

AN ORDER OF THE BOARD OF DIRECTORS OF THE LAKEWAY MUNICIPAL UTILITY DISTRICT AMENDING AND RESTATING THE DISTRICT’S RATE ORDER; AND MAKING FINDINGS AND OTHER PROVISIONS RELATED AND APPLICABLE THERETO; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Lakeway Municipal Utility District (the “District”) is authorized and required to establish, revise, maintain and collect rates and charges for all District Water, Wastewater and Reuse services and facilities, used and useful, both in and outside of the District which will enable the District to timely pay all indebtedness of its Water and Wastewater System, provide for a reserve for emergencies and contingencies as authorized and required by the Texas Water Code and the covenants and conditions contained in the District’s Orders which authorized the issuance and sale of its outstanding Water and Wastewater System Bonds; and

WHEREAS, the District’s Board of Directors (the “Board”) has reviewed its existing Water, Wastewater and Reuse/Irrigation System rules, regulations, rates, charges and penalties for service, and has determined to make certain revisions thereto, and to confirm, re-enact and continue all other matters relating thereto so that all such matters be contained in a single Order.

WHEREAS, this Order amends and replaces the Order adopted by the Board on November 10, 2021.

NOW THEREFORE, IT IS ORDERED BY THE BOARD OF DIRECTORS OF THE LAKEWAY MUNICIPAL UTILITY DISTRICT THAT:

The foregoing recitations and findings are found to be true and correct, incorporated herein by reference, and made a part of this Order. All prior Orders, Resolutions, or policies of the District in conflict with the provisions of this Order are repealed to the extent of any such conflict; otherwise, the same are confirmed, re-enacted and shall continue in full force and effect.

The following provisions are adopted by the Board and shall be effective beginning on the date of adoption and continuing in effect until amended by the Board:

I. DEFINITIONS

Authorized Agent – means an individual, partnership, association, firm, public or private corporation, or other legal entity retained by the District to provide services to the District (e.g., inspection services, plan review, legal services, etc.)

Authorized Representative – means an individual, partnership, association, firm, public or private corporation, or other legal entity designated in a Service Agreement to act on behalf of a Property Owner.

Billing Classifications – has the meaning set forth in Exhibit F

Billing Cycle – means the periods shown in the table in Section IV of this Order.

Billing Period – means the periods shown in the table in Section IV of this Order.

Board – means the Board of Directors of the District.

Connection – means each residential dwelling unit occupied by a separate family or family unit, including separate apartments or dwelling units located within a single building, and each business unit occupied by a separate business, including separate establishments within a single building.

Customer – means (a) a Person that receives Service from the District’s System; (b) a Property Owner owning one or more structures connected to the District’s System; or (c) a Person who receives the benefit of the District’s Service, and includes Single-Family Residential Customers, Non-Single-Family Residential Customers, and Non-Taxable Customers.

Delinquency Date – means 5:01 P.M. on the twentieth (20th) day of the month following the last month of the Billing Period, subject to adjustment under the provisions of Section IV of this Order.

District – means the Lakeway Municipal Utility District.

District’s Plumbing Code – means an Order containing the District’s deletions, changes, and additions to the Uniform Plumbing Code, established to provide minimum and uniform standards to safeguard life, health, property, and public welfare by regulating and controlling the design, construction, quality of materials, and workmanship of all structures to be served with water, and/or wastewater, and/or reuse/irrigation water service by the District.

District’s Specifications and Standards – means and includes, collectively, the District’s Standard Details, Wastewater Backup Relief Valve Installation Guide, Grease Interceptor Requirements, Residential Wastewater Pump Installation Requirements - Residential Application, and any other specifications adopted or announced by the District.

District’s System – means, collectively, the District’s water, wastewater, and reuse water system used to provide service to the District’s Customers, and individually any one of those systems.

General Manager – means the General Manager of the District.

Grinder Pump – means the wastewater conveyance device consisting of a pump, (with level sensor, e.g. a float switch) a tank, and an alarm panel (for detecting when the waste in the holding tank rises above a certain level, alerting the homeowner to a pump malfunction) into which wastewater from household water-using appliances (toilets, bathtubs, showers, washing machines, etc.) flows through the home’s pipes into the grinder pump’s holding tank where, once it reaches a certain level, the pump will turn on, grind the waste into a fine slurry, and pump it to the District’s System.

In-District Customer – means a Customer located within the boundaries of the District.

Meter – means a District water or Reuse/Irrigation water Meter. The District is transitioning from traditional Meters to advanced metering infrastructure (“AMP”) meters or “Smart Meters” that are equipped with cellular transmitters that send water use information to a receiver where the data is encrypted and sent to the District.

Multi-Family Unit – means a residential structure containing and designed for use and occupancy by more than one single family unit.

Non-Single Family Residential Customer – means a Customer of the District’s System other than a Single Family Residential Customer and includes, but is not limited to commercial establishments, apartments, churches, schools, amenity centers, recreational facilities, clubs, and Multi-Family Units.

Non-Taxable Customer – means any Customer of the District’s System other than a Single Family Customer, a Multi-Family Customer, or a Non-Single Family Customer that is exempt from ad valorem taxation by the District under the Texas Property Tax Code, including but not limited to churches and schools.

Out-of-District Customer – means a Customer located outside of the boundaries of the District who receives service from the District at the sole discretion of the District, subject to applicable laws.

Owners Association – means a non-profit organization organized for the purpose of representing the interests of a group of Single Family Units or Multi-Family Units within the District.

Person – means and includes an individual, corporation, organization, government or governmental entity, subdivision or agency, business trust, estate, trust, partnership, association, or any other legal entity.

Property Owner – means a Person who owns real property that receives Service from the District.

Rate Schedules – means Exhibits A, B, C, D and E.

Renter – means a Person who rents real property that receives Service from the District.

Reuse/Irrigation Water – means non-potable water provided by the District solely for landscape irrigation purposes.

Security Deposit – means a deposit of money to be paid by a Customer upfront in the amount shown on Exhibit B attached to this Order or stated elsewhere in this Order to help insure the District against losses that result from unpaid or underpaid bills.

Service – means the provision of water, wastewater, and/or Reuse/Irrigation water by the District to a Customer.

Service Address – means the U.S. Postal Service-provided street address of the structure to which or place where Service is provided by the District.

Service Fee – means the fee charged by the District at the time of submittal of a Service Application to cover the cost of application review and setting up an account.

Service Line – means the pipe, tubing, and fittings running from the foundation of a structure connecting to a Customer’s Meter (for water Service Lines) or sewer tap (for wastewater Service Lines), including but not limited to houses, additional dwelling units, pool/spa, commercial structure, etc. located between the foundation of a structure to a Customer’s Meter.

Single Family Residential Customer – means a Customer of the District’s System that consists of one residence designed for use and occupancy by a single family unit.

Tap – means the valve connecting a Service Line to the District’s System.

Tap Fee – has the meanings set forth in the attached Exhibit C.

Wastewater Multiplier – means the product of the ratios of the measured Biochemical Oxygen Demand and Total Suspended Solids (as those terms are defined in as defined by the Texas Commission

on Environmental Quality) to the residential design value of 200 mg/l, subject to the further provisions of Section IV of this Order.

Wholesale Service – means service provided by the District to a public water or wastewater supplier on terms and conditions set forth in a written contract between the District and said entity allowing said entity to provide retail service to its customers.

II. PRELIMINARY REQUIREMENTS

Service Agreement, Fees, Deposits, Inspections. A Service Agreement application, together with a Service Fee, proof of residency or ownership of the property at the Service Address, and proof of identity must be submitted by a Property Owner and approved by the District prior to commencement of construction of a new Service Line (for new structures) or prior to occupancy (for existing structures). A Service Agreement is effective after the Service Fee, and applicable inspection fees, and Security Deposit (if required by Section V of this Order) have been paid to the District and the Service Agreement has been duly signed by the Customer and the District. Failure to secure a Service Agreement with the District when required may result in Service disconnection.

Building Permit Required. Prior to constructing or making a Connection to the District’s System, a Property Owner or its Authorized Representative must provide copies of, or otherwise present evidence to the District that, there is a valid building permit from the City of Lakeway and/or Certification of Occupancy and/or the equivalent authorization(s) for the structure for which Connection to the District System is sought.

Plumbing Permit Required. Prior to constructing or making a Connection to the District’s System, a Property Owner or its Authorized Representative must obtain a Plumbing Permit from the District and pay all fees associated with such permit.

Fees and Deposits Required. Before making a Connection to the District’s System, all applicable fees must be paid to the District to cover the costs of processing the application, making the Connection and setting the Meter, and a Security Deposit paid.

III. STANDARDS, INSPECTIONS, TAP FEES

Location Inspection. All Property Owners or their Authorized Representatives must contact the District before commencement of any work to make a Connection to the District’s System to locate and verify the location of that part of the District’s System to which a Connection is desired to be made. If any part of the District System is cannot be located, the District shall make it visible at the Customer’s expense.

