

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 of \$2200.00, 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. (See. Section F.)
2. ***Membership Fee.*** At the time the application for service is approved, a refundable Membership Fee must be paid for each service requested before service will be provided or reserved for the Applicant by the Corporation. The membership fee cannot be more than 12 times the minimum monthly base rate.
 - A. The Membership Fee for water service is \$500.00 for each service unit as of June 1, 2016,
 - B. Membership fee for oversized or Master Metered Accounts shall be based on multiples of meter size equivalence.
3. ***Easement Fee.*** When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way in addition to installation fees otherwise required pursuant to the provisions of this Tariff. 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. (See. Section E. 3. B., Section E. 8. C., Section F. 9.)
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 for new service that requires a new service tap shall be required to achieve parity with the contributions to the construction of the Corporation's facilities capacity that have been made previously by existing Members. This fee shall be assessed immediately prior to providing service on a per service unit basis for each service requested and shall be assigned and restricted to that property for which the service was originally requested. This fee shall be set aside for future capacity improvements such as line upgrades, new tanks, treatment, or production. 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 Principal minus (-)

Developer Contributions minus (-)

Grants received divided by

Total Number of Members / Customers equals = Average Net Equity Buy-In Fee

a. Water Equity Buy-In Fee is **\$2572.72**, effective July 19th, 2021

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, 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 (See. Section E. 6. B., Section E. 7. 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. 3. B. 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 (See. Section K. Miscellaneous Transaction Form 6.: 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" X 3/4"	1.0	\$ 70.95
3/4"	1.5	\$ 106.43
1"	2.5	\$177.38
1 1/2"	5.0	\$354.75
2"	8.0	\$567.60
3" DISP	9.0	\$638.55
3" CMPD	16.0	\$1135.20
3" TURB	17.5	\$1241.63
4" DISP	25.0	\$1773.75
4" TURB	30.0	\$2125.50
6" CMPD	50.0	\$3547.50
6" TRUB	62.5	\$4434.38
8" CMPD	80.0	\$5676.00

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 - 0 - 2,000 gallons	\$10.50/1000 gallons
2,001 - 4,000 gallons	\$12.50/1000 gallons
4,001 - 6,000 gallons	\$14.50 /1000 gallons
6,001 – 10,000 gallons	\$16.50/1000 gallons
10,001 – 20,000 gallons	\$17.50/1000 gallons
20,001 – 40,000 gallons	\$18.50/1000 gallons
Greater than 40,001 gallons	\$19.50/1000 gallons

- C. **Regulatory Assessment.** The Corporation shall, as required by Section 5.701, 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 service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G. 10. Monthly Charges of this Tariff. (16 TAC 291.76(d)). **NOTE:** The regulatory assessment is not to be collected from state agencies, wholesale customers, or buyers of non-potable (not drinkable) water. (See. TCEQ RG-199 revised Oct. 2002; TCEQ Section 291.76 (c))

10. **Late Payment Fee.** Once per billing period, a penalty of \$15.00 or 10% which ever is greater 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. **Assessments.** – If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water charges to be insufficient for the payment of all costs incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the

Corporation as the Board may determine or as may be required by Rural Development, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment of indebtedness for the year's operations. (See Article XVIII of USDA Model Bylaws, Section 1)

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 (See. Section K. Miscellaneous Transaction Form D. 3.: 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 \$10.00 (See. Section K. Miscellaneous Transaction Form G. 12.: 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.
17. ***Service Trip Fee.*** The Corporation shall charge a trip fee of \$25.00 for any service trip to the Member's tap as a result of a request by the Member or resident for response to re-reading or profiling on a meter that LHM has already verified the reading.
18. ***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.
19. ***Meter Tampering and Damage to Property Penalty.*** In addition to the Equipment Damage Fee, the Corporation may charge a penalty for "Tampering" as defined in Section E. 25. The penalty may only be assessed against the person who committed the Tampering. An owner cannot be assessed for the Tampering committed by their tenant. The penalty shall not exceed six (6) times the Base Rate.
20. ***Customer History Report Fee.*** A fee of \$1.00/page shall be charged to provide a copy of the Members record of past water purchases in response to a Member's request for such a record.

21. **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 cost rules of the Texas Government Code Section 552.261 et. seq.
22. **New Customer Fee.** An Applicant for service who is a Transferee shall complete all required application forms, regulations, etc. and pay a fee of \$50.00. This fee is waived if the recipient is obtaining the membership due to divorce or inheritance.
23. **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.
24. **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.
25. **Meter Test Fee.** A fee of \$10.00 will be charged if a Member/Customer upon written 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.
26. **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.
27. **Additional Assessments.** In the event any federal, state or local government imposes on the Corporation a "per meter" fee or an assessment based on a percent of water charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.
28. **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.