

SECTION G.

RATES AND SERVICE FEES

Unless specifically defined in this Tariff, all fees, rates, and charges as 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, appropriate 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;
 - (1) provide cost estimates of the project,
 - (2) to present detailed plans and specifications as per final plat,
 - (3) to advertise and accept bids for the project,
 - (4) to present a Non-Standard Service Contract to the Applicant, and
 - (5) 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. (Ref. Section F.)
2. ***Membership Fee.*** At the time the application for service is approved, a refundable Membership Fee must be paid before service will be provided or reserved for the Applicant by the Corporation. The Membership Fee for water service is **\$460.00** for each service unit as of June 26, 2012
3. ***Easement Fee.*** A charge including all legal fees and expenses necessary to attempt to secure a right-of-way and/or facilities sites in behalf of the Applicant. (Ref. Section E. 2. c. 2), Section E.6, Section F. 7. a.)
4. ***New Tap Fee.*** The Corporation shall charge a new tap fee to new customers for initiation of service where no service previously existed, as follows:
 - a. **Standard Service** shall include all current labor, materials (which includes a customer shut off valve), engineering, legal, customer service inspection, and administrative costs necessary to provide individual metered water service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.
 - b. **Non-Standard Service** shall include standard service cost and all construction labor and materials, inspection, administrative, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.
5. ***Customer Service Inspection Fee.*** A fee of \$100.00 will be assessed to each Applicant before permanent continuous service is provided to new construction, any house new to the system, including new and used mobile homes.
6. ***Equity Buy-In Fee.*** In addition to the Membership Fee, each Applicant shall be required to achieve parity with existing Members by contributing capital in an amount projected to defray the cost of

up-grading system facilities to meet growth demands created by adding customers. This fee shall be assessed immediately prior to providing service on a per service unit basis for each Installation and shall be assigned and restricted to the Installation for which the service was originally requested. The formula applied to such fee calculated annually after receipt of the system audit is as follows:

Sample Calculation:

- Total Contributions and Assets of the Corporation minus (-)
- Accumulated Depreciation minus (-)
- Outstanding Corporation Debt Principle minus (-)
- Developer Contributions divided by (/)
- Total Number of Existing Members/Customers equals (=)
- Average Net Equity Buy-In Fee

a. Equity Buy-In Fee is **\$957.91**, as of February 23, 2016

7. **Installation Fee.** The Corporation will charge an installation fee for service to a new Applicant where no service previously existed. This fee consists of the membership fee, new tap fee, inspection fee, easement fee, and equity buy-in fee. The Corporation shall give the Applicant an estimate of the Installation Fee before the work is started and the Applicant shall pay one half (1/2) of the estimate up front. When the work is completed a final bill will be assessed and the payment subtracted. The final bill must be paid in full before permanent continuous service is provided to the new installation location.
8. **Re-Service Fee.** The Corporation will charge a re-service fee for an applicant at a location for which service previously existed (Section E.3.b).
 - a. **Standard Re-Service** shall include Membership Fee; where the Membership Fee has been liquidated, or a Transfer Fee, all current labor, materials, engineering, legal, easement fee,(when necessary) and administrative costs necessary to provide individual metered water service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.
 - b. **Non-Standard Re-Service** shall include Standard Re-Service Fee, any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.
 - c. **Standard and Non-Standard Re-Service** Installations shall include all costs of any pipeline relocations as per Section E.2.c.6 of this Tariff.

9. **Monthly Charges.**

a. **Service Availability Charge**

Water Service - the monthly rates for water service, which does not include 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 (Ref. Miscellaneous Form: AWWA Specifications and Design) equivalent to the size indicated and is used as a base multiplier for the Service Availability Charge and allowable gallonage. Rate and equivalents are as follows:

Meter Size	5/8"X3/4" Meter Equivalents	Monthly Rate
5/8"X3/4"	1.0	\$38.64
3/4"	1.5	\$38.64

Sample Calculation:

Fixed and Variable Item Cost (-)

[First Tier of Gallonage Charge (x) Year Gallons Billed] (/)

[12 (x) Number of Active Service Customers] (=)

Service Availability Charge

- b. **Gallonage Charge.** In addition to the Service Availability Charge, a gallonage charge shall be added at the following rates for usage during any one (1) billing period:

