AN ORDER OF THE BOARD OF DIRECTORS OF THE LAKEWAY MUNICIPAL UTILITY DISTRICT ESTABLISHING FISCAL YEAR 2021 BILLING CLASSIFICATIONS AND FIXING AND PRESCRIBING RULES, REGULATIONS, ADJUSTMENT PROCEDURES, FEES, DEPOSITS, MONTHLY RATES AND CHARGES AND PENALTIES FOR DISTRICT WATER, WASTEWATER AND WATER RECYCLING (REUSE) SERVICES AND FACILITIES, PLUMBING INSPECTION FEES, MISCELLANEOUS DEPOSITS, FEES, AND CHARGES; AND MAKING FINDINGS AND OTHER PROVISIONS RELATED AND APPLICABLE THERETO; AND ESTABLISHING AN EFFECTIVE DATE.

I. RECITALS

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 System rules, regulations, rates, charges and penalties for late payment, and has determined to make certain revisions thereto, and to confirm, re-enact and continue all other matters relating thereto in order that all such matters be contained in a single Order.

II. ORDER

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

1. The recitations and findings in the Preamble hereof are 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 All prior Orders, Resolutions, or policies of the District in conflict with the provisions of this Order are repealed to the extent of any such conflict; otherwise, the same are confirmed, re-enacted and shall continue in full force and effect.
2. The hereinafter prescribed rules, regulations, rates, monthly charges, penalties for late payment and non-payment, fees and deposit requirements shall be effective and of full force as herein provided.
3. The following Rate Order provisions are adopted by the Board and shall be effective beginning on the first day of the District’s 2021 Fiscal Year, October 1, 2020, and continuing in effect until amended by the Board.

RATE ORDER

A. WATER, WASTEWATER, REUSE AND OTHER CHARGES

(1) Rate Schedule. The Rate Schedules attached hereto as Exhibits A, A-1, B, C, and D, E, and
F are hereby adopted. Commencing with the OCT/NOV 2020 billing period and continuing for all subsequent billing periods thereafter, the District’s monthly charges for water, wastewater, reuse service, taps and connection charges, plumbing inspection fees, miscellaneous deposits, fees and charges, both in and outside of the District, shall be computed in accordance with the rate schedule set forth in Exhibits A, A-1, B, C, D, E, and F attached hereto and made a part hereof for all purposes.

(2) **Billing Period.** The District shall bill all of its water, wastewater and/or reuse accounts once every two (2) months. The billing shall be mailed on or before the first (1st) day of the month following the billing period.

(3) **Service to Multiple Units.**

(a) Any single water service meter serving more than one (1) residential unit shall be billed at the appropriate equivalent base fee with the consumption being billed at the applicable volume rate(s).

(b) Any single wastewater service serving more than one (1) residential unit shall be billed at the appropriate equivalent for base fees. Winter averaging for wastewater volumes shall be no less or no more than the number of units times minimum/ maximum volumes per meter. (Example: 1 meter for 5 units would equal (5) (2,000/billing) or a minimum of 10,000 gallons per billing; maximum of (5) (30,000/billing) 150,000 gallons per billing.)

(4) **Minimum Volumes.**

(a) The District’s rate design utilizes a minimum volume usage of 1,000 gallons per month and a maximum volume usage of 15,000 gallons per month.

(b) Existing residential customers who have a consumption of less than 2,000 gallons for the current December/January or February/March billing periods will be charged the minimum of 1,000 gallons per month (2,000 gallons per billing) as stated in the Exhibit A under the Wastewater Volume Charge. If one billing month is zero, then the other billing month’s gallons will be used to determine the winter average.

(c) New residential customers will be assigned a volume of 6,000 gallons per month, until they have developed a history.

(d) Commercial customers will be charged on the basis of their water billing volume for each billing period, but not less than 2,000 gallons per billing.

(e) To exclude irrigation (or other non-wastewater) volumes, a customer may, at its expense, request a meter to be installed by the District.

(f) Under no circumstances will an additional meter be set to subvert conservation tier rates.
(g) Under special circumstances, a wastewater flow meter can be installed, at customer expense.

