

SECTION C.

DEFINITIONS

1. ***Active Service.*** Status of any Member receiving authorized service under the provisions of this Tariff.
2. ***Applicant.*** Person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with the Little Hope-Moore Water Supply Corporation. A person must have reached age of majority (18) in Texas to apply for service. (Section 129.001, Civil Practice & Remedies Code)
3. ***Base Rate.*** The monthly charge assessed each Member/Customer for the opportunity of receiving service. The Base Rate is a fixed rate based upon the meter size as set forth in the equivalency chart in Section G. 10. A.
4. ***Board of Directors.*** The governing body elected by the Members of the Little Hope-Moore Water Supply Corporation that is vested with the management of the affairs of the Corporation. (Section 22.001(1), Texas Business Organizations Code)
5. ***Bylaws.*** The rules pertaining to the governing of the Little Hope-Moore Water Supply Corporation adopted by the Corporation Members. (Section 22.001(2), Texas Business Organizations Code)
6. ***Certificate of Convenience and Necessity (CCN).*** The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for the Little Hope-Moore Water Supply Corporation to provide water service within a defined territory. Little Hope-Moore Water Supply Corporation has been issued Certificate Number 11263. Territory defined in the CCN shall be the Certificated Service Area. (See. Section D of this tariff.: Certificated Service Area Map)
7. ***Collection Account.*** A Member's account that has been placed under collection due to delinquency of payment and the disconnect fee has been applied.
8. ***Corporation.*** The Little Hope-Moore Water Supply Corporation. (See. Section B. 1 of this Tariff)
9. ***Delinquent.*** A Members account determined to not be paid within the ten (10) day notice after the final notice.
10. ***Developer.*** Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who subdivides land or requests two (2) or more water service connections on a single contiguous tract of land (as defined in Section 13.2502 (e)(1) of the Texas Water Code).
11. ***Disconnection of Service.*** The discontinuance of water service by the Corporation to a Member/Customer.

12. **Discontinuance.** The discontinuance of water service by the Corporation to a Member/Customer upon written consent of the Member to surrender their Membership to the Corporation to pay on final charges, receive a refund or final bill and stop paying the base rate.
13. **Easement.** A private perpetual dedicated right-of-way for the installation of water pipelines and necessary facilities which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable) for both service to an Applicant and system-wide service. This may also include restrictions on the adjacent area to limit the installation of other facilities that would restrict the use of any area of the easement. (See. Application Packet: Easement Form) The easement will be filed in the real property records of the appropriate county or counties.
14. **Equity Buy-In Fee.** Each Applicant for new service where a new service tap is necessary shall be required to achieve parity with the contributions to the construction of the Corporations facilities capacity that have been made previously by existing Members. This fee shall be assessed prior to providing or reserving service on a per service unit basis for each property and shall be assigned and restricted to that property for which the service was originally requested. (See. Tariff Section G. 6., Section J. Application Packet 10.)
15. **Final Plat.** A complete plan for the subdivision of a tract of land showing or referencing Local Tax Appraisal Maps, access to public road(s), number and size of lots, location of dedicated water easements, and location(s) of lakes, streams, or rivers through the property. The Little Hope-Moore Water Supply Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. For purposes of evaluating Subdivision service requests under Section F. The Corporation may accept preliminary plats or plats awaiting final approval pending execution of agreement for service by the Corporation.
16. **Hazardous Condition.** A condition which jeopardizes the health and welfare of the Members/Consumers of the Corporation as determined by the Corporation or regulatory authority.
17. **Inactive Service.** Status of any Member not currently receiving authorized service under the provisions of this Tariff.
18. **Indication of Interest Fee.** A fee paid by a potential Member of the Corporation for the purpose of determining the feasibility of a construction and/or expansion project. The Indication of Interest Fee may be converted to the Member Fee upon determination that service to the Applicant is feasible and available. This also applies to applicants applying for, or receiving, Temporary Service. (See. Tariff Section E. 10 B., and Section J. Application Packet)
19. **Installation.** Service to a new Applicant upon approval where no service previously existed. Installation includes: new tap, customer shut-off valve, service inspection, easement, membership, equity buy-in, and applicable fees.
20. **Investigation Fee.** A fee to be paid by a developer to cover all administrative, legal, and engineering fees associated with investigation. The investigation is for the purpose of investigating the capacities of the plant and main lines in the area where the developer intends to

develop. And for the engineer to give an estimated of cost for the development and any construction needs to the development.