Plumbing Code and Specifications and Standards. All Connections to the District’s System shall be made in conformance with the District’s Plumbing Code and Specifications and Standards. Installation of equipment and fixtures that are not in compliance with the District’s Plumbing Code or Specifications and Standards, or any other local or state laws, ordinances, orders or rules, is not permitted.

District Inspections. All Connections to the District’s Systems must be inspected by a District employee

or an Authorized Agent before the Connection is covered in the ground. If a Connection is made before or without such an inspection, the Connection must be uncovered by the Customer or its Authorized Representative so that it may be inspected by the District, and Service, if it has commenced at the location, shall be terminated until the District approves the Connection. If a Connection fails the inspection, re-inspections must be scheduled by the Property Owner or its Authorized Representative and re-inspection fees paid until the Connection is approved by the District’s representative. Any cost to the District for additional inspections or other work resulting from violations of this Section must be paid by the Customer before Service commences.

Customer Service Inspections. The provisions of 30 Texas Administrative Code Sec. 290.46(j) are hereby incorporated into this Order by this reference. The required TCEQ Form 20699 is available on the Texas Commission on Environmental Quality’s website.

Tap Fees. For each Connection, Tap Fees in the amount shown on Exhibit C must be paid to the District prior to making a Connection to the District’s System. Payment of the Tap Fees entitles the Customer to receive the Service Application for which the Connection(s) is to be made and, if the Connection is in compliance with this Order, to receive the applicable Service from the District.

Commencement of Service. Only after passing a final inspection and paying all required fees and charges will Service to the Customer commence. After the Connection is completed, the Property Owner or their Authorized Representative is responsible for reimbursing the District for the costs of all damages, adjustments, relocations, and repairs found during the final inspection. All final fees and charges are due prior to and as a condition of issuance of a Plumbing Permit.

IV. BILLING AND RATES

Billing Periods, Billing Cycles, Meter Reading Dates, Bill Dates, and Payment Due Dates. The District uses a two-month billing period (bi-monthly). Bills are sent out near the first day of the months of December, February, April, June, August, and October. The table below shows the billing periods, the billing cycle and the Meter reading dates for each billing cycle as well as the date bills are sent out by the District and the date payment is due.

Billing Period	Billing Cycle	Meter Reading Dates		Bills Sent (on or about)	Payment Due
		Beginning Read Date	Ending Read Date		
October/November	9/21 - 11/20	September 1 - 5	November 1 - 5	December 1	December 20
December/January	11/21 - 1/20	November 1 - 5	January 1 - 5	February 1	February 20
February/March	1/21 - 3/20	January 1 - 5	March 1 - 5	April 1	April 20
April/May	3/21 - 5/20	March 1 - 5	May 1 - 5	June 1	June 20
June/July	5/21 - 7/20	May 1 - 5	July 1 - 5	August 1	August 20
August/September	7/21 - 9/20	July 1 - 5	September 1 - 5	October 1	October 20

In-District Customer Billing Commencement. For In-District existing structures, billing for water and wastewater service will commence when the water Service starts whether or not the structure is occupied. For new In-District structures, billing for water and wastewater Service will commence when the water Meter is set. For all In-District Customers, billing for Reuse/Irrigation water will

commence when the Reuse/Irrigation water Meter is set.

Out-of-District Customer Billing Commencement. For existing Out-of-District structures with existing water Service, after wastewater Service is approved, billing for wastewater Service will commence when the sewer tap is made. For new Out-of-District structures, after wastewater Service is approved, billing for water and wastewater Service will commence when the water Meter is set. For all Out-of-District Customers, billing for Reuse/Irrigation Water will commence when the Reuse/Irrigation Meter is set.

Billing and Service During Extreme Weather Emergency. Notwithstanding any provisions of this Rate Order to the contrary, a User or entity may not be charged late fees nor have service disconnected for nonpayment of a bill that is due during an extreme weather emergency until after the emergency is over. A User or entity may, within thirty (30) days from the date the extreme weather emergency is over, request from the District a payment schedule for any unpaid bill that is due during an extreme weather emergency. Upon receipt of a timely payment schedule request, the District shall provide, in writing, a payment schedule and a deadline for accepting the payment schedule. The District or the District’s operator may, at the discretion of the District and/or the District’s operator, determine the terms of the payment schedule described in this paragraph in accordance with applicable laws and regulations. If a User or entity requests a payment schedule pursuant to this paragraph, the District shall not disconnect the User or entity from service for nonpayment of bills that are due during an extreme weather emergency unless: (1) the payment schedule has been offered and the User or entity has declined to accept the payment schedule in a timely fashion; or (2) the User or entity has violated the terms of the payment schedule. Any preexisting disconnection notices issued to a User or entity for nonpayment of bills due during an extreme weather emergency are suspended upon the timely request for a payment schedule made under this paragraph; provided, however, that if: (1) the User or entity does not timely accept a payment schedule offered by the District; or (2) the User or entity violates the terms of the payment schedule, then any suspended disconnection notices may be reinstated. A User or entity who violates the terms of a payment schedule shall be subject to disconnection from service pursuant to the provisions of this Rate Order. For purposes of this paragraph, “extreme weather emergency” means a period when the previous day’s highest temperature in an area did not exceed 28 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service reports for that area. For purposes of this paragraph, an “extreme weather emergency” is over on the second business day the temperature exceeds 28 degrees Fahrenheit.

Water Rates

In-District and Out-of-District Single Family Residential Customer Water Rates. After an authorized Meter has been set, and all applicable fees paid, the District shall charge each In-District and Out-of-District Single Family Residential Customer a monthly Base Rate, based on water Meter size regardless of actual usage, plus a Volume Charge based on volume of water used during the Billing Cycle, as set out on Exhibit A attached to this Order.

In-District and Out-of-District Non-Single-Family Residential Water Customer Water Rates. After an authorized Meter has been set and all applicable fees paid, the District shall charge each In-District and Out-of-District Non-Single Family Residential Customer a monthly Base Rate, based on water Meter size regardless of actual usage, plus a Volume Charge based on volume of water used during the Billing Cycle, as set out on Exhibit A attached to this Order.

Wastewater Rates

In-District Customers

Single-Family Residential Customers. After an authorized Connection has been made and all applicable fees paid, the District shall charge each In-District Single Family Residential Customer the In-District Wastewater Base Rate, based on water Meter size regardless of actual usage, plus a Volume Charge based on volume of wastewater used calculated using Winter Averaging, as set forth in Section IV of this Order and on Exhibit A attached to this Order.

Non-Single-Family Residential Customers. After an authorized Connection has been made and all applicable fees paid, the District shall charge each In-District Non-Single Family Residential Customer the In-District Wastewater Base Rate, based on water Meter size regardless of actual usage, plus a Volume Charge based on volume of wastewater used calculated using actual water volume usage (with a deemed minimum of 2,000 gallons of usage per Billing Period) as set forth in Section IV of this Order and on Exhibit A attached to this Order.

Out-of-District Customers

Single-Family Residential Customers. After an authorized Connection has been made and all applicable fees paid, the District shall charge each Out-of-District Single Family Residential Customer the Out-of-District Wastewater Base Rate, based on water Meter size regardless of actual usage, plus the Out-of-District Wastewater Volume Charge as set forth on Exhibit A attached to this Order.

Non-Single-Family Residential Customers. After an authorized Connection has been made and all applicable fees paid, the District shall charge each Out-of-District Non-Single Family Residential Customer the Out-of-District Wastewater Base Rate, based on water Meter size regardless of actual usage, plus the Volume Charge multiplied by the Wastewater Multiplier, as set forth on Exhibit A attached to this Order.

Winter Averaging

For Wastewater Volume Calculations for In-District Single Family Residential Customers. The volume of wastewater used by each In-District Single-Family Residential Customer, will be calculated on the basis of the average amount of water used by the Customer during the prior period from November 1 through the last day in February (the “*Winter Averaging Period*”); with the following exceptions:, (1) any such Customer who did not have a wastewater Connection for at least three months out of the prior Winter Averaging Period will have a deemed volume charge of 6,000 gallons/month; and (2) any Customer who did not have an approved wastewater Connection for one of the two months in a Billing Period during the Winter Averaging Period but did have a Connection for the other month in that Billing Period, then usage for the non-zero month shall be deemed to be the usage for the zero month.

Wastewater Multiplier

For Wastewater Volume Calculations for Out-of-District Non-Single-Family Residential Customers. The Wastewater Multiplier shall be applied to the calculated

volume of wastewater usage by Out-of-District Non-Single Family Residential Customer with the following exceptions: A calculated Wastewater Multiplier that is less than one shall be rounded up to one (1); and the Wastewater Multiplier for restaurants and hotels/motels will be deemed to be two (2) unless a different amount is authorized by the General Manager.

