipelines.

b. Non-Standard Service is defined as any service applied for which is not Standard Service. In addition to the following requirements for service, service requirements as prescribed by Section F of this Tariff shall be required of the Non-Standard Service Applicant prior to extension of such pipelines and/or service facilities.

c. Requirements for Standard and Non-Standard Service:

(1) The Corporation's Service Application and Agreement Form shall be completed, in full, and signed by the applicant.

(2) A Right-of-Way Easement Form, approved by the Corporation, must be completed by the Applicant for the purpose of allowing future extensions or facility additions to improve, or provide service to, future Applicants. NOTE: This requirement may be delayed for Non-Standard Service requests.

(3) The Applicant shall provide proof of ownership of, or title to, property for which service has been requested, in a manner acceptable to the Corporation.

(4) The Applicant shall provide proof that application has been made to the proper regulatory authority, for approval and installation of on-site sewage disposal facilities, as authorized under the Texas Sanitation and Health Protection Law, Texas Civil Statutes, Article 4477-1, for all services requiring such installations.

(5) When Backflow prevention is required in connection with a meter, the applicant shall be required to pay all cost for materials, installation, and testing of a backflow prevention device.

(6) All Service Applications approved, and cost of service fees quoted, by the Corporation, shall be presented to the Applicant in writing and shall stand approved at quoted costs for a period not to exceed thirty (30) days. After thirty (30) days, each Applicant shall re-apply for service under the terms of this Tariff.



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REVISED SHEET NO. E - 2

Section E: Service Rules and Regulations

Date Approved – October 14, 2004

Date Revised - September 4, 2008

Date Revised – August 12, 2014

(7) If the water main has been located in the public right-of-way, and is adjacent to Applicant's property, due to the current or previous landowner's refusal to grant easement to the Corporation for the purposes of installing the water main and appurtenances, and the Corporation has documentation of such refusal on file, the Applicant, prior to receiving the requested service, shall grant easement to the Corporation. In addition to the normally required fees for service, the Applicant shall pay such sums as are necessary for the removal of the water main from the public right-of-way, and for relocation onto the Applicant's property, pursuant to such easement.

3. Activation of Standard Service.

a. New Tap-- The Corporation shall charge a non-refundable service installation fee as required under Section G of this Tariff. The service installation fee shall be quoted in writing to the Applicant. All other fees shall be paid in advance of installation, including, as applicable, the Membership Fee, any Easement Fees, and the Front-end Capital Contributions as required under Section G of this Tariff.

b. Re-Service -- In the event an application is made for service on property where service previously existed, and for which an inactive account exists, the Corporation shall charge the Membership Fee and labor and materials costs necessary to restore service.

c. Performance of Work -- After all applicable fees are paid, and approval is granted by proper authorities, all tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or the Corporation's designated representative. The tap shall be completed within ten (10) working days after receipt of payment of quoted installation fees.

d. Charge for Line Extensions and Road Crossings - - The cost to construct line extensions and road crossings will be determined on a case-by-case basis, based on the cost of labor and materials at the time of construction.

4. Activation of Non-Standard Service.

a. Activation of Non-Standard Service shall be conducted as prescribed by terms of Section F of this Tariff.

b. Re-Service -- The same terms which apply under the Activation of Standard Service, Sub-Section on Re-Servicing, (Section E, Sub-Section 3. b.) shall be applied to Non-Standard Re-Service requests.

5. Changes in Service Classification. If at any time the Corporation determines that the customer service needs change, from those needs originally applied for, to a different service classification, and the Corporation determines that additional or different facilities are necessary to provide adequate service, the Corporation shall require the Applicant/Member to re-apply for service under the terms and conditions of this Tariff. Applicants/Members failing to comply with this provision shall be subject to the Disconnect With Notice provisions of this Tariff, Section E, Sub-Section 14.a.



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ORIGINAL SHEET NO. E - 3

Section E: Service Rules and Regulations

Date Approved – October 14, 2004

Date Revised – August 12, 2014

6. Membership.

a. Eligibility -- Eligibility for Membership shall not guarantee service to the Applicant or Transferee. However, qualification for service is a prerequisite to Membership eligibility for new Applicants, or continued Membership for Membership Transferees.

b. Membership Entitlements -- Upon qualification for service, qualification for Membership, and payment of the required fees, a Membership shall entitle the Applicant/Member to one (1) connection to the Corporation's water main and one (1) share of Corporation stock. The Membership also entitles the Member to one (1) vote in the conducting of the affairs of any Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. Ownership of more than one (1) Membership shall not authorize the Member to cast more than one (1) vote at any annual or special meeting. Each Membership shall be assigned to the specified parcel of land originally designated to receive service at the time of application.

c. Transfers of Membership.

(1) A Member is entitled to transfer Membership in the Corporation without the prior approval of the Corporation only under the following circumstances:

(a) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or

(b) The Membership is transferred, without compensation, to a person related to the Transferor within the second degree by consanguinity; or

(c) The Membership is transferred without compensation, or by sale, to the Corporation; or

(d) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.

