



RINCON WATER SUPPLY CORPORATION

P.O. DRAWER 7
TAFT, TEXAS 78390
(361) 528-3969
PWS ID. NO. 205-0078



SERVICE AGREEMENT

1) Agreement made this ____ day of _____, 20__ between Rincon Water Supply Corporation (hereinafter Corporation), a corporation organized under the laws of the State of Texas and _____ (hereinafter Member) located at _____.

2) The Corporation shall sell and deliver metered potable water to the Applicant and the Applicant shall purchase metered water from the Corporation in accordance with the By-Laws and Tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies and payment of all fees, including payment of a Membership Fee, the Applicant qualifies for Membership as a new applicant or continued Membership as a transferee.

3) The Member shall pay the Corporation for service hereunder as determined by the Corporation's tariff and upon the terms and conditions set forth therein. A copy of this agreement shall be executed before service may be provided to the Applicant.

4) The Board of Directors shall have the authority to discontinue service and cancel the Membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service. At any time, service is discontinued, terminated, or suspended the Corporation shall not re-establish service unless it has a current signed copy of this agreement. The Member agrees to pay the monthly charges for service as prescribed in the Corporation's tariff.

5) Members owning more than one Membership will keep all accounts current. Failure to maintain current status on any one account will result in discontinued service of all accounts owned.

6) Non-payment of the water bill will result in the termination of service ninety (90) days after the due date of the bill. Termination of service will result in removal of service connection and loss of water service.

7) If this agreement is completed for the purpose of assigning utility service as a part of a rural domestic water system loan project contemplated with the USDA Rural Development, the Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining:

- a. The number of taps to be considered in the design
- b. The number of potential ratepayers considered in determining the financial feasibility of constructing
 - i. A new water system or
 - ii. Expanding the facilities of an existing water system

8) The Applicant hereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporation's policies, shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee. Applicant further agrees to pay, upon becoming a Member, the monthly service charges

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for such service as prescribed in the Corporation's tariff. Any breach of this agreement shall give cause to the Corporation to liquidate, as damages, the fees previously paid as an Indication of Interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$300.00 as liquidated damages to defray any loss incurred by the Corporation. If delivery of service to said location is deemed infeasible by the Corporation as a part of this project, the Applicant shall be denied Membership in the Corporation and the Indication of Interest Fees, less expenses, shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be an amount equal to the Corporation's Membership Fees.

9) Fees to be paid to the Corporation prior to initiation of new service are listed below and subject to change in accordance with paragraph #2 of this Service Agreement.

- a. Membership Fee \$ _____
- b. Single Meter Application Fee \$ _____
- c. Front End Capital Contribution Fee \$ _____
- d. Construction Costs \$ _____
- e. Total \$ _____

Note: if the service requested is larger than the normal residential 5/8" x 3/4" meter the membership fee is calculated at a higher rate in accordance with the published Tariff for the Corporation.

10) All water shall be metered by meter(s) furnished and installed by the Corporation. The meter/connection is for the sole use of the Member or Customer and is to provide water to only one (1) dwelling or only one (1) business and does not permit the extension of pipe, pipes, hoses, or any other conveyance to transfer water from one property or dwelling to another, nor share, re-sell, or sub-meter water to any other person, dwellings, business, or property, etc.

11) Multiple connections to a single tap is prohibited. Sub-metering or charging a fee to another person shall be considered as a multiple connection and result in discontinuance of service. Service will also be discontinued for tampering with a water meter, by-passing a water meter, or in any other way receiving non-metered water.

12) The Corporation ownership, maintenance responsibility, and liability shall end at the Corporation meter. If the Corporation is called out to check on a leak and the leak is found to be on the Member's side of the meter, a Service Call in the amount listed in the Corporation Tariff will be added to the Member's next water bill.

13) The member is required to provide a working isolation valve on the Member's side of the meter within 18" of the meter. The Member shall not use the Corporation's stop valve located in the meter box. The cost of repair for damages to Corporation equipment by the Member will be paid by the Member.

14) The Corporation shall have the right to locate a water meter and the pipe necessary to connect the meter on the Member's property at point to be chosen by the Corporation and the Corporation shall have access to the property and equipment located upon Member's premises at all reasonable and necessary times for any purpose connected with or in the furtherance of its business operation, and upon

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discontinuance of service, the Corporation shall have the right to remove any of its equipment from the Member's property. The Member shall provide unobstructed (including restraint of animals including but not limited to dogs, horses, livestock, etc.) access to the meter at all times for the purpose of reading, installing, removing, checking, repairing, or replacing the meter. In the event the Corporation's access is obstructed by loose animals, vehicles that block access to Corporation equipment, or other such occurrences that inhibit the furtherance of Corporation business, the Corporation shall have the right to remove such obstruction and the Member shall be liable for 100% of the cost of such removal plus any service fees allowed by law. The Member shall allow the Corporation to place a Corporation lock on gates where the meter is located inside the Member's fenced property and where gates are kept locked. The Member shall install at their expense any necessary service lines from the Corporation's meter to the point of use, including any customer service isolation valves, backflow prevention devices, and other equipment as may be specified by the Corporation. The Corporation shall also have access to the Member's property for the purpose of inspecting for possible cross connections and other undesirable plumbing practices.