Reuse/Irrigation Water Rates. After Connection to the District’s System for Reuse/Irrigation Water, the District shall charge each Customer receiving Reuse/Irrigation Water Service the applicable monthly volume charge shown on Exhibit A attached to this Order based on volumes calculated using the separate, dedicated Reuse/Irrigation water Meter.

Proration. Customers receiving Service for a period less than a full calendar month are entitled to a proration of the monthly rates if the Customer’s usage for such period does not exceed the minimum monthly usage. If the Customer’s usage does exceed the minimum monthly usage, the Customer’s bill will not be prorated.

Payment Methods. Except for Security Deposits (which must be paid by cash, cashier’s check, money order or other form of immediately available funds acceptable to the General Manager), the District accepts payments made by credit or debit card (one-time or automatically recurring), bank draft (one-time or automatically recurring), personal check, cashier’s check, or money order.

Convenience Fee. Any Customer may pay its bill via the payment methods provided through the District. Certain payment methods are made available through service providers who may charge Customer a convenience fee in connection with some payment options. Such convenience fees are the sole responsibility of the Customer and are separate from any amount owed by the Customer to the District. Non-payment of any such convenience fee shall subject the Customer to termination of Service in accordance with this Order. If any Customer’s payment is refused or returned by the processing financial institution, the District will charge the Customer a Failed Payment Fee in the amount shown in Exhibit E. Acceptable payment methods for delinquent accounts may be restricted as specified elsewhere in this Order.

Regulatory Assessment. The District’s Water and Wastewater Rates as set forth in this Order are subject to regulatory assessment, pursuant to subchapter P. section 5.701(n)(1)(C), as amended. The District is required to pay the Texas Commission on Environmental Quality (sometimes referred to as “the Commission”) one-half of one percent assessment on the water and wastewater revenues; and such amount is included in the District’s water rates and will not be billed to customers as an additional charge.

V. SECURITY DEPOSITS

In General. Except as otherwise provided in this Section, all Customers must pay a Security Deposit. Security Deposits must be in the form of cash, money order, EFT or wire transfer, or other form of immediately available funds acceptable to the General Manager.

Exceptions to Initial Security Deposit Requirement.

Certain In-District Service Transfers. No new Security Deposit is required when an existing In-District Customer is transferring Service from one In-District Service Address to another if the Customer’s account is paid in full and the Customer has not had any late charges or violations of

District rules or orders at the former Service Address for the previous consecutive twelve (12) month period. When Service is transferred within the District, the Security Deposit and any outstanding balance for Service to the former Service Address will be transferred to the account for the new Service Address.

Certain Transfers from other Providers. No initial Security Deposit is required if a new Customer presents a letter from its prior utility company on that utility company's letterhead stating that the Customer had satisfactory credit history with that utility for the previous consecutive twelve (12) month period.

Non-Taxable Customers. No initial Security Deposit is required from a Non-Taxable Customer that provides written evidence of its tax-exempt status to the District at the time of submittal of a Service Application.

For Fire Hydrants. Each Person requesting use of a District fire hydrant must pay a Security Deposit to the District for the required fire hydrant meter and Backflow Prevention Device.

For Late Payments or As a Penalty. A Security Deposit will be required from any Customer with a history of one or more late payments or violations of this Order. In such instances, the General Manager may require a Security Deposit in the amount set forth in Exhibit B or the highest billing amount for the previous six (6) billings, whichever is larger. The amount of the required Security Deposit from any Customer with a history of one or more late payments or violations of this Order will be the amount required for like service and Meter size on the date of Customer's initial Connection for Service unless Customer changes Meter size, or if the scope of Service changes. If Customer changes Meter size or if the scope of Service changes, the required Security Deposit shall be adjusted to the amount in the then current Rate Order.

Following Disconnection. If a Single-Family Residential Customer's Service is disconnected for any reason, the Customer must pay an additional Security Deposit in the amount shown on Exhibit B attached to this Order for each disconnection, up to a maximum total additional Security Deposit, which must be paid before Service is restored.

Use of Security Deposit.

Security Deposits will be held by the District to assure the prompt payment of all sums due from the Customer. In no event will the Security Deposit bear interest for the benefit of the Customer.

If after twelve (12) months of continuous Service a Customer has had no late charges, rejected payments, or discontinuation of Service for any reason, and/or violation of any terms of this Order, the District will, without request by Customer, apply the Security Deposit to Customer's account and refund the balance, if any, to the Customer.

If Service to a Customer is discontinued for any reason, the Security Deposit will be applied toward payment of the amounts due, including the delinquent amount, late charges, penalties, and disconnect fees. Thereafter, payment by said Customer of any outstanding amounts not covered by the Security Deposit plus a new Security Deposit is required to restore Service at the current Service Address or obtain Service at a new Service Address.

Except as provided in Section V of this Order (pertaining to certain In-District Service Transfers) Security Deposits are not transferrable.

Special Provisions for Condominiums.

If payments to the District are guaranteed by a Condominium Association by written agreement between a Customer and a Condominium Association, an initial Security Deposit will not be required from an individual condominium unit owner or occupant covered under said agreement.

If under an agreement between a Condominium Association and a Customer for Service to multiple condominium units through one or more Meters and the Condominium Association is responsible for payment for Service and Service is terminated for non-payment or a violation of said agreement, or this Order, a Security Deposit will be required of all condominium units covered by said agreement, and the District’s bill for same and for subsequent Service will be sent directly to the individual owner of a condominium unit, or agent of owner, and not to the Condominium Association for payment.

VI. GRINDER PUMP PROGRAM

Program Description. The District will perform repairs to a Grinder Pump as needed to restore Grinder Pump functionality for all Customers participating in the District’s Grinder Pump Program by paying the Grinder Pump Program Fees. The following Grinder Pump system components are eligible for repair by the District under the District’s Grinder Pump Program: Control Panel (including all necessary electrical components); Grinder Pump Service Access Areas (including clean out access and collection tank lid); Collection Tank Components (including the tank, grinder pump and float switches); and the Service Box. All other components of the Customer’s wastewater system, including wastewater Service lines and electrical service, as well as routine Grinder Pump maintenance remain the sole responsibility of the Customer.

Program Fee. All new wastewater Customers whose service address requires installation of a Grinder Pump due to topographical conditions or other situational circumstances, and all Out-of-District wastewater Customers whose Grinder Pump was initially installed by the District as part of its Out-of-District Wastewater Program, will be assessed and must pay a monthly Grinder Pump Program Fee, and contact the District for all Grinder Pump repair services, but Customer still remains responsible for maintenance of Customer’s Grinder Pump. All District wastewater Customers who have a Grinder Pump that was not initially installed by the District are encouraged, but not required, to participate in the Grinder Pump Program. Any Customer whose Grinder Pump was not initially installed by the District, but who contacts the District for Grinder Pump repair services must pay the fees and charges for the service call, and thereafter will be automatically enrolled in the Grinder Pump Program and will be assessed and must pay the monthly Grinder Pump Program Fee.

Guidelines for Reliable Operation of Residential Grinder Pump Systems; Penalties. All new Customers with a Grinder Pump must execute a Grinder Pump Service and Maintenance Addendum. All Customers who are assessed a Grinder Pump Program Fee must follow the Guidelines for Reliable Operation of Residential Grinder Pump Systems attached as Exhibit A-1. Customers who fail to follow these guidelines will be assessed special penalties as outlined in Exhibit E in addition to any other penalties or remedies available to the District by law or under their contract(s) with the District. Violators will be given a written notice specifying the type of

violation, the date and time it was observed, and notice of any resulting penalties. Penalties will be added to the Customer's next bill and are due with the payment of the bill. Alternatively, the District may deduct the amount of any fines, penalties, or costs imposed as a result of a violation of the Guidelines for Reliable Operation of Residential Grinder Pump Systems from a Customer's Security Deposit or any other amounts held by the District and may further require that the Customer replenish the Security Deposit by an equivalent amount or, if there are no Security Deposit monies available, the District may require posting of a Security Deposit in the then-currently applicable amount, as a condition of continuing Service.

VII. FIRE HYDRANTS

The withdrawal of water from flushing valves, fire hydrants, or other appurtenances of the District's System without the prior approval of the District, except for emergency firefighting purposes, is absolutely prohibited.

No Person may temporarily connect to the District's Systems or withdraw water from the District's Systems through a fire hydrant, flushing valve, or other appurtenance of the District's Systems unless it utilizes a fire hydrant meter and Backflow Prevention Device issued to it by the District to measure the water withdrawn through the temporary connection. The use of unmetered water constitutes theft and will be prosecuted as such.