(2) In the event that Membership is transferred pursuant to the provisions of Section E, Sub-Section 6.c.(1), such transfer shall not be completed or recorded on the books and records of the Corporation until such time as the transferor has provided satisfactory evidence, to the Corporation, of such transfer. A transfer of Membership shall not be binding on the Corporation until such transfer has been approved, as provided by Section E, Sub-Section 6. c. (3).

(3) Qualifications for water service, upon transfer of Membership set forth in Section E, Sub-Section 6.c. (1) and 6. c. (2), shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon completion of the following terms and conditions:

(a) A Transfer Authorization Form has been completed by the Transferor and Transferee;

(b) The Transferee has completed the required Application Packet;



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ORIGINAL SHEET NO. E - 4

Section E: Service Rules and Regulations

Date Approved – October 14, 2004

- (c) All indebtedness due the Corporation has been paid;
- (d) The Membership Certificate has been surrendered, properly endorsed, by the record Transferor; and
- (e) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
- (f) In the event the existing Member requests a Membership refund, the Corporation shall require the new Member to deposit with the Corporation another Membership Fee equal to that quoted in the Corporation's current bylaws.

d. Cancellation of Membership -- To keep a Membership in good standing, a minimum charge must be paid monthly to the Corporation, whether or not water is used. Failure to pay this monthly charge to the Corporation shall jeopardize the Member's Membership standing and give rise to liquidation of the Membership Fee. A Member may be relieved of this obligation to pay by surrendering the Membership Certificate, properly endorsed, to the Corporation. The Member shall also complete a Service Discontinuance Request Form prior to termination of service. However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership Certificate. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Standard Service, Section E, Sub-Section 3. a. of this Tariff.

e. Liquidation Due To Delinquency -- When the amount of the delinquent minimum monthly charges, gallonage charges, penalties, and service fees, owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated and the Membership cancelled and transferred back to the Corporation. In the event the Member leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership Certificate, the Corporation may liquidate as many of the Member Guarantor's Membership Fees as necessary to satisfy the balance due the Corporation. The Corporation shall collect any remaining account balances through appropriate means. Reinstatement of service shall be subject to the terms of the Activation of Standard Service, Section E, Sub-section 3. a. of this Tariff.

f. Cancellation Due To Policy Non-Compliance -- The Corporation may cancel a Membership anytime a Member fails to comply with policies of the Corporation including, but not limited to, Member's failure to provide proof of ownership of the property from which the Membership arose.

g. Re-assignment of Cancelled Membership -- The Corporation, upon cancellation of Membership under the provisions of this Tariff, may re-assign the Membership rights thereby granted to any person who satisfactorily demonstrates eligibility for Membership including, but not limited to, proof of ownership of the property from which the Membership arose.



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ORIGINAL SHEET NO. E - 5

Section E: Service Rules and Regulations

Date Approved – October 14, 2004

7. Owners and Renters. Any Starr Water Supply Corporation Members, renting or leasing property to other parties, are responsible for all charges due the Corporation in the event a renter or lessee leaves the Corporation with any unpaid bills. The Corporation will bill the renter or lessee for water service as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The owner shall be required to sign an Alternate Billing Agreement. The Member shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The Corporation may notify the Member of the renter's past due payment status subject to service charges.

8. Denial of Service. The Corporation may deny Service for the following reasons:

a. Failure of the Applicant or Transferee to complete all required forms and pay all required fees and charges.

b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the Corporation.

c. Existence of a hazardous condition at the Applicant's property, which would jeopardize the welfare of the Members/Users of the Corporation upon connection.

d. Failure of Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property for which water service has been requested, when there is reason to believe that a hazardous condition may exist, for which access is necessary to verify.

e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the Corporation on file with the state regulatory agency governing the service applied for by the Applicant.

f. Failure of Applicant or Transferee to provide proof of ownership to the satisfaction of the Corporation, of property for which the tap has been requested.

g. Applicant's service facilities are known to be inadequate or of such condition that satisfactory service cannot be provided.

h. Applicant or Transferee is indebted to any utility for the same kind of service as that applied for. However, the Applicant shall be served by complying with the deposit requirement.

i. Applicant or Transferee refuses to make a deposit under these rules.

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

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



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ORIGINAL SHEET NO. E - 6

Section E: Service Rules and Regulations

Date Approved – October 14, 2004

a. Failure to pay a bill to correct previous under-billing due to misapplication of rates more than six (6) months prior to the date of application.

b. Violation of Corporation's rules pertaining to operation of non-standard equipment, or unauthorized attachments, which interferes with the service of others or other services, such as communication services, unless the Member has first been notified and been afforded reasonable opportunity to comply with said rules.

c. Failure to pay a bill of another Member as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service.

d. Delinquency, in payment for service, by a previous occupant of the premises to be served.

e. Failure to pay for materials or charges for non-utility service provided by the Corporation.

11. Deferred Payment Agreement. The Corporation may offer a deferred payment plan to a Member who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the Corporation, including any Late Penalty Fees or interest on the monthly balance, to be determined as per agreement.