(5) **Pretreatment Standards.** Commercial customers that generate wastewater strengths for BOD and TSS that are greater than 200 TSS/200 BOD mg/l may have a strength multiplier applied. This schedule is set forth in Exhibit A. Customers may request adjustments to the multiplier on the basis of test results obtained by methods approved by the District at the expense of the customer. Typically, this will require construction of a sampling station, a flow weighted composite sampler, multiple samples and wastewater quality analysis for BOD and TSS. These adjustments can be made at intervals of six (6) months or greater. Results may decrease or increase the multiplier.

(6) **Special Billing Requests.** Any customer who requires special handling of standard billing purposes or other activities outside of the general scope of District personnel duties will be charged a “Customer Special Activity Fee” as set forth in Exhibit E. This fee is specific but not limited to scheduling of appointments to read meters due to inaccessibility caused by any party other than the District, or estimation of usage due to inaccessibility of District meter caused by any party other than the District. 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 customer classifications for the previous years’ billing time frame.

(7) **In District Construction.** For In District existing homes, billing for water and wastewater service will commence when the water service starts whether or not the home is occupied. For new In District homes, billing for water and wastewater service will commence when the water meter is set.

(8) **Out of District Construction** For Out of District existing homes with water service, after wastewater service is approved, billing for wastewater service will commence when the plumbing permit is issued for wastewater service. For new Out of District construction, after wastewater service is approved, billing for water and wastewater service will commence when the water meter is set.

B. **LATE PAYMENTS/PENALTIES/TERMINATION OF SERVICE**—The District hereby imposes the following charges for late payment of District billings and penalties to affected District customers:

(1) **Service Charge.** For each two (2) month billing period for water, wastewater and/or reuse service, there shall be added thereto a ten percent (10%) service charge if payment is not received thereon by the twentieth (20th) day of the month following the ending month of the billing period. If the twentieth (20th) day of the month falls on a weekend or an official District holiday, the penalty day shall be extended through the next full business day. On request, penalty waivers can be authorized at the discretion of the General Manager.

(2) **Drought Contingency Plan.** District customers who fail to comply with the District’s drought contingency measures as outlined in the Drought Contingency Plan are subject to
the civil penalties 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, notice of any resulting penalties, and any resulting restrictions on services provided by the District. Fee(s) will be added to the customer’s next utility bill. See the District’s Drought Contingency Plans for additional details.

(3) **Grinder Pump Operation Guidelines.** District customers who have been assessed the Grinder Pump Service Program fee (see Exhibit A) are required to follow the General Guidelines for Reliable Operation of Residential Grinder Pump Systems as outlined in Exhibit A-1. Customers who fail to follow these guidelines are subject to the civil penalty 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. Fee(s) will be added to the customer’s next utility bill.

(4) **Notice of Intent to Terminate Service.** If the billing is not paid by 5:00 pm on the final due date of the month following the ending month of the billing period (as the final due date is determined based on subsection (1) of this Section), a notice of intent to terminate service on the tenth (10th) day of the next month or any day thereafter will be mailed. Notice shall be in writing mailed to the last known address by regular U.S. Mail, prepaid or by Certified or Registered Mail, if required by Statute, to the customer advising of the action to be taken and directing them to contact the District’s General Manager, or his Agent, for any matters relating thereto.

(5) **Termination of Service.** Service will be terminated anytime on the tenth (10th) day of the month following the month the Notice of Intent to Terminate Service was issued if full payment is not received by 5:00 pm on the ninth (9th) day of the month, unless the tenth (10th) day falls on a Friday, weekend or holiday, in which case, service will be terminated on the following business day. Customers have the right to a hearing regarding termination. The District’s Hearing Officers are its Finance/Admin Manager and General Manager. If a customer desires a hearing, they must contact a Hearing Officer in person or by telephone. Decisions of the Hearing Officer may be appealed to the Board. However, to maintain service, full payment must be made pending the appeal.

(6) **Notice of Intent to Sue.** At any time after the District’s water, wastewater and/or reuse service has been terminated a notice of intent to file a lawsuit may be given not less than thirty (30) days prior to filing thereof, to collect delinquent charges, the service charges due, attorney's fees and court costs. Notice shall be in writing mailed to the last known address by regular U.S. Mail, prepaid or by Certified or Registered Mail, if required by Statute, to the customer advising of the action to be taken and directing them to contact the District’s General Manager, or his Agent, for any matters relating thereto.