Each Person must pay the required Security Deposit to the District for the required fire hydrant meter and Backflow Prevention Device, and the fire hydrant meter and Backflow Prevention Device must be installed by the District or the District's Authorized Agent before the Person initiates its construction, development, or construction project. If the District does not have a fire hydrant meter and/or Backflow Prevention Device available at the time of request, the Person will, in addition to the Security Deposit, be responsible for the actual cost incurred by the District to purchase the item(s) that are not available. The required fire hydrant meter and Backflow Prevention Device must be attached directly to the fire hydrant or flushing valve and used at all times when a Person is making a temporary water connection to a fire hydrant for any purpose, including construction, development, street cleaning, or any other construction-related activities. The Person to whom the fire hydrant meter and Backflow Prevention Device are issued will be responsible for securing the meter and device and keeping the meter and device in good working condition. If the meter and/or device are lost, stolen, not returned, or damaged while being utilized by the Person, the cost of the meter, device, and/or repairs as well as any unpaid sums due from the Person to the District for water charges or other sums payable under this Order will be deducted from the Security Deposit. A fire hydrant Security Deposit will not be required if a contractor is constructing improvements under a contract with the District that requires the use of a fire hydrant or flushing valve for water; however, a fire hydrant meter and Backflow Prevention Device must still be obtained and used to measure all water utilized by the contractor.

Any Person that fails to obtain a fire hydrant meter and Backflow Prevention Device from the District, fails to utilize the assigned fire hydrant meter when withdrawing water from the District's Systems, fails to install and maintain in place the required Backflow Prevention Device, or takes water from an unmetered or unauthorized connection to the District's Systems will be subject to a penalty up to the amount of \$20,000 per violation and each day of violation will be deemed a separate violation. A violator will also be liable for all attorney's fees and costs incurred by the District due to the violation or in recovering the penalty authorized by this Section. A violation by a Customer's Authorized Agent performing work on behalf of the Customer or a builder or developer will be

deemed to be a violation by the Customer.

VIII. GENERAL SERVICE REQUIREMENTS

Provisions of this Order Constitute Service Agreement. All Customers receiving Service from the District are subject to the requirements of this Order. The provisions of this Order constitute an agreement between the District and each Customer receiving a Service from the District. By requesting and/or accepting Service from the District, each Customer agrees to comply with the provisions of this Order.

Drought Contingency Plan. All Customers must comply with the District's most current Contingency Plan, which is incorporated into this Order by this reference. Customers who fail to follow the Drought Contingency Plan will be assessed special penalties as outlined in Exhibit E in addition to any other remedies available to the District by law or under their contract(s) with the District. Violators will be given a written notice specifying the type of violation, the date and time it was observed, and notice of any resulting penalties. Penalties will be added to the Customer's next bill and are due with the payment of the bill. Alternatively, the District may deduct the amount of any fines, penalties, or costs imposed as a result of a violation of the Drought Contingency Plan from a Customer's Security Deposit or any other amounts held by the District and may further require that the Customer replenish the Security Deposit by an equivalent amount or, if there are no or insufficient Security Deposit monies available, the District may require posting of a Security Deposit in the then-currently applicable amount, as a condition of continuing Service. By requesting and/or accepting Service from the District, each Customer agrees to comply with the provisions of the District's Drought Contingency Plan.

Plumbing Code. Pursuant to 30 Texas Administrative Code Sec. 290.46(i), the District has adopted a Plumbing Code. All Customers must comply with the District's most current Plumbing Code as approved by the District. All Customers making or desiring to make a Connection to the District's System must first apply for and obtain a Plumbing Permit from the District, construct the Service Line(s) and Connections in accordance with the District's Plumbing Code and all other applicable standards, rules and regulations, pay all District fees and charges, and pass a final inspection by the District before covering or enclosing the Connections. By requesting and/or accepting Service from the District, each Customer agrees to comply with the provisions of the District's Plumbing Code.

Specifications and Standards. All Customers must comply with the District's Construction Specifications and Standards as may be revised by the General Manager from time to time. By requesting and/or accepting Service from the District, each Customer agrees to comply with the provisions of the District's Construction Specifications and Standards.

Service Application and Agreement. All Customers must comply with the terms and conditions of the District's Service Application and Agreement, as may be revised by the General Manager from time to time, and must agree to comply with the provisions.

Local, State, Federal Laws, Rules, and Regulations. All Customers must comply with all local, state, and federal laws, rules, and regulations applicable to Customers receiving water, wastewater, and/or Reuse/Irrigation water Service from the District.

Orders, Rules, and Regulations of the District. All Customers must comply with all orders, rules, and regulations of the District.

Access. By accepting Service, the Customer shall allow and consents to entry onto Customer’s property by the District and its Authorized Agents for the purposes of sampling, repairs, maintenance and possible cross-connections or other undesirable plumbing practices (collectively, “inspections”). These inspections will be conducted prior to initiating Service and may also be conducted periodically thereafter. Except in an emergency and with prior notice to the Customer, inspections will be conducted during normal District business hours.

Corrective Actions. The District or its Authorized Agent will notify the Customer of any undesirable or unauthorized plumbing practices at the Customer’s Service Address. The Customer must immediately correct any cross Connection or undesirable or unauthorized plumbing practice in order to maintain Service.

IX. METERING

Meter Requirements. The volume rate for all water and Reuse/Irrigation Water sold by the District will be determined by Meter measurements. The District will provide, install, own and maintain all such Meters. The District’s standard meters are AMI Meters (“Smart Meters”). Any other Meters are considered non-standard Meters.

Service from One Meter to Multiple Residential Units.

Water. Any single water Meter serving more than one (1) residential unit must pay the base rate corresponding to the applicable water Meter size, plus the applicable water volume rate, as shown on Exhibit A.

Wastewater. Any single wastewater Connection serving more than one (1) residential unit must pay the base fee corresponding to the applicable water Meter size shown on Exhibit A, plus the applicable wastewater volume rate. If Winter Averaging is used to calculate wastewater volume, the volume rate shall be no less than, but no more than, the number of units served multiplied by the minimum/maximum volumes per Meter.

Example: For 1 Meter serving 5 units per Billing Period:
Minimum volume charge: (5 units) x (2,000 gallons) = 10,000 gallons per Billing Period
Maximum volume charge: (5 units) x (30,000 gallons) = 150,000 gallons per Billing Period
Actual volume charge: ____

Meter Readings. As a matter of general practice, Meters will be read at monthly intervals, and as nearly as possible on the corresponding day of each Meter reading period, but Meters may be read at other than monthly intervals if the circumstances warrant.

Bill Adjustment Due to Meter Error. If any Meter is found to be outside of the accuracy standards established by the American Water Works Association, the previous readings will be corrected for the two months immediately preceding the testing of the Meter, or from the time the Meter was in service since last tested, but not exceeding two months, and an adjusted bill will be rendered. No refund will be made from the District to any Customer except the Customer most recently served by the Meter prior to the test.

Inaccessible Meters. After a Meter has been set, the Customer shall at all times keep the area in, around and upon the meter and the box free from rubbish and obstructions of any kind. A “Special Activity

Fee” in the amount set forth in Exhibit E will be added to a Customer’s bill when a Meter is made inaccessible during the District’s Meter reading period requiring the District to schedule a special Meter reading time or to estimate usage. Estimated usage shall be based on Customer’s historical high usage, if available. If no history is available, then the District shall use an average of like Customers for the previous years’ Billing Period.

Smart Meter Opt Out Option. The District is replacing all existing traditional meters with AMI meters or “Smart Meters.” Customers may choose to opt out of the Smart Meter program under the terms and conditions described in this Section. To opt out, Customers must notify the District in writing of their choice to opt-out, pay one-time fee of \$75.00, and a monthly \$10 charge to cover manual Meter reading. A Smart Meter will only be replaced with a non-standard meter after receipt of a written request to opt out and the one-time fee. There is no charge for switching back to a Smart Meter. Customers who opt out may still receive a new digital meter, but will not have access to near-real-time water usage data, or receive high water usage notifications, leak alerts, and emergency water information, and the non-standard meter will have to be read manually by a District meter reader instead of remotely via radio frequency transmission. Customers who opt out may also experience longer restoration times in case of service interruption or outages. Meters installed for Customers who opt out are referred to in this Order as “non-standard Meters.”

Meter Tampering. Meter tampering is prohibited. For purposes of this Order, Meter tampering means and includes, but is not limited to, interfering with a Meter or other equipment, damaging a Meter, bypassing a Meter, making an unauthorized Connection to the District’s System, reconnecting Service without authorization to do so, physically disorienting a Meter, attaching objects to a Meter to divert Service or to bypass or for any other reason, inserting objects into a Meter, physically, electrically or mechanically bypassing or diverting District Service, failing to have a Meter installed, allowing service to be restored by anyone other than the District, covering or physically obstructing the location of the Meter, and/or altering in any way a Meter or other District System component. The District reserves the right to immediately and without notice lock-out or remove the Meter or disconnect Service if any of the actions in the previous sentence have occurred. Resetting or reinstalling a Meter will require payment of an Illegal Usage/Tampering Fee in the amount shown on Exhibit E. The District also reserves the right to repair any damage caused to the District’s System, and to bill the Customer for same or draw from the Customer’s Security Deposit to cover the costs of the repair. In addition, any Person who tampers with a District Meter or takes water from an unmetered or other unauthorized Connection to the District’s Systems will be subject to a penalty each day of which will constitute a separate violation, and will also be liable for all attorney’s fees incurred by the District and costs of court. A Customer whose Service Address evidences Meter tampering must pay a Security Deposit (or replenish the used amount up to the current Security Deposit due) under the terms and conditions of this Order, and pay all fines, penalties, costs, and reconnection fees before Service is reconnected. Reconnecting Service without authorization will be prosecuted as theft of service.