12. Charge Distribution and Payment Application.

a. The Minimum Monthly Charge, is applied from the first day of the month to the last day of the month. Billings for this amount shall be mailed on or before the 1st day of the month, following the month for which this charge is due. All services shall be subject to this charge whether or not the service is in use by the Member.

b. Gallonage Charge shall be billed at the rate specified in Section G, and shall be billed in one hundred (100) gallon increments. Water charges for usage are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.

c. Posting of Payments -- All payments shall be posted against previous balances prior to posting against current billings.

13. Due Dates, Delinquent Bills, and Service Disconnection Date. The Corporation shall mail all bills on or about the 1st day of the month. All bills shall be due by the date indicated on the bill (allowing the customer approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in Section G. A bill is delinquent if not paid on or before the due date. Payments made by mail will be considered late if postmarked after the due date. Final notices shall be mailed within two (2) business days after the due date, allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service, with sufficient postage.



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REVISED SHEET NO. E - 7

Section E: Service Rules and Regulations

Date Approved – October 14, 2004

Date Revised - September 4, 2008

Date Revised – August 12, 2014

If the due date for the regular or final billing is on a weekend or holiday, the next due date for payment purposes shall be the next day the Corporation office is open for business after said weekend or holiday.

14. Rules for Disconnection of Service. The following describes the rules and conditions for disconnection of service:

- a. **Disconnection with Notice** -- Water utility service may be disconnected for any of the following reasons after proper notification has been given. Proper notification shall be by a phone call, separate mailing, or hand delivery at least five (5) days prior to a stated date of disconnection, with the words “disconnect notice” prominently displayed on the notice:

For situations (2) through (8), the notice will specify a compliance period of ten (10) days, and will provide Reconnect Fee information.

- (1) Returned Checks -- In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the Corporation, for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the Corporation shall require the redemption of the returned instrument immediately. Redemption of the returned instrument is to be made at the Corporation office, and payment for the redemption of the returned check shall be by cash, money order, or certified check. All insufficient fund checks, account closed or money orders which have had a “stop payment order” issued for payment of a water bill will be deemed delinquent as if no payment was received and the meter is subject to disconnection with notice on the regular disconnection day.

- (2) Failure to pay a delinquent account for utility service or failure to comply with the terms of a deferred payment agreement.

- (3) Violation of the Corporation’s rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment, if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation.

- (4) Failure of the Member to comply with the terms of the Corporation’s Service Agreement, Tariff, Bylaws, or Special Contract, provided that the Corporation has given notice of said failure to comply, and the Member has failed to comply within the specified amount of time after notification.

- (5) Failure to provide access to the meter, under the terms of this Tariff, or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists, for which access is necessary to verify.

- (6) Misrepresentation, by any Applicant or Transferee, of any fact on any form, document, or other agreement which the Corporation requires to be executed.



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REVISED SHEET NO. E - 8

Section E: Service Rules and Regulations

Date Approved – October 14, 2004

Date Revised - September 4, 2008

(7) Failure of the Member to meet requirements of the regulatory authority for construction or maintenance of on-site sewage facilities as authorized by the Texas Sanitation and Health Protection Law, TCS, Article 4477-1.

(8) Failure of the member to re-apply for service upon notification by the Corporation that the Member no longer meets the terms of the service classification originally applied for under the original service application.

(9) Upon discovery by Starr personnel that more than one dwelling is connected to a single meter.

(10) When 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.

b. **Disconnection Without Notice** -- Water utility service may be disconnected without notice for any of the following conditions:

(1) A known dangerous or hazardous condition exists, for which service may remain disconnected for as long as the condition exists including, but not limited to, a violation of the Texas Sanitation and Health Protection Law 4477-1, or there is reason to believe a dangerous or hazardous condition exists and the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition.

(2) Service is connected, without authority, by a person who has not made application for service or who has reconnected service, without authority, following termination of service for nonpayment.

(3) In instances of tampering with the Corporation's meter or equipment, by-passing the meter or equipment, or other diversion of service.

(4) Member has failed, for three (3) consecutive months after notification, to provide access, through locked gates, for reading, installing, checking, repairing or replacing the meter.

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

c. **Disconnection Prohibited** -- Utility service may not be disconnected for any of the following reasons:

(1) Failure of the Member to pay for merchandise or charges for non-utility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of non-utility service as a condition of service.



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(2) Failure of the Member to pay for a different type of class of utility service unless a fee for such service is included in the same bill.

(3) Failure of the Member to pay charges arising from an under-billing occurring due to any misapplication of rates more than six (6) months prior to the current billing.

(4) Failure of the Member to pay the account of another Member as guarantor thereof, unless the Corporation has in writing the guarantee as a condition precedent to service.

(5) Failure of the Member to pay charges arising from an under-billing due to any faulty metering, unless the meter has been tampered with.

(6) Failure of the Member to pay estimated bill, other than a bill rendered pursuant to an approved meter reading plan, unless the Corporation is unable to read the meter due to circumstances beyond its control.

(7) In response to a request for disconnection by an Owner/Member of rental property where the renter is billed directly by the Corporation as authorized by the owner, and the renter's account is not scheduled for disconnection under the Rules for Disconnection of Service, Section E, Sub-Section 14, in this Tariff.