(7) **No Waiver of Remedies; Remedies Cumulative.** The District’s delay in either terminating service or filing of a lawsuit shall not be deemed a waiver of either course of action not taken at that time, it being the express intent of the District that termination
of service and suing for collection are cumulative remedies and not remedies upon which the District must make an election.

(8) The District shall, pursuant to its authority under Section 49.212(c), Texas Water Code, pursue the collection of rates, fees, taxes or any other charges owed to the District, that are more than six (6) months in arrears, by termination of service. Action will be taken as noted in Sec. B (3) above. The property owner must be given fifteen (15) days’ notice before service is discontinued. Any occupants of the property, if not the owner, shall be apprised of the impending action. Services to a property, which are terminated under this section, shall be charged a non-payment/reconnection fee as set forth in Exhibit E prior to restoration of service.

C. **TERMINATED SERVICE** - The District hereby adopts the following procedures and imposes the following charges where water, wastewater and/or reuse service are terminated:

(1) **Transfer of Service.** Service may be terminated at one location and any balance, if applicable, may be transferred to the new location, provided both locations are within the service area of the District.

- **Reconnect Fees.** For non-payment of account (i.e. payment not received by deadline), a non-payment/reconnection fee as set forth in Exhibit E (including security deposits in Exhibit B) shall be paid as a part of the total amount due. The non-payment/reconnection fee applies whether or not the service is physically cut off.
  - (a) If District personnel restore service after normal business hours an additional after-hours non-payment/reconnection fee as set forth in Exhibit E shall be paid.
  - (b) If service is restored by anyone other than the District, prior to payment in full of the amount due, the meter shall be locked out and/or removed and a meter reset fee as set forth in Exhibit E shall be paid.
  - (c) Service may be temporarily discontinued upon request in order to make repairs, replacements or similar circumstances. In this instance, a non-payment/reconnection fee will not be charged. However, tampering (turning on/off service) with the District’s meter and/or appurtenances will result in an illegal usage fee as set forth in Exhibit E.

(2) **Nondiscrimination Against Debtors.**

- (a) Except as provided in subsection (b) of this section, the District may not alter, refuse, or discontinue service to, or discriminate against, the trustee or the debtor solely on the basis that a debt owed by the debtor to such utility for service rendered before the order for relief was not paid when due.

- (b) However, the District may alter, refuse, or discontinue service if neither the
trustee nor the debtor, within 20 days after the date of the order for relief, furnishes adequate assurance of payment, in the form of a deposit or other security, for service after such date. On request of a party in interest and after notice and a hearing, the court may order reasonable modification of the amount of the deposit or other security necessary to provide adequate assurance of payment.

(3) Fee Waivers. On request, non-payment/reconnection fee waivers can be authorized at the discretion of the General Manager.

D. SECURITY DEPOSITS - The District hereby imposes the following charges, fixing and prescribing Security Deposits:

(1) New Service. A security deposit as set forth in Exhibit B is required for each new service account or transfer. No security deposit will be required if an account is being transferred from one location to another if the account has satisfactory credit history with the District for the previous consecutive twelve (12) month period. No security deposit will be required for a new account if the customer has had previous service from the District and has a satisfactory credit history. A security deposit will not be required if a new customer presents a letter from another utility company on its letterhead stating that the customer had satisfactory credit history with that utility for the previous consecutive twelve (12) month period.

(2) Penalty Assurance. A security deposit as set forth in Exhibit B may also be required by current customers with multiple violations (see Exhibit E) to the District’s Drought Contingency Plan (see Section B (2)) to be used as assurance against future violations. If assessed, no waiver can be made, however, if unused, the deposit shall be returned to the customer at the time of the customer’s voluntary disconnection from the utility system as outlined in Section 4 below.

(3) Increases to Security Deposit Amount. The Board reserves the right to increase the amount of the deposit for any existing account. The deposit will be based on current deposit requirements or the highest billing for the previous six (6) billings, whichever is larger.