Bill Adjustment Due to Meter Tampering. If a Meter is found not to have been registered for any period, to have been tampered with, to have not been installed, or, for any reason cannot be located, the District’s representative will bill the Customer for gallons used based on amounts used under similar conditions during the preceding or subsequent period or during corresponding periods in previous years, or used by similar Customers under similar circumstances. There is a presumption of reasonableness of billing methodology by the District with regard to a case of Meter tampering if any of the following methods of calculating such bills are used:

estimated bills based upon service consumed by that Customer at that location under similar conditions during periods preceding the initiation of Meter tampering or service diversion.

These estimated bills will be based on at least 12 consecutive months of comparable usage history of that Customer, when available, or lesser history if the Customer has not been served at that site for 12 months; this subsection, however, does not prohibit the District from using other methods of calculating bills for unmetered water when the usage of other methods is more appropriate;

estimated bills based upon that Customer's usage at that location after the service diversion has been corrected; or

where the amount of actual unmetered consumption can be calculated by industry-recognized testing procedures, bills may be calculated for the consumption over the entire period of Meter bypassing or other service diversion.

Equipment Damage Charges. The District may charge for all labor, material, equipment, and other costs necessary to repair or replace equipment damaged due to Meter tampering or bypassing, service diversion, or the discharge of waste that the system cannot properly treat. The District may charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. An itemized bill of these charges will be provided to the Customer.

Customer-Requested Meter Re-reads and Meter Tests. The District or its Authorized Agent will, upon request of a Customer, re-read a Customer's Meter. If the Meter re-read confirms the accuracy of the original reading, the Customer will be billed for the cost of the Meter re-read. If the original reading is found to be incorrect, there will be no charge to the Customer for the re-read.

The District's representative will, upon request of a Customer, field test the accuracy of the Customer's Meter. If the Meter test confirms the accuracy of the Meter, the Customer will be billed for the cost of the test. If the Meter is found to be inaccurate, there will be no charge to the Customer for the test.

If a Customer requests that a Meter be pulled and tested for accuracy, the Customer will be responsible for all costs incurred by the District in removing and testing the Meter unless the Meter registers more than two percent above or below the test result under reasonable flow quantities, in which case the costs will be borne by the District. The Customer is entitled to receive a copy of the test report upon request.

X. SERVICE LINES

Customer's Responsibilities. It shall be the responsibility of each Customer to install, maintain and repair its Service Lines.

Leaks and Repairs. If the District becomes aware of any leak, the District will enter the utility easement to investigate at no cost to the Customer. If the District determines that the repairs are the responsibility of the Customer, the Customer must complete the repair within fifteen (15) days of receiving notice from the District, unless the District determines that a shorter period or immediate repair is needed to protect public health and safety and the notice states the shorter time period. Repairs must be conducted in accordance with this Order and any other applicable federal, state, or local requirements, including but not limited to those referenced in this Order. Failure to timely

make repairs may result in termination of Service. For wastewater Service Line repairs, the Customer must schedule an inspection with the District and pay the required inspection fee before backfilling the affected area. The District also reserves the right, but not the obligation, to make the needed repairs without notice and bill the cost of making the repair to the Customer.

XI. TEMPORARY SERVICE

Cleaning. Temporary Water Service for purposes of cleaning only, and for a maximum of three (3) calendar days can be made available at the rates set forth on Exhibit A.

Fire Hydrant Use. Use of a District fire hydrant for any legitimate, legal purpose can be made available on the receipt of a Security Deposit in the amount set forth on Exhibit B plus payment of fees as set forth in Exhibit B.

XII. LATE CHARGES AND PENALTIES

Payment Due Date. Except as otherwise provided, all Customers must pay the full amount shown on their bill to the District not later than the Payment Due Date.

Late Charges. For each Billing Period, there shall be added to a Customer's bill a late charge of 10% of the Customer's bill if payment is not received by the Payment Due Date, and this late charge will continue to be assessed each Billing Period while the delinquent amount remains unpaid. If the Payment Due Date falls on a weekend or an official District holiday, the Payment Due Date shall be extended to the next full business day.

Elderly Individuals. On request by an eligible "Elderly Individual" (as that term is defined in Chapter 182, Subchapter A of the Texas Utilities Code), the Payment Due Date will be extended to the twenty-fifth (25th) day after the bill is issued, without penalty. The District may require a Customer requesting the delay to present reasonable proof that the Customer is an "Elderly Individual." If a bill is delinquent for 30 days or more, the District may, in its discretion, discontinue Service as described in this Order.

Failed Payment Fee. For the purposes of this Order, a failed payment is a declined or refused credit or debit card charge, a returned check, a failed bank draft, or any other similar form of declined, failed, or refused payment. A Failed Payment Fee in the amount listed on Exhibit E will be assessed for each failed payment. A late charge may also be assessed if the failed payment results in the receipt of payment by the District after the Payment Due Date.

Mandatory Cash Payment. In addition to the Failed Payment Fee, on a second occurrence of a failed or refused payment within twelve (12) consecutive months, (1) a full Security Deposit will be required to continue Service; and (2) the Customer must make payments for the next twelve (12) consecutive months by an acceptable method of payment that has not failed or been refused during the previous twelve (12) consecutive months.

XIII. TERMINATION OF SERVICE

Disconnection with Notice. Service may be disconnected after the District delivers a notice to the Service Address of the Customer in the manner described below for any of the following reasons:

If as of the Delinquency Date, the Customer has neither paid the delinquent bill and all currently past due bills nor entered into, and commenced paying under, a written deferred payment agreement;

If the Customer has defaulted in the obligations under any deferred payment agreement;

If the Customer violates District's rules pertaining to the use of Service in a manner that interferes with the Service of others or the operation of non-standard equipment, if a reasonable attempt has been made to notify the Customer and the Customer is provided with a reasonable opportunity to remedy the situation;

failure to comply with Security Deposit provisions of this Order;

failure to repair a controllable leak within a reasonable time (not exceeding 30 days) after having been given notice to repair the leak; or

failure to pay District *ad valorem* taxes for more than six (6) months.

Disconnection Without Notice. Service may be disconnected without notice where a known dangerous condition related to the type of Service provided exists for as long as the condition exists or where 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 or in instances of tampering with the District's Meter or equipment, bypassing the same, or other instances of diversion. Where reasonable, given the nature of the hazardous condition, a written statement providing notice of and the reason for disconnection will be posted at the place of common entry or upon the front door of each affected structure as soon as possible after Service has been disconnected.

Disconnection Prohibited. Service will not be disconnected in the following circumstances:

delinquency in payment for District Service by a previous occupant of the Service Address; or

failure to pay the account of another Customer as guarantor thereof, unless the District has in writing required the guarantee as a condition precedent to Service; or

the Customer has notified the District's representative of the Customer's desire to protest the disconnection, which requires the District to comply with the procedures set forth in this order prior to disconnecting the Customer's Service.

Notice of Disconnection of Service. Proper notice of disconnection of Service consists of a separate mailing by first class mail, postage prepaid at least ten (10) days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. The information included in the notice will be provided in English and Spanish if necessary to adequately inform the Customer. A statement notifying the Customer that, if they need assistance with payment of their bill, they may be eligible for alternative payment programs, such as deferred payment plans, and to contact the District representative for more information must be

attached to or on the face of the termination. The notice will advise the Customer of the basis for the District's decision to disconnect Service and that Customer has the right to request a hearing on the matter by contacting the District's representative at least forty eight (48) hours before the stated date of disconnection. The District's representative's telephone number must appear on the notice together with information regarding appropriate times to contact the representative. If notice is mailed, the stated date of disconnection may not fall on a holiday or weekend but will be the next working day after the tenth (10th) day. The District will not issue a termination notice to the Customer earlier than the first day a bill becomes delinquent, so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at the District's authorized payment agency.

Customer Appeal Procedures.

Informal Hearing. Upon receipt of a Customer's request to protest the termination of Service, the District's representative will schedule an informal hearing with the Customer and his representative prior to disconnection. The presiding officer at the informal hearing will be an individual who did not participate in the initial decision to pursue disconnection of the Customer's Service. The Customer will be allowed to question the District's billing representative at the informal hearing regarding the basis for the decision to terminate Service and present any testimony or evidence regarding the termination of Service or its basis. The presiding officer will render a decision on the matter and state reasons for the decision and the grounds upon which the decision is based.

Appeal. The Customer may appeal the decision of the presiding officer to the Board. If the Customer posts a bond in an amount sufficient to cover the cost determined by the presiding officer to be due, the District will not proceed with termination of the Customer's Service until a final decision is made by the Board.