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

e. Disconnection Due to Utility Abandonment -- The Corporation may not abandon a Member, or a Certificated Service Area, without written notice to its Members and all similar neighboring utilities, and approval from the T C E Q.

f. Disconnection for Ill and Disabled -- The Corporation may not immediately discontinue service to a delinquent residential Member, permanently residing in an individually metered dwelling unit, when that Member establishes that discontinuance of service will result in some person at that residence becoming seriously ill, or more seriously ill, if service is discontinued. If a Member seeks to avoid termination of service under this Sub-section, the Member must have the attending physician call or contact the Corporation within sixteen (16) days of issuance of the bill. A written statement must be received by the Corporation from the physician within twenty-six (26) days of the issuance of the utility bill. The prohibition against service termination shall last sixty--three (63) days from the issuance of the utility bill, or such lesser period as may be agreed upon by the Corporation and Member's physician. A Certified Letter shall be sent to the Member, explaining how many days the termination of service will be delayed, and advising of the appropriate Reconnect Fee. If payment has not been received by the end of the prohibition period, service will be disconnected.



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Date Approved – October 14, 2004

g. Disconnection of Master-Metered Services -- When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the following shall apply:

(1) The Corporation shall send a notice, by Certified Mail with Return Receipt requested, to the Member. This notice shall also inform the Member that notice of possible disconnection will be provided to the tenants of the service complex in six (6) days if payment is not rendered before that time.

(2) At least six (6) days after providing notice to the Member, and at least four (4) days prior to disconnection, the Corporation shall post at least five (5) notices in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.

(3) The tenants may pay the Corporation for any delinquent bill on behalf of the owner to avert disconnection or to reconnect service to the complex.

15. Billing Cycle Changes. The Corporation reserves the right to change its billing cycles if the workload requires such practice. After a billing period has been changed, the billings shall be sent on the new change date unless otherwise determined by the Corporation.

16. Back-billing. The Corporation may back-bill a Member for up to four years (48 months) for any meter error, meter reading error, or billing error. Any unpaid back-billing will be considered PAST DUE, and handled in accordance with Section E, Sub-Sections 13 and 14, and Section G, Sub-Section 9. Back-billing shall not extend beyond current Membership.

17. Disputed Bills. In the event of a dispute between the Member and the Corporation, regarding any bill, the Corporation shall forthwith make and conduct an investigation, as shall be required by the particular case, and report the results, in writing, to the Member. All disputes under this Subsection must be submitted to the Corporation, in writing, prior to the due date posted on said bill except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Section E, Sub-Section 6. h.

18. Inoperative Meters. Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless bypassed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.



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REVISED SHEET NO. E - 11

Section E: Service Rules and Regulations

Date Approved – October 14, 2004

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19. Bill Adjustment Due To Meter Error. Upon written request by a customer, Starr will have the 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 \$150.00 and shall pay the cost to perform this test, including the cost to remove, transmit, and reinstall the meter. For anything larger than a standard meter Starr will estimate the cost and the customer will put up a deposit for the amount estimated. If the meter is found to be outside the accuracy standards established by the American Water Works Association, Starr will pay for the cost of the test and will take whatever steps necessary to provide an accurate meter.

20. Meter Tampering and Diversion. For purposes of these Sections, the terms meter--tampering, bypassing, or diversion shall all be defined as tampering with the Corporation's meter or equipment, and shall include removing a locking or shut-off device used by the Corporation to discontinue service, physically disorienting the meter, attaching objects to the meter to divert service or to bypass, inserting objects into the meter, and other electrical and mechanical means of tampering with, bypassing, or diverting service. The burden of proof of meter-tampering, bypassing, or diversion is on the Corporation. Photographic evidence, or any other reliable and credible evidence, may be used. However, any evidence shall be accompanied by a sworn affidavit by the Corporation's staff when any action regarding meter-tampering, as provided for in these Sections, is initiated. A court finding of meter-tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the Corporation shall be prosecuted to the extent allowed by law.

21. Meter Ownership Starr WSC will own, install, read, and maintain all meters used to measure amounts of water consumed by its members. All water sold by Starr WSC shall be billed based on those meter measurements.

22. Meter Relocation. Relocation of meters/taps shall be allowed by the Corporation provided that:

- a. No transfer of Membership is involved;
- b. An easement for the proposed location has been granted to the Corporation;
- c. The property of the new location requested is owned by the current Member of the meter to be moved;
- d. The existing tap location is contiguous to the proposed tap location; and
- e. The Member pays the actual cost of relocation plus administrative fees.



STARR WSC TARIFF

REVISED SHEET NO. E - 12

Section E: Service Rules and Regulations

Date Approved – October 14, 2004

Date Revised September 4, 2008

23. Prohibition of Multiple Connections to a Single Tap. In order that the Corporation may maintain adequate records of the actual number of users on its system, to assure compliance with Texas Department of Health Rules and Regulations on minimum service standards, to ensure that charges are received for each user on the system, and to ensure that the Corporation's metering device is adequately sized for proper flow and accurate measurement of water used, all connections of any dwelling, household, business, and/or water-consuming establishment currently receiving or planning to receive water service, either directly or indirectly, from the Corporation's water system shall individually apply for service under the rules of this Tariff. Any unauthorized sub-metering of service shall be considered a Multiple Connection and subject to disconnection of service. If the Corporation has sufficient reason to believe a Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with Notice provisions of Section E, Sub-Section 14. a. of this Tariff.