1) Water - 1 - 10,000 gallons	\$4.75/1000 gallons
10,001-15,000 gallons	\$6.75/1000 gallons
15,001-20,000 gallons	\$7.25 /1000 gallons
Greater than 20,000 gallons	\$7.50/1000 gallons

- c. The Corporation shall, as required by Section 5.235, Water Code of the State of Texas, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G.6. Monthly Charges of this Tariff. (30 TAC 291.76 d.(3) (i))

10. **Late Payment Fee.** Once per billing period, a penalty of \$10.00 shall be applied to past due bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance over \$10.00 during the current billing period.
11. **Owner Notification Fee.** The Corporation may, at the expense of the Member, notify said Member of a renter/lessee delinquent account status prior to disconnection of service. The Owner Notification Fee shall be \$1.00 per notification (Ref. Miscellaneous Form: Notice to Owner of Rental Property)
12. **Mortgagee/Guarantor Notification Fee.** The Corporation shall assess a fee of \$1.00 for each notification to a Member/Lien-holder under agreement prior to Membership cancellation (Ref. Miscellaneous Form: Liquidation Notice)
13. **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 plus any bank fees. (Ref. Miscellaneous Form: Notice of Returned Check)
14. **Delinquent Payment Fee:** The Corporation shall charge a fee of \$100.00 for disconnecting and reconnecting service after LHMWSC has disconnected the service for payment delinquency.
15. **Reconnect Fee:** The Corporation shall charge a fee of \$50.00 for reconnecting service after the service has been disconnected for any reason other than payment delinquency.
16. **Vacation Fee:** The Corporation shall charge a fee of \$25.00 and the monthly service availability charge to Members who request in writing that their meter be locked by the Corporation and unlocked upon written request.
1. In the case of a Member/Renter Agreement the water cannot be placed on Vacation if the renter is present. If an eviction notice has been given and the vacation notice is signed and dated after the eviction notice is complete the service may be placed on Vacation.

17. **Equipment Damage Fee.** If the Corporation's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions. This fee shall be charged and paid before service is re-established. If the Corporation's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Member. If the Corporation's facilities or equipment have been damaged due to negligence or unauthorized use of the Corporation's equipment, right-of-way, or meter shut-off valve, or due to other acts for which the Corporation incurs losses or damages, the Member shall be liable for all labor, water, and material charges incurred as a result of said acts or negligence.
18. **Non-Disclosure Fee.** A fee of \$5.00 shall be assessed any customer requesting in writing that personal information under the terms of this tariff not be disclosed to the public.
19. **Information Disclosure Fee.** All public information except that which has been individually requested as confidential shall be available to the public for a fee to be determined by the Corporation based on the level of service and costs to provide such information, but not to be inconsistent with the terms of the Texas Open Records Act: Chapter 552, Texas Government Code.
20. **Transfer Fee.** An Applicant for service who is a Transferee shall complete all required application forms, regulations, etc. and pay a Transfer Fee of \$50.00. This fee is waived if the recipient is obtaining the membership due to divorce or inheritance.
21. **Membership Certificate Copy Fee.** A fee of \$5.00 will be charged to provide a second duplicate copy of the Membership Certificate. The original Membership Certificate shall remain in the Corporation's office and a first duplicate copy shall be given to the Member upon receipt of Membership.
22. **Re-Location Fee.** Shall include all current labor, materials, engineering, legal, and administrative costs necessary to provide individual metered water service and shall be charged on a per tap basis as an estimate is computed immediately, with fifty percent (50%) due, prior to such time as metered service is requested. Once the Installation is complete the Corporation shall bill the Member by totaling the Installation cost and subtracting the fifty percent (50%) estimate payment.
23. **Meter Test Fee.** A fee of \$10.00 will be charged if a Member/Customer requests that their meter be tested for accuracy by the Corporation. If the Member/Customer requests that the meter be tested by a meter manufacturer a fee, that will be determined at the time of testing by a certified meter testing facility, will be charged. (Section E.21)
24. **Real Estate Inspection Fee.** The Corporation shall charge a \$25.00 plus (+) metered water usage charge for reconnecting and disconnecting service to a property for the purpose of water inspection at said property.
25. **Other Fees.** All services outside the normal scope of utility operations which the Corporation may be compelled to provide at the request of a customer or Member shall be charged to the recipient based on the cost of providing such service.