Disconnection.

If payment of all delinquent and past due amounts has not been made by 12:00 noon on the date specified by written notice to the Customer, and no other arrangements for payment have been made, Service will be disconnected. In order to reconnect Service, the Customer must pay all delinquent and past-due amounts plus the reconnect fee. The reconnect fee will be due regardless of whether or not Service has been physically disconnected. If payment is tendered after 2:00 p.m. on the date of disconnection, the Customer must pay the after-hours reconnection fee in order to obtain same-day reconnection of Service. If a Customer defaults under a payment plan entered into with the District, termination procedures will immediately be initiated.

Disconnection on Holidays or Weekends. Unless a dangerous condition related to the type of Service provided exists, or unless the Customer requests disconnection, Service will not be disconnected on a day, or on a day immediately preceding a day when personnel of the District are not available to the public for the purpose of making collections and reconnecting Service.

Disconnection for Ill and Disabled. The District may not discontinue Service to a delinquent residential Customer permanently residing in an individually-Metered dwelling unit when that Customer establishes that discontinuance of Service will result in a Person residing at the residence becoming seriously ill or more seriously ill. Each time a Customer seeks to avoid termination of Service under this section, the Customer must have the attending physician (for purposes of this section, the term "physician" means any public health official, including medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, and any other similar public health official) call or contact the District's representative at least five (5) days before the Payment Due Date, and provide a

written statement to the District from the physician before the Payment Due Date. Further, the Customer who makes such request must enter into a written deferred payment plan with the District.

Reconnection of Services. If Service is discontinued for any reason, reconnection of Service will be established within twenty four (24) hours of payment of the past due bill in its entirety and any other outstanding charges, including all reconnection fees.

XIV. ADJUSTMENTS

Leaks; Water Leak Adjustment Policy. Failure to repair a controllable leak within a reasonable time (not exceeding 30 days) after notice from the District to repair the leak constitutes a violation. If a Customer experiences a water leak, the Customer may submit a written leak adjustment request detailing the circumstances of the leak. All requests must be accompanied by a copy of all invoices and documentation evidencing the leak and confirming that the leak has been repaired. Upon receipt of a complete request, the Customer’s usage will be recalculated based upon the Customer’s prior history, as determined by the District’s records. Water usage for the period in which the leak occurred that exceeds the base established by the Customer’s prior history will be presumed to be attributable to the leak and will be billed at the then-current lowest applicable water rate. The remaining portion of the Customer’s water usage will be billed at the District’s normal and customary rates under this Order. If the leak occurred during the Wastewater Averaging period, the District’s General Manager may establish an alternative wastewater-averaging period for this Customer.

The General Manager shall review all adjustment requests, and if it is determined that the request meets the following criteria may authorize same:

Water Adjustments

An adjustment will be considered only if water usage for a Billing Period exceeds by 30,000 gallons the water used in the same period of the previous year and if said excessive usage is attributed to the malfunction of equipment on the Customer's side of the Meter.

Proof of malfunction and verification of repair must be presented to the General Manager. If the General Manager agrees that a malfunction did occur (as opposed to Customer negligence) then the cost of the excess water used will be adjusted using current data in accordance with the following example:

- Usage in Apr./May 2022 = 60,000 gallons
- Usage in Apr./May 2021 = 20,000 gallons*
- Usage in Apr./May 2020 = 30,000 gallons**

Two Year Average $50 / 2 = 25,000$ gallons

Excess usage/proven malfunction= 35,000 gallons

Subtract \$1.33 (cost of production) from current volume rate, then multiply by excess volume usage. In the above example it would be volume rate minus \$1.33 times 35 (vol. rate - \$1.33 x 35).

The higher volume charges will also be refunded if the average consumption is less than the established base volume where base volumes are exceeded.

The base charge is not adjustable.

Maximum adjustment by the General Manager is \$2,000; thereafter Board approval is required.

**If no prior year's usage exists, the General Manager is to select base usage.*

***This is applied only if the Customer has a two (2) year Service record.*

Wastewater Adjustments

If within twenty (20) days after receiving a February/March bill, a Customer can demonstrate to the satisfaction of the District's General Manager that their water usage during the lower of the February/March Billing Period or the December/January Billing Period was at least fifty percent (50%) greater than in the previous year's like Billing Period due to some malfunction in Customer's system, and if said malfunction was not the result of Customer neglect, then the volume component of the Customer's wastewater rate will be adjusted based on the average usage in the December/January Billing Period or the February/March Billing Period (as applicable) of the previous two (2) years or the previous one (1) year if that is the only history.

Any residential Customer who has a water leak adjustment for the December/January Billing Period or the February/March Billing Period shall also have the wastewater volume adjusted based on the water leak adjustment calculation.

Reuse Water Adjustments

When a volume charge for a Billing Period exceeds by fifty percent (50%) of reuse gallons used in the Billing Period of the previous year and if said excessive usage is attributed to the malfunction of equipment on the Customer's side of the Meter, an adjustment is authorized.

Adjustments will only be considered for the most recent Billing Period. Proof of malfunction and verification of repair must be presented to the General Manager. If the General Manager agrees that a malfunction did occur (as opposed to Customer negligence) then the cost of the excess reuse used will be adjusted using current data in accordance with the following example:

Volume in Apr./May 2019 = 60,000 gallons

Volume in Apr./May 2018 = 20,000 gallons*

Volume in Apr./May 2017 = 30,000 gallons**

Two Year Average $50 / 2 = 25,000$ gallons

Excess usage/proven malfunction = 35,000 gallons

Subtract \$2.27 (cost of production) from current volume rate, then multiply by excess volume usage. In the above example it would be volume rate minus \$2.27 times 35 (vol. rate - \$2.27 x 35).

Maximum adjustment by the General Manager is \$2,000; thereafter Board approval is required.

**If no prior year's usage exists, the General Manager is to select base usage.*

***This is applied only if the Customer has a two (2) year Service record.*

XV. OTHER DEPOSITS, FEES & CHARGES

The District hereby adopts and imposes additional deposits, fees and charges as set forth below and on the referenced Exhibits.

Schedules for Rates, Fees, and Charges. The Rates, Fees and Charges set forth in the attached Exhibits A, B, C, D, and E are hereby adopted and incorporated into this Order by this reference for all purposes

Plumbing Inspection Fees as set forth on Exhibit D.

Construction Inspection and Plan Review Fees as set forth in Exhibit E.

Easement Release Request Review Fees as set forth in Exhibit E.

Certification of District Records as set forth in Exhibit E.

Unauthorized Releases. Any wastes released into the District wastewater collection system without prior authorization will incur fees as set forth in Exhibit E.

Service Fees as set forth in Exhibit E.

Billing Classifications set forth in the attached Exhibit F are hereby adopted and incorporated into this Order by this reference for all purposes.

Public Information Act Requests. All copy fees of District records will be in accordance with the rules adopted by the Texas Office of the Attorney General published at 1 Tex. Admin. Code Ch. 70 and are available on-line from the Texas Secretary of State's website.

Professional Services Fees and other Out-of-Pocket Costs. Customers requesting new or amended utility service agreements or drafting or review of any document or information about which the General Manager determines that the services of the District's outside professional legal, engineering, or other professional services are needed, must reimburse the District for such professional fees and expenses on a monthly basis, and payment in full is required prior to final consideration of Customer's request to the Board. In addition, whenever the District incurs any costs that are not otherwise addressed in this Order arising out of (1) the failure of a Customer comply with the District rules and regulations as state in this Order or otherwise announced, or (2) the request of a Customer for an inspection or other service call which is the result of the Customer's improper maintenance, or (3) efforts to collect amount due and owing to the District and not paid on a timely basis, or (4) any other negligent or improper action on the part of the Customer, the District may bill the Customer for all of these costs and the Customer shall pay the invoice on or before its due date. Failure to pay the billed charges may result in termination of Service. For purposes of this Section, "professional service fees" and/or "out-of-pocket costs" include but are not limited to, amounts billed to the District by its attorneys, engineers, and inspectors.

XVI. ENFORCEMENT; PENALTIES

Any Person who violates any provision of this Order, or makes unauthorized use of the District’s Service or the District System, or causes damages in any way to the District’s System, or constructs a structure for which plans are not approved as described in this Order, or disposes of unauthorized materials or refuse into the District’s System, or violates the District’s Drought Contingency Plan, Plumbing Code, or Specifications and Standards, may be subject to a penalty of up to \$20,000 for each violation of the foregoing provisions. Each day that a violation occurs is considered a separate violation. This penalty is in addition to any other penalties, fees, and charges provided in this Order, the laws of the State of Texas, and any other rights and remedies available to the District as allowed by law.