26. Member's Responsibility.

a. The Member shall provide access to the meter at all reasonable times, for the purpose of reading, installing, checking, repairing, or replacing the meter. Member shall provide a key to locked gates. If the gate to the Member's premises is locked, preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month, and a notice shall be sent to the member, explaining that entrance could not be gained and that a key should be furnished, or the gate unlocked, for each reading period. Should the gate remain locked for three consecutive months, after proper notification to the Member, then service shall be discontinued and the meter removed with no further notice.

b. The Member shall see that all plumbing connections shall be made to comply with the Texas Department of Health Rules and Regulations.

c. A Member owning more than one (1) Membership Certificate shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable as per Service Application and Agreement executed by the Member.

d. The Corporation's ownership, and maintenance responsibility, of water supply and metering equipment shall end at the point where the Member connects to the equipment provided by the Corporation during the installation of the metering equipment. Therefore, all water usage registering upon, and/or damages occurring to, the metering equipment owned and provided by the Corporation shall be subject to charges as determined by the Corporation's Tariff, as amended from time to time by the Board of Directors.

e. The Corporation shall require each Member to provide a cut-off valve on the Member's side of the meter for purposes of isolating the Member's service pipeline and plumbing facilities from the Corporation's water pressure. The Member's use of the Corporation's curb stop or other similar valve for such purposes is prohibited. Any damage to the Corporation's equipment shall be subject to service charges.



STARR WSC TARIFF

REVISED SHEET NO. E - 13

Section E: Service Rules and Regulations

Date Approved – October 14, 2004

Date Revised - September 4, 2008

27. Customer Service Inspection, A Customer Service Inspection certification conforming to Texas Commission on Environmental Quality regulations, which is currently codified as 30 TAC § 290.46(j), must be completed for all new connections and for existing service connections where Starr WSC personnel have reason to believe that cross-connections or other hazardous conditions 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. A Customer Service Inspection certification form as shown in Appendix A, must be completed and signed by the person performing the inspection, and filed with Starr WSC before water service will be provided. In cases where water service is provided to facilitate construction of a new residence or other structure, a customer service inspection must be preformed for the new structure and a properly completed customer service inspection must be filed with Starr WSC before occupancy of the structure occurs.

(a) All connections shall be designed to ensure against back-flow or back-siphonage into the Corporation's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough.

(b) The use of pipe or pipe fittings that contain more than 8.0% lead or solder, and flux that contains more than 0.2% lead, are prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation's facilities.

Service shall be discontinued without notice, when installations of new facilities, or repair of existing facilities, is found to be in violation of this regulation, until such time as the violation is corrected.



STARR WSC TARIFF

ORIGINAL SHEET NO. F - 1

Section F: Non-Standard Service Requirements

Date Approved – October 14, 2004

SECTION F: NON-STANDARD SERVICE REQUIREMENTS

1. Corporation's Limitations. All Applicants shall recognize that the Corporation must comply with local, state, and federal rules and regulations as promulgated from time to time, and by covenants of current indebtedness.
2. Purpose. The purpose of the Section is to govern agreements and service procedures for subdivisions, additions to subdivisions, or developments where service to more than one tract is necessary, and/or where additional piping, service facilities, etc. are required to accommodate individual, multiple, commercial, or industrial Applicants. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard.
3. Application of Rules. This Section may be altered or suspended when applied to planned facility expansions for which the Corporation extends its indebtedness. The Board of Directors or the Corporation shall interpret, on an individual basis, whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.
4. Non-Standard Service Application. The Applicant shall meet the following requirements prior to the initiation of a Service Contract by the Corporation:
 - a. The Applicant shall provide the Corporation a completed Service Application and Agreement, giving special attention to the item on SPECIAL SERVICE NEEDS OF THE APPLICANT.
 - b. A final plat, approved by the Corporation, must accompany the Application, showing the Applicant's requested service area. The plat must be approved by all regulatory authorities having jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such regulatory authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
 - c. At the time the Applicant tenders the application, a Non-Standard Service Investigation Fee (See Section G) to cover initial administrative, legal, and engineering fees shall be paid to the Corporation. Any payment received, which exceeds actual expenses incurred in the investigation, shall be refundable to the Applicant, and any additional expenses incurred as a result of efforts by the Corporation to study service requirements of the Applicant, shall be paid by the Applicant.
 - d. If, after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property outside the Corporation's Certificated Service Area of Public Convenience and Necessity, service may be extended provided that:



STARR WSC TARIFF

ORIGINAL SHEET NO. F - 2

Section F: Non-Standard Service Requirements

Date Approved – October 14, 2004

(1) The service location is contiguous to or within one fourth (1/4) mile of the Corporation's Certificated Service Area of Public Convenience and Necessity;

(2) The service location is not in an area receiving similar service from another utility; and

(3) The service location is not within the Area of Public Convenience and Necessity of another similar utility.