21. **Liquidated Membership.** A Membership which has been canceled due to delinquent charges exceeding the Membership Fee or for other reasons as specified in this Tariff, and has been applied to the balance on the account.
22. **Locked Account.** A Member's account locked under special circumstance agreed by the Board.
23. **Member.** Any person, partnership, cooperative corporation, corporation, agency, or public or private organization that has qualified for service and received a Membership in accordance with the Corporation's Tariff and who is a record owner of the property served, that has qualified for service and been certified as a member in accordance with the Corporation's Tariff. (Texas Water Code Section 13.002(11), Texas Water Code Section 67.016(d))
24. **Membership.** A membership in the Corporation always belongs to a certain property that can be defined by an address or legal description. The membership can be transferred to a new owner of the certain property but may not be transferred from one property to another. To retain a membership the member must pay the base rate each month.
25. **Membership.** A non-interest-bearing stock certificate or right of participation purchased from the Corporation evidencing a member's interest in the Corporation. (See. Tariff Section E. 10 and Texas Business Organizations Code Sections 22.053, 22.151(c))
26. **Membership Fee.** A fee qualified as such under the terms of the tariff and the bylaws of the Corporation assigned to the real estate designated to receive service. The membership fee shall be refundable upon termination of service, balance paid, and surrendering the Membership Certificate. The membership fee cannot be more than 12 times the minimum monthly base rate. (16 TAC Section 24.3(26) Definitions, Texas Water Code Section 13.043(g))
27. **Meter Pulled.** An account that has been finalized and the membership liquidated towards the final bill. The customer will receive a refund or a final bill and the meter has been pulled from the meter box.
28. **Owner Notification.** The Corporation shall notify the Member of a renter/lessee delinquent account status prior to disconnection of service.
29. **Public Utility Commission (PUC).** State regulatory agency having jurisdiction over water and sewer service utilities and appellate jurisdiction over the rates and fees charged by Non-Profit Water and Sewer Service Corporations
30. **Proof of Ownership.** The Corporation requires proof of ownership of the real estate designated to receive service as a condition of membership and service. For the purpose of this tariff, applicants for service and membership shall provide proof of ownership by a copy of their deed of trust, warranty deed, or other recordable documentation of fee sample title to real estate to be served. (Texas Water Code Section 67.016(d))
31. **Rural Utilities Service (RUS).** An Agency of the United States Department of Agriculture Rural

Development Mission Area that provides loan and grant funds for development of rural water and sewer systems serving communities with a population of less than ten thousand (10,000) people.

32. **Renter.** A consumer who rents or leases property from a member or who may otherwise be termed a tenant. (See. Section E.11)
33. **Re-Service.** Providing service to an Applicant at a location for which service previously existed and where there is an existing setting for a meter. Costs of such re-servicing shall be based on justifiable expenses in connection with such re-servicing. (See. Section E. 6. B., E. 7. B., G. 8)
34. **Service Availability Charge.** (Also known as "minimum monthly charge", "minimum", or the "base rate") The monthly charge assessed each Member/Customer for the opportunity of receiving service. The Service Availability Charge is a fixed rate based upon the meter, service size, or equivalent dwelling unit(s). (See. Section G. 10. A.)
35. **Service Application and Agreement.** A written agreement between the Member/Applicant and the Corporation defining the specific type of service requirements requested on the current service application and agreement form, and the responsibilities of each party required before service is furnished. (See. Section J. Application Packet 1.: Service Application and Agreement or Non-Standard Service Contract)
36. **Service Investigation Fee.** A fee for costs associated with determining if service is available and determining cost of service. (See. Section G. 1.)
37. **Service Trip.** If a customer requests a re-read or profile on a meter that LHM has already verified the reading, constitutes as a service trip and will be charged the service trip fee. (See. Tariff Section G. 18. Service Trip Fee).
38. **Service Unit.** The base unit of service used in facilities design and rate making. For the purpose of this Tariff, a service unit is a 5/8" X 3/4" water meter. The rates are based on the basis of population served or demand. (See. Section G. 10. A. and Section K. Miscellaneous Transaction Form G. 6.: TRWA Recommended 5/8" X 3/4" Meter Equivalents Based on AWWA Specifications and Design Criteria)
39. **Subdivide.** To divide the surface area of land into lots or tracts. (Texas Local Government Code Section 232.021(11) Definitions, Texas Water Code Section 13.2502(e)(1))
40. **Sub-divider.** An individual, firm, corporation, or other legal entity that owns any interest in land and that directly or indirectly subdivides land into lots as a part of a common promotional plan in the ordinary course of business. (Texas Local Government Code Section 232.021(12) Definitions)
41. **Subdivision.** An area of land that has been subdivided into lots or tracts. (Local Government Code Section 232.021(13) Definitions)
42. **Tariff.** The operating policies, service rules, service extension policy, service rates, water use restriction policies, sample application packet, and miscellaneous transaction forms adopted by

the Board of Directors. A copy of this, Board approved, Tariff is on file at the Corporation office and as required by law at the State office of the PUC.

43. **Temporary Service.** The classification assigned an applicant that is in the process of construction. This could also apply to service for uses other than permanent (agricultural, road construction, drilling, livestock, etc.). The length of time associated with this classification will be set by the Board. This classification will change to permanent service after requirements in Section E. 1, E. 2, E. 3, E. 6 and E. 8 of this Tariff are met. Applicant must have paid an Indication of Interest Fee.
44. **Texas Commission on Environmental Quality (TCEQ).** State regulatory agency having jurisdiction over drinking water, water supply and water quality issues Non-Profit Water and Sewer Service Corporations.
45. **Transferee.** An Applicant receiving a Little Hope-Moore WSC Membership by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity. (See. Section E. 10 C, G 25, Section J Application Packet: Member Transfer Authorization)
46. **Transferor.** A Member who transfers Membership by legal means to another person or entity desiring to qualify for service at a property for which the Membership is currently issued to the Corporation. (Texas Water Code, Section 67.016), (See. Section E. 10 C, Section J Application Packet: Member Transfer Authorization)
47. **Usage.** Amount billed or to be collected based on the meter reading.
48. **Water Conservation Penalty.** A penalty that may be assessed under Section H of this Tariff to enforce customer/member water conservation practices during drought contingency or emergency water demand circumstances. (Texas Water Code Section 67.011 (b)).