The provisions of this Order constitute rules adopted under Section 54.205, Texas Water Code. Violation of any provision of this Order will result in the offending party being subject to the payment of a penalty per violation of up to \$20,000 for each day the violation is not corrected. In addition, the offending party will be liable to the District for any other penalty provided by the laws of this State, and any costs incurred by the District in Connection with any repairs or corrections necessitated by any violation. If the District prevails in any suit to enforce the provisions of this Order, the District may additionally recover its reasonable attorneys’ fees, expert witness fees and other costs incurred by the District before the Court.

This Order supersedes all previous orders and resolutions of the District relating to the subject matters addressed herein.

The General Manager for the District is hereby directed to: (A) file a copy of this Order (1) with the Texas Commission on Environmental Quality and (2) in the principal office of the District; and (B) to publish a substantive statement of the rules contained in this Order and the penalties for their violation as required by Section 54.207 of the Texas Water Code.

XVII. EXHIBITS

The following Exhibits are hereby adopted and made part of this Order by this reference for all purposes:

- Exhibit A WATER/WASTEWATER/REUSE/IRRIGATION WATER RATES AND CHARGES
- Exhibit A-1 GUIDELINES FOR RELIABLE OPERATION OF RESIDENTIAL GRINDER PUMP SYSTEMS
- Exhibit B SECURITY DEPOSIT SCHEDULE
- Exhibit C TAP FEE SCHEDULE
- Exhibit D PLUMBING FEE SCHEDULE
- Exhibit E MISCELLANEOUS DEPOSITS, FEES AND CHARGES SCHEDULE
- Exhibit F DEFINITIONS & BILLING CLASSIFICATIONS

PASSED AND APPROVED by the Board of Directors of the Lakeway Municipal Utility District on the 11th day of January, 2023 Amended on April 12, 2023.

LAKEWAY MUNICIPAL UTILITY DISTRICT

By: 

Printed Name: LAWRENCE M CHRISTIAN

Title: President, Board of Directors

Date: 9-27-2023

ATTEST:

By: 

Printed Name: DON HOFF

Title: Secretary, Board of Directors

Date: 9-27-2023

**EXHIBIT A
 WATER/WASTEWATER/REUSE RATES AND CHARGES**

New Rates in Effect for Billing Periods after October 1, 2022*

RETAIL WATER: (In District and Out of District)

BASE RATE – monthly		
Standard Meter (5/8-inch)	\$24.00	
1-inch meter	\$40.80	
1.5-inch meter	\$79.20	
2-inch meter	\$127.20	
4-inch meter	\$400.80	
VOLUME RATE – per 1,000 gallons		DROUGHT RATE Effective Stage 3 Drought Contingency Plan
0 – 15,000 gallons	\$2.50	no change
15,001 – 30,000 gallons	\$3.25	no change
30,001 – 50,000 gallons	\$4.06	\$5.06
50,001 – 80,000 gallons	\$5.08	\$7.08
80,001 – 100,000 gallons	\$6.35	\$9.35
Over 100,000 gallons	\$7.94	\$11.94

RETAIL WASTEWATER:

BASE RATE – monthly	
Standard Meter (5/8-inch) – In District	\$18.00
1-inch meter	\$30.60
1.5-inch meter	\$59.40
2-inch meter	\$95.40
4-inch meter	\$300.60
Standard Meter (5/8-inch) – Out of District	\$78.00
1-inch meter	\$132.60
1.5-inch meter	\$257.40

2-inch meter	\$413.40
4-inch meter	\$1,302.60

VOLUME RATE – per 1,000 gallons	\$2.50
Based on the lower of the prior Dec/Jan or Feb/Mar water volume	
Grinder Pump Service Fee	\$5.00

TAXES:

Per \$100 Assessed Valuation	\$.0531
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WHOLESALE WATER & WASTEWATER: - Per 1,000 gallons

Water	\$5.03
Wastewater #11	\$4.97 + \$18.00 base rate
Wastewater #17	\$8.17 + \$18.00 base rate (volumetric)

REUSE WATER: - Per 1,000 gallons

Retail	\$2.50
Wholesale	\$1.50

** includes meter reading and consumption beginning in September*

GRINDER PUMP SERVICE PROGRAM RATES: (In District and Out of District)

Customers at a Service Address with a grinder pump system installed prior to February 2018:	Customers at a Service Address with a grinder pump system installed by the District:
Until all Grinder Pump system components covered by the Grinder Pump Program have been replaced by the District or its authorized agent, a fee equal to: <ul style="list-style-type: none"> • \$5.00/month, <i>plus</i> • The District’s cost of each part and/or material needing to be replaced for the Grinder Pump system to function properly 	<ul style="list-style-type: none"> • \$5.00/month, beginning on the date the Service Address was connected to the District’s System.
After each eligible Grinder Pump system components have been replaced by the District or its authorized agent, a fee equal to: <ul style="list-style-type: none"> • \$5.00/month 	

TEMPORARY WATER SERVICE: (NOT TO EXCEED 3 CALENDAR DAYS)

0 - 5,000 gallons	\$50.00
6,000 - 25,000 gallons Per 1,000 gallons	\$2.50
26,000 gallons and up Per 1,000 gallons	\$3.50

FIRE HYDRANT WATER USAGE:

0 - 5,000 gallons	\$100.00
6,000 - 25,000 gallons Per 1,000 gallons	\$2.50
26,000 gallons and up Per 1,000 gallons	\$3.50

STRENGTH TEST:

Actual cost to the District plus 15%

EXHIBIT A-1
GUIDELINES FOR RELIABLE OPERATION OF RESIDENTIAL GRINDER PUMP SYSTEMS

Purpose. Grinder pump systems are used in many neighborhoods where site conditions (such as building elevations and ground slopes) make construction of a conventional “Gravity Sewer System” impractical. A grinder pump works like a household garbage disposal, but on a larger scale: it grinds up wastewater produced in your home (i.e. toilet use, shower, washing machine, etc.) and pumps it into the public sewer system. Grinder pump systems have usage considerations that must be followed for the system to function properly. If the guidelines below are routinely followed, the system will typically require very few repairs and maintenance. However, malfunctions are possible. Any irregularity in the system can trigger a red light and audible alarm to go off on the system’s control panel indicating service may be needed.

System Components. Grinder pumps are typically buried underground with the collection tank lid, a clean out pipe access area, and the corresponding control panel above ground. Illustration 1 shows Service Access Areas that must remain unobstructed at all times. The control panel box may be painted and maintained at the Customer’s expense.

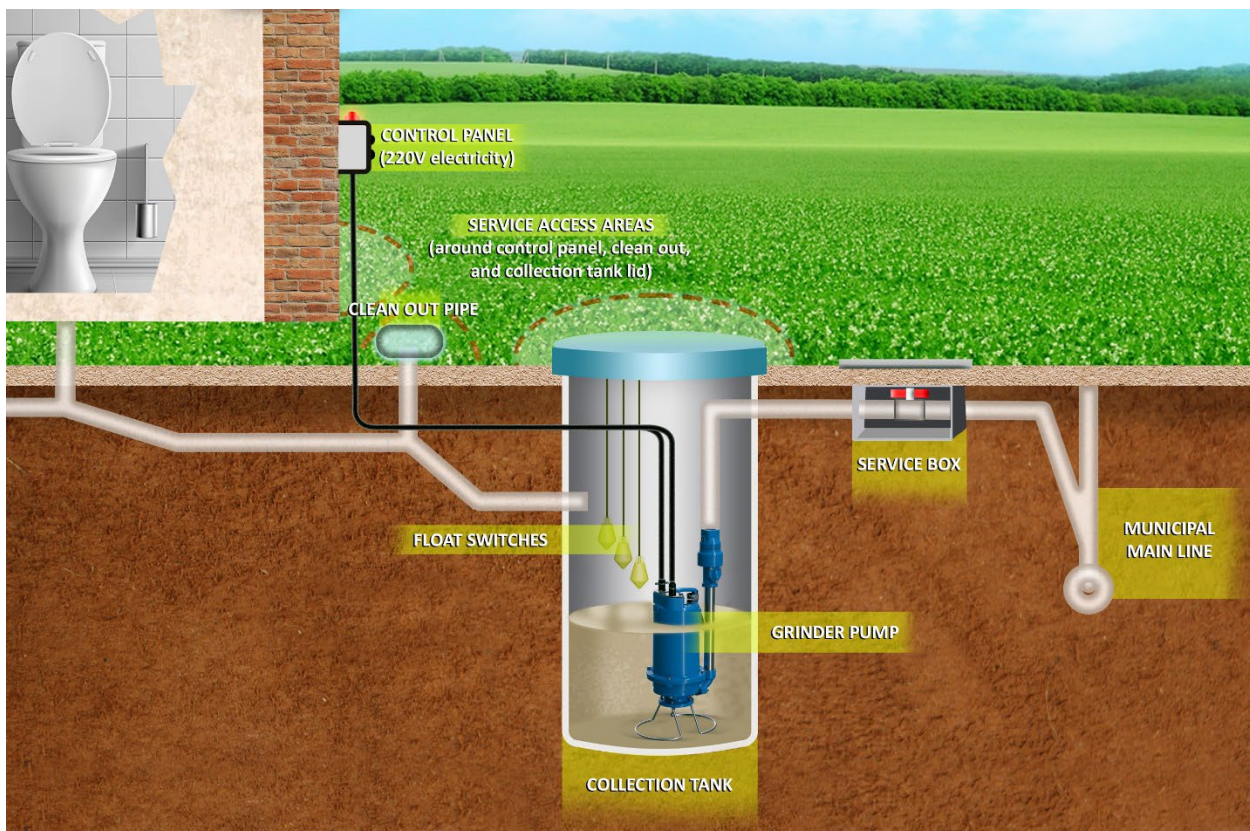


ILLUSTRATION 1

What to expect. Normally functioning grinder pump systems do make some sounds when they turn on, but it should not be disruptive. They also emit minimal, if any, odor. Customers should notice only a slight increase to their electric bill since the grinder pump should only be running a few times a day.