5. Design. The Corporation shall study the design requirements of the Applicant's required facilities prior to initiation of a Service Agreement by adopting the following schedule:

a. The Corporation's Consulting Engineer shall design all service facilities for the Applicant's requested service within the Corporation's specifications or within certain codes and specifications of neighboring municipalities for all Non-Standard Service Applications which lie within a five (5) mile margin around the boundaries of municipalities having jurisdiction over such design criteria (municipalities with a population greater than five thousand [5,000]).

b. The Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee provided, however, that the actual costs of the Engineer's services do not exceed the amount of the Non-Standard Service Investigation Fee allotted for engineering services. If the Applicant's services exceed the allotted fee, the Applicant shall pay the balance of engineering fees prior to resuming the service investigation.

c. The Consulting Engineer shall submit, to the Corporation, a set of detailed plans, specifications, and cost estimates for the project.

d. If no local authority imposes other design criteria on the Applicant's service request, the Corporation's Engineer shall design all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands provided, however, that the Corporation pays the expense of such upgrading above the Applicant's facility requirements.

6. Non-Standard Service Contract. All Applicants requesting or requiring Non-Standard Service shall enter into a written contract, drawn up by the Corporation's Attorney, in addition to submitting the Corporation's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to:

a. Definition of all costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid.

b. Definition of procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.



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ORIGINAL SHEET NO. F - 3

Section F: Non-Standard Service Requirements

Date Approved – October 14, 2004

c. Definition of Front-end Capital Contributions required by the Corporation in addition to the other costs required under this Section.

d. Definition of terms by which the Corporation shall administer the Applicant's project with respect to:

- (1) Design of the Applicant's service facilities;
- (2) Securing and qualifying bids;
- (3) Execution of the Service Agreement;
- (4) Selection of a qualified bidder for construction;
- (5) Dispensing advanced funds for construction of facilities required for the applicant's service;
- (6) Inspecting construction of facilities; and
- (7) Testing facilities and closing the project.

e. Definition of terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuits in connection with the project contemplated.

f. Definition of terms by which the Applicant shall deed all constructed facilities to the Corporation, and by which the Corporation shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.

g. Definition of terms by which the applicant shall grant title or easement for right-of-ways, constructed facilities and facility sites, and/or terms by which the Applicant shall provide for the securing of required right-of-ways and sites.

h. Definition of terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

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

a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Corporation shall require the Applicant to secure easements of title to facility sites in behalf of the Corporation. All right-of-way easements and property titles shall be researched, validated, and filed by the corporation at the expense of the Applicant.

b. All facilities required to be installed in public right-of-ways in behalf of the Applicant, due to inability to secure private right-of-way easements, shall be subject to costs equal to the original cost of facility installation for those facilities in public right-of-ways, plus the estimated cost of future relocation to private right-of-ways or subject to the cost of installation under state condemnation procedures, whichever is most desired by the Applicant.



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ORIGINAL SHEET NO. F - 4

Section F: Non-Standard Service Requirements

Date Approved – October 14, 2004

c. Easements and facilities sites shall be prepared for the construction of the Corporation's pipeline and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.

8. Bids for Construction. The Corporation's Consulting Engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge, to prospective bidders. Although the Corporation reserves the right to reject any bid or contractor, the Corporation shall generally award the contract to the lowest and best bidder, in accordance with the following criteria:

a. The Applicant shall sign the Service Contract, noting willingness to proceed with the project, and shall pay all costs in advance of construction associated with the project;

b. The Contractor shall provide an adequate bid bond, under terms acceptable to the Corporation;

c. The Contractor shall secure adequate performance and payment bonding for the project, under terms acceptable to the Corporation;

d. The Contractor shall supply favorable references acceptable to the Corporation;

e. The Contractor shall qualify with the Corporation as competent to complete the work, and

f. The Contractor shall provide adequate certificates of insurance, as required by the Corporation.

9. Pre-payment for Construction and Service. After the Applicant has executed the Service Agreement, the Applicant shall pay to the Corporation all costs necessary for completion of the project, prior to construction, and in accordance with the terms of the Service Contract.

10. Construction.

a. All road work, pursuant to county and/or municipal standards (if applicable), shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.

b. The Corporation shall, at the expense of the Applicant, inspect the facilities to ensure that Corporation standards are achieved.

c. Construction plans and specifications shall be strictly adhered to, but the Corporation reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.



STARR WSC TARIFF

REVISED SHEET NO. G - 1

Section G: Rates and Service Fees

Date Approved – October 14, 2004

Date Revised – September 22, 2005

Date Revised – September 4, 2008

SECTION G: RATES AND SERVICE FEES

Unless specifically defined in this Tariff, all fees, rates, and charges as herein stated shall be non-refundable.