15) The Corporation is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices or cross connections. Therefore, the Member/Customer shall have a current Customer Service Inspection completed within 30 days of the date of this instrument. Further the Member/Customer shall have a backflow prevention device as prescribed by the Program Manager (General Manager) properly installed and tested within 18" of the water meter, there shall be no connections between the backflow prevention device and the meter. This installation shall be completed and the original test report delivered to the Corporation no later than 30 days following the date of this instrument. The Member shall see that all plumbing connections are made in compliance with the Federal Safe Drinking Water Act and/or Chapter 341 of the Texas Health and Safety Code rules and regulations. All connections shall be designed to ensure against backflow or siphonage of undesirable water or other substances into the Corporation water supply. This Service Agreement serves as notice to enforce these restrictions to ensure the public's health and welfare. The following undesirable plumbing practices are expressly prohibited by State Regulations and Corporation policy.

- a. No direct connection between the public drinking water supply and potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate back-flow prevention assembly in accordance with State Plumbing Regulations. Additionally, all pressure relief valves and thermal expansion devices must be in compliance with State Plumbing Codes.
- b. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an air-gap or a reduced pressure-zone backflow prevention assembly. Further, a current service agreement must exist for annual inspection and testing by a licensed backflow prevention assembly tester.
- c. No connection which allows condensing, cooling, or industrial process water to be returned to the public drinking water supply is permitted.

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- d. No pipe or pipe fitting which contains more than 0.25% lead may be used for the installation or repair of plumbing on or after January 1, 2014 at any connection which provides water for human consumption.
- e. No solder or flux which contains more than 0.2% lead may be used for installation or repair of plumbing on or after July 1, 1988 at any connection which provides water for human consumption.
- f. No plumbing fixture is installed which is not in compliance with a State-Approved plumbing code.

16) The Member/Customer agrees that any new construction, modification, or repairs of the private plumbing/water distribution system will be completed in accordance with the Uniform Plumbing Code as adopted by the State of Texas. Further, the Member/Customer agrees to notify the Corporation in the event of plumbing modifications or changes and if so warranted a new Customer Service Inspection completed.

17) The Corporation shall maintain a copy of this agreement as long as the Member and/or the premises are connected to the public water system. The Member shall allow his or her property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections shall be conducted by a Customer Service System Inspector that is licensed by the Texas Commission on Environmental Quality or a licensed plumber having a Water Supply Protection Specialist endorsement as issued by the State of Texas prior to initiating service or periodically thereafter as required. The inspections shall be conducted at the Member's expense and the original signed report must be delivered to the Corporation office.

18) The Member shall notify the Corporation in writing of any cross-connections or other undesirable plumbing practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable plumbing practice on their premises. The Member shall, at his or her expense, properly install, test, and maintain any back-flow prevention device required by the Corporation. Originals of all testing and maintenance records shall be provided to the Corporation as required. Failure to comply with the terms of this Service Agreement shall cause the Corporation to terminate service or properly install, test, and maintain an appropriate back-flow prevention device at the service connection at the Member's expense. Any expense associated with the enforcement of this agreement shall be billed to the Member.

19) In the event the total water supply is insufficient to meet all of the Members needs, or in the event there is a shortage of water, the Corporation may initiate the Drought Contingency Plan/Emergency Rationing Program as specified in the Corporation's Tariff. By execution of this agreement, the Applicant hereby agrees to and shall comply with the terms of said program.

20) By the execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility contractors, tampering by other Member/Users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

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21) As a condition of Membership, Member shall grant to the Corporation, now or in the future, any easements of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other equipment which may be deemed necessary by the Corporation to extend or improve service for existing or future Members, or such forms as are required by the Corporation.

22) By execution hereof, the Applicant shall guarantee payment of all rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fee shall give rise to discontinuance of service under the terms and conditions of the Corporation's Tariff. Additionally, the Member understands that should their account become delinquent all of the conditions of the current Tariff, rules, regulations and conditions must be met in order to restore water service. Further, should the account become delinquent the member must complete and sign a newly completed Service Application and Service Agreement and place on deposit with the Corporation a delinquent account deposit as outlined in the Corporate Tariff.

23) By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement and Corporate Tariff by said Applicant shall constitute denial of service until such time as the violation is corrected to the satisfaction of the Corporation. Further, the Applicant agrees to abide by the terms of the Corporation's Tariff. It is understood that the Corporation's Tariff may and can be changed from time to time by and with the approval of the Corporation Board of Directors and it is understood that failure to comply with the rules and regulations as outlined in the Tariff may result in termination of service or the Corporation may take steps outlined in the Tariff to resolve the matter. It is also understood that the Member shall be responsible for and liable for payment of any and all expenses associated with the exercising of remedies for failure to abide by the Corporation's Tariff.

24) Any misrepresentation of the facts by the Applicant on this Agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's Tariff.

25) Effective September 1, 1993 the Texas Commission on Environmental Quality requires that the Corporation charge a 0.005 percent tax on water consumed and all services provided.

_____	_____	_____	_____
Applicant signature	Date	Co-Applicant Signature	Date
_____		_____	
Approved and Accepted		Date Approved	
Rincon Water Supply Corporation			