Power Outages/Heavy Rain. A grinder pump system control panel is operated by electricity so power outages affect the ability for the system to function. Customers should limit water disposal down pipes during power outages.

Alert that repairs are needed. If a grinder pump system needs maintenance, an audible and/or lighted alarm on the control panel will alert Customers that service is needed. If the alarm does not turn off within about five (5) minutes of discontinued water use, repairs may be necessary.

During extended leave. Prior to vacating a property for extended periods of time, warranting more than three (3) months of disuse of the grinder pump system, Customers should run water down a drain until the pump turns on; this will help to flush out the pump and prevent odors. Do not turn off the pump during extended absences. Pumps need to be run at least once every three (3) months to continue functioning properly.

Routine maintenance. Maintenance or repairs on any wastewater system often result from flushing inappropriate materials down the toilet, pouring inappropriate materials down a drain, or placing inappropriate waste down the disposal causing blockages. They can also result from situations beyond the Customers' control, such as excess storm water entering the system, freezing temperatures, or regular wear and tear on system components. Learning the appropriate way to dispose of household waste protects the sewer system, keeps costs down, and protects the environment.

What not to flush down the toilet, pour down drains, or put down the garbage disposal:

- Feminine hygiene products, contraceptive devices, and diapers
- Wet wipes of any kind (even those claiming to be “flushable”)
- Dental floss, Q-tips, cotton balls, paper towels, and facial tissues
- Cooking or lubricating oils/grease and greasy foods
- Cat litter, eggshells, coffee grounds, and similar abrasive items
- Pills and other medications
- **BOTTOM LINE:** Only flush the 3 Ps (pee, poo, and toilet paper) and keep FOG (fats, oils, grease) out of wastewater drains! The items listed above, as well as any other non-dissolvable or abrasive items, should be collected and placed in a trash can or other container for disposal with your household garbage or as otherwise indicated on the product's label. Medications can be properly disposed of using a community-based “Take-Back Initiative” program. Hazardous waste can be dropped off at designated disposal locations.

EXHIBIT B
SECURITY DEPOSIT SCHEDULE

METER SIZE	5/8-inch	1-inch	1.5-inch	2-inch	Larger
In-District	\$200.00	\$350.00	\$700.00	\$1,150.00	\$3,650.00
Out-of-District					
Water Only	\$150.00	\$250.00	\$500.00	\$800.00	\$2,600.00
Water & Wastewater	\$400.00	\$700.00	\$1,300.00	\$2,100.00	\$6,650.00
Fire Hydrant Meters	\$1,400	\$1,400	\$1,400.00	\$1,400.00	\$1,400.00

**EXHIBIT C
 TAP FEE SCHEDULE**

If there is an existing tap when an Application for Service is received by the District, the following fees will apply. If no tap exists when an Application for Service is received by the District, then the fees shall be the amount shown PLUS Out-of-Pocket Costs.

WATER TAP FEES:

Standard Meter (5/8-inch)	\$1,200.00
1-inch Meter	\$1,600.00
1.5-inch Meter	\$3,500.00
2-inch Meter	\$6,000.00
Larger Meter	\$8,000.00

Requests for installation of a water Meter larger than a standard 5/8-inch x 3/4-inch must receive prior approval of the District’s General Manager. Provided however, that where a 5/8-inch x 3/4-inch Meter exists and a larger Meter is requested and approval given, the cost difference between the specific tap size fees of a 5/8-inch x 3/4-inch Meter and the larger Meter will be charged PLUS \$100.00 or actual out-of-pocket costs to change the Meters, whichever is greater.

Where a request for changing from a larger Meter size to a Meter of lesser size the cost shall be at least \$100.00 or actual out-of-pocket cost, whichever is greater. The cost difference between the specific tap size fees will not be refunded. There is no refund for abandoned taps.

REUSE/IRRIGATION WATER TAP FEES:

\$400 regardless of the size of the Meter

WASTEWATER TAP FEES:

4" existing Connection	\$1,200.00
6" existing Connection	\$2,400.00

**EXHIBIT D
 PLUMBING FEE SCHEDULE**

WATER/WASTEWATER	
Minimum ten (10) inspections	\$750.00
Each additional inspection over ten (10)	\$75.00
SPRINKLER SYSTEMS	
Minimum two (2) S/S inspections	\$150.00
Each additional S/S inspection over two (2)	\$75.00
SWIMMING POOL	
Minimum two (2) inspections	\$150.00
Each additional inspection over two (2)	\$75.00
REMODELS	
Minimum three (3) inspections	\$225.00
Each additional inspection over three (3)	\$75.00
BACKFLOW PREVENTER RETESTING	
Annual inspection (1)	Actual cost by subcontractor
DESIGN REVIEW	
Initial review	\$100.00
Each additional review	\$75.00
GREASE TRAP CLEANING	
Actual cost by subcontractor plus \$50 administrative fee	

BACKFLOW PREVENTER FOR SPRINKLER SYSTEM AND SWIMMING POOL

Minimum one (1) testing inspection	By others
Each additional inspection over one (1)	By others

**EXHIBIT E
 MISCELLANEOUS DEPOSITS, FEES, AND CHARGES**

SERVICE FEES

Service Application Fee	\$50.00
In-District Transfers	\$50.00
Special Activity Fee	\$50.00
Failed Payment Fee	\$25.00 per failed transaction
Meter Calibration/Testing	\$75.00
Reconnection Fee	\$50.00
Reconnection fee after hours	\$100.00

PENALTIES

Illegal usage/tampering	Up to \$1,000.00 per day per violation
Failure to comply with Drought Contingency or Grinder Pump Operation Guidelines:	
First Violation	Written notice of violation
Second Violation	Penalty fee up to \$200.00
Third Violation	Penalty fee up to \$500.00
Fourth Violation	Issuance of Notice of Intent to Terminate Service + Reconnection fee + Security Deposit (see Exhibit B)

CONSTRUCTION INSPECTION/CONTRACT MANAGEMENT/PLAN REVIEW FEE

\$60.00/hr or actual billed + 10% Actual cost + 10%

ADMINISTRATIVE FEE

Invoice Processing	Actual cost to the District + 10% (up to \$500)
Contract Administration (non-engineering)	Actual cost to the District + 10%
Special Activity Fee	\$50.00
Failed Payment Fee	\$25.00 per failed transaction

EASEMENT RELEASE FEE

Standard	\$50
Non-Standard	\$50.00 + \$60.00 per hour or actual billed + 10%

CERTIFICATION OF DISTRICT RECORDS

\$5.00 each

UNAUTHORIZED WASTE RELEASE

\$1,000.00 per day

LABOR COST

Non-Supervised	\$30.00 per hour
Supervised	\$50.00 per hour

PROFESSIONAL SERVICES AND OTHER OUT-OF-POCKET COSTS

Actual cost to the District

MACHINERY

Service Truck	\$45.00 per hour
Dump Truck	\$45.00 per hour
Electric Rodder	\$55.00 per hour
Mini Jet	\$55.00 per hour
Back Hoe	\$90.00 per hour
Hydro Jet	\$100.00 per hour
Vacuum Machine	\$100.00 per hour

EXHIBIT F
DEFINITIONS & BILLING CLASSIFICATIONS

DEFINITIONS: BILLING CLASSIFICATIONS

CLASS A: SINGLE FAMILY DWELLINGS: Single family unit served with water, wastewater service and/or reuse located on a single lot (structure may occupy two lots by being built over a common lot line).

CLASS B: CONDOMINIUM/DUPLEX: Cluster type single family dwelling units with water, wastewater service, and/or reuse. Whether service is by individual or multi-unit, each unit will be considered as one.

CLASS C: COMMERCIAL: Includes, but not limited to Lakeway Resort & Spa, Lakeway Marina, Hills of Lakeway – Elevation Athletic Club (prev. World of Tennis clubhouse), office building, service station, Lakeway Market and Deli, timeshare units, etc.; occupied full- or part-time.

CLASS D: REUSE/IRRIGATION/SPRINKLER SYSTEM: Any Metered water not used for residential or commercial purposes as listed in Class A through Class C above.