1. Service Investigation Fee. The Corporation shall conduct a service investigation for each service application submitted at the Corporation office. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted, and the results reported, under the following terms:

a. All Standard Service requests shall be investigated, without charge, and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.

b. All Non-Standard Service requests shall be subject to a fee, unique to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant, to provide cost estimates of the project, to present detailed plans and specifications as per final plat, to advertise and accept bids for the project, to present a Non-Standard Service Contract to the Applicant, and to provide other services as required by the Corporation for such investigation. A non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.)

2. Membership Fee. At the time the application for service is approved, a Membership Fee of \$250.00 must be paid for each lot/tap, before service shall be provided or reserved, for the Applicant, by the Corporation.

3. Easement Fee. When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to secure easements, in behalf of the Corporation, and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way, in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites in behalf of the Applicant.

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

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



STARR WSC TARIFF

REVISED SHEET NO. G-2

Section G: Rates and Service Fees

Date Approved – October 14, 2004

Date Revised – March 08, 2007

Date Revised – September 4, 2008

Date Revised – December 17, 2009

Date Revised – August 12, 2014

b. Non-Standard Service shall include any and all construction labor and materials, administrative, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.

c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E. 2. c. (6) of this Tariff.

5. Front-end Capital Contributions. The Corporation shall charge all new connections a Front-end Capital Contribution Fee as set by Board of Directors in the approved tariff. The Front-end Capital Contribution Fee shall be the required contribution for standard service at new location for a standard meter. The Front-end Capital Contribution Fee shall be adjusted for larger meters per American Water Works Association meter equivalency factors approved in tariff. Funds collected through front-end capital contribution fees shall provide funding for new production, storage, and treatment construction to meet the additional service demand created by the applicant's proposed service. If new and adequate capacity is already available at the time a new service application is made, the front-end capital contribution fee shall compensate the Corporation for this capacity without burdening other members. Where necessary, the front-end capital fee funds may be used for transmission line upgrades, replacements or installation where such construction will benefit the water system as a whole or significant portion of it. If a developer or other multi-connection service applicant installs production, storage, treatment, or transmission facilities for the benefit of the Corporation, the developer or multi-connection service applicant may receive a reduction in the amount of per connection front-end capital fee they would otherwise pay, as may be approved by the Corporation's Board of Directors, in an amount not to exceed the money value of the original cost of the facilities constructed for the Corporation's benefit.

6. Customer Service Inspection Fee. The State of Texas mandates that any request for new service from a public water supply include a Customer Service Inspection conducted by a licensed inspector. The Customer Service Inspection shall also be conducted when there is a request to transfer service from a membership that has never had an inspection. The fee for a Customer Service Inspection shall be \$50 unless the inspector determines that the inspection will be of such complexity and magnitude that additional time and resources will be necessary. In that instance an adjustment to the fee may be made.

7. Monthly Charges.

a. Minimum Monthly charges - The monthly charge for metered water service, including allowable gallonage, is based on demand by meter size. Each charge is assessed based on the number of 5/8" X 3/4" meters (as per American Water Works Association maximum continuous flow specifications) equivalent to the size indicated, and is used as a base multiplier for the minimum monthly charge and allowable gallonage. Rates, equivalents, and allowable gallonages are as follows:



STARR WSC TARIFF

REVISED SHEET NO. G-3

Section G: Rates and Service Fees

Date Approved – October 14, 2004

Date Revised – March 08, 2007 Date Revised – December 17, 2009 Date Revised – August 12, 2014

Meter Size	5/8" Meter Equivalents	Allowable Gallonage	Monthly Minimum Rate
5/8" X 3/4"	1	0	\$26.50
1"	1.33	0	\$32.50
1 1/2 "	2.67	0	\$65.50
2"	4	0	\$ 98.00

b. In addition to the Minimum Monthly Charge, a per-gallon charge shall be added at the following rate:

1 to 5,000 gallons	\$4.25 per 1,000 gallons
5,001 to 10,000 gallons	\$4.50 per 1,000 gallons
10,001 to 30,000 gallons	\$5.00 per 1,000 gallons
All in excess of 30,000 gallons	\$6.00 per 1,000 gallons

8. LATE PAYMENT FEE. A penalty of \$12.50 per billing period shall be made on delinquent bills. This late payment penalty shall not be applicable to any unpaid balance of less than \$10.

9. RETURNED CHECK FEE. In the event a check, draft, or any other similar instrument, is given by a person, firm, corporation, or partnership, to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank, or other similar institution, as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$25.00.

10. RECONNECT FEE. The Corporation shall charge a fee of \$25.00 for the 1st offense, in a calendar year, of non-payment of water bill. A \$50.00 fee will be assessed for the 2nd offense of non-payment. A fee of \$100.00 will be assessed on the third and all subsequent offences.

12. SERVICE TRIP FEE. The Corporation shall charge a trip fee of \$25.00 for any service call or trip to the Member's tap, as a result of a request by the Member or resident (unless the service call is in response to damage of the Corporation's or another Member's facilities), or for the purpose of disconnecting or reconnecting service due to non-payment for services.



STARR WSC TARIFF

REVISED SHEET NO. G-4

Section G: Rates and Service Fees

Date Approved – October 14, 2004

Date Revised – March 08, 2007 Date Revised – September 04, 2008 Date Revised – August 12, 2014

13. EQUIPMENT DAMAGE FEE. If the Corporation's facilities or equipment have been damaged by tampering, bypassing, installing unauthorized taps, reconnecting service without authority, or other service diversion, charges will be assessed to the responsible party, to reimburse the Corporation for the expense incurred. Fees will range from \$100.00 to \$500.00. This fee shall be charged, and paid, before service is re-established. The Corporation can file suit with the County Justice system if they so desire. This offense is a Class A misdemeanor in a court of law.

If Starr's water lines or equipment are damaged by a member or other persons working on behalf of the member and line locates were not requested or followed, an Equipment Damage Fee for actual expenses incurred plus charges for the lost water will be charged to the member.

14. TEMPORARY SERVICE FEE. The fee shall be charged to temporarily reconnect a service for renovation or construction. The service shall not be connected for more than thirty (30) days. The fee for a temporary reconnect is \$50.00 plus consumption at the rate in effect per 1,000 gallons.

15. TRANSFER FEE. The fee shall be charged to each new customer who is requesting a membership transfer to his/her name. The fee is \$25.00.



STARR WSC TARIFF

REVISED SHEET NO. H - 1

Section H: Emergency Rationing Program

Date Approved – October 14, 2004

Date Revised – September 04, 2008

SECTION H: EMERGENCY RATIONING PROGRAM

The following water rationing program is adopted for emergency use only, during periods of acute water shortage.

1. Declaration of Emergency. When a system demand exceeds production or storage capability, measured over a twenty-four (24) hour period, and refilling the storage facilities is rendered impossible to such an extent that normal use patterns will no longer be possible, the Corporation may declare an emergency to exist, and thereafter ration water in the following manner.
2. Notice Requirements. Reasonable notice of the proposed rationing shall be provided 24 hours before Starr actually starts the program. This notice may include, by way of example and without limitation, notice published in a local newspaper, radio and television announcements, e-mails, phone calls, or by posting notice on the website and in public buildings. The Member notice shall contain the following information:
 - a. The date rationing shall begin;
 - b. The date rationing shall end;
 - c. The state (level), and explanation, of rationing to be employed;
 - d. Explanation of penalties for violation
 - e. A copy of this rationing authority; and
 - f. Affected area to be rationed.
3. Stage Levels of Rationing.
 - a. **STAGE I Mild Water Shortage Conditions** (Voluntary Conservation) – Under Stage I, Starr members will be requested to voluntarily restrict usage of water for outdoor purposes such as lawns, gardens, car washing, etc. Members will be requested to voluntarily limit the amount of water used to that amount absolutely necessary for health, business, and outdoor water use. Some voluntary restrictions would include restrictions on: watering hours, watering volume, alternate days or watering. The goal is to reduce daily demand by 10%.
 - b. **STAGE II Moderate Water Shortage Conditions** (Mild Rationing Conditions) – Under Stage II, Starr will enforce the restrictions in the Drought Contingency Plan under STAGE II restrictions. These would include time use restrictions, hand watering restrictions, and other restrictions of non-essential use of water. The goal is to reduce daily demand by 15%.
 - c. **STAGE III Severe Water Shortage Conditions** (Moderate Rationing Conditions) All of STAGE II restrictions are in place and additional restrictions as prescribed by the Drought Contingency Plan will be enforced. The goal is a 20% reduction in Daily demand.



STARR WSC TARIFF

ORIGINAL SHEET NO. H - 2

Section H: Emergency Rationing Program

Date Approved – October 14, 2004

d. **STAGE IV Critical Water Shortage Conditions** (Severe Rationing Conditions) -All STAGE II and III restrictions are in effect. In addition no new applications connections, expansions, or extensions shall be allowed or approved. The Goal of STAGE IV is a 30% reduction in Daily demand.

e. **STAGE V Emergency Water Shortage Conditions** All outdoor water usage is prohibited; livestock may be exempted by the Corporation. In addition water rationing will be put into effect. The Drought Contingency Plan will be used to determine rationing. The Goal of STAGE V is a 50% reduction in Daily demand.

4. Violation of Emergency Rationing Rules.

a. **First Violation** - The Corporation may install a flow restrictor in the line to limit the amount of water which will pass through the meter in a twenty-four (24) hour period. The cost to be charged to the Member's account shall be the actual installed cost to the Corporation, not to exceed \$50.00.

b. **Subsequent Violations** - The Corporation 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 normal Service Trip Fee of the Corporation shall apply for restoration of service.

5. **Exemptions or Variances From Rationing Rules.** The Board of Directors may grant any Member an exemption, or variance, from the uniform rationing program, for good cause. The Corporation shall treat all Members equally concerning exemptions and variances, and shall not employ discrimination in such grants.

6. **Rates.** All existing rate schedules shall remain in effect during the rationing period, and no charges, which are not contained in the approved Tariff of the Corporation, may be levied against a Member.

The purpose of this Emergency Rationing Program is to conserve the total amount of water demanded from the Corporation until supply can be restored to normal levels. This rationing program shall not exceed sixty (60) days without extension by the Board of Directors.