(a) The security deposit will not be increased for like service and meter size if the deposit required has increased from the time the deposit was originally paid.

(b) If the customer changes meter size, or if the scope of service is changed, the deposit shall be adjusted to the then established rate order.

(c) Any organization qualifying with the Internal Revenue Service as a non-profit organization is exempt from initially providing a Security Deposit. The District reserves the right to require a deposit at any time payment is not received by deadline. The amount of deposit will be calculated as noted in Section 6-b.

(d) In the event that the water, wastewater and/or reuse service is terminated for non-payment as prescribed henceforth, the deposit shall be applied as payment in part or in whole to the amount due including arrears and penalties.
(c) If service is terminated for non-payment, where previously a Security Deposit was not required, a Security Deposit and payment of all other applicable fees will be required prior to the restoration of service.

(4) Application of Security Deposit.

(a) Upon order for a final billing of an account, payment may be made in full or the Security Deposit may be applied against the amount due, with any balance of the deposit refunded, if applicable.

(b) If the account has incurred no late payment penalty charge for twelve (12) months, the District will apply the deposit to the depositor's account. Provided, however, that the District shall require a new Security Deposit if service is terminated for non-payment as outlined in Section 6-b.

(5) Condominiums. Where payments are guaranteed by an agreement with a Condominium Association, a Security Deposit will not be required on any unit covered under said agreement. Provided, however, the District reserves the right to terminate any such agreement if there is non-payment of any account included in the agreement.

(a) In the event the water, wastewater and/or reuse service is terminated for non-payment of account or a violation of said agreement occurs, a Security Deposit, at the current amount, will be required of all units covered by said agreement and the billings will be sent directly to the individual owner, or agent of owner, and not to the Condominium Association or Rental Program for payment.

(6) EFT and Credit Card Payments. The District offers bank/credit card drafting to customers for convenience of payments.

(a) On a second occurrence of a bad “draft” within twelve (12) consecutive months, a full deposit will be required to continue service.

(b) On a second occurrence of a bad bank draft/return check within twelve (12) consecutive months, the customer will be required to make cash payments for twelve (12) consecutive months.

(c) On a second occurrence of a bad credit card draft within twelve (12) consecutive months, the customer will be removed from drafting for twelve (12) consecutive months.

E. ADJUSTMENTS - The General Manager, or his designee, shall review all adjustment requests, and if it is determined that the request meets the following criteria may authorize same:

(1) WATER ADJUSTMENTS
(a) Consider an adjustment 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.

(b) 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:

(a) Usage in Apr./May 2019 = 60 M gal
(b) Usage in Apr./May 2018 = 20 M*
(c) Usage in Apr./May 2017 = 30 M**

**Two Year Average** 50 / 2 = 25 M gal
(d) Excess usage/proven malfunction= 35 M gal
(e) Subtract $1.33 cost of production from current volume rate and 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).
(f) The higher volume charges will also be refunded if the average consumption is less than the established base volume where base volumes are exceeded.
(g) The base charge is not adjustable.
(h) 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.

(2) WASTEWATER ADJUSTMENTS-

(a) If circumstances arise which could distort individual volumes during the period, which determines “winter averaging” the following criteria is authorized:

i If within twenty (20) days after receiving their February/March bill, a customer can demonstrate to the satisfaction of the District’s General Manager that their water usage during the lower of this 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 their system, and if said malfunction was not the result of customer neglect, then the volume component of the customer's wastewater rate will be based on the average usage in the Dec/Jan or Feb/Mar billing period of the previous two (2) years or the last year if that is the only history.
ii Any residential customer who has a water leak adjustment for the December/January or February/March billing shall also have the wastewater volume adjusted based on the water leak adjustment calculation.

(3) **REUSE WATER ADJUSTMENTS**

(a) Consider an adjustment only if reuse volume for a billing period exceeds by fifty percent (50%) of reuse gallons 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.

(b) Adjustments will only be considered for the most recent billing. 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:

(a) Volume in Apr./May 2019 = 60 M gal  
(b) Volume in Apr./May 2018 = 20 M*  
(c) Volume in Apr./May 2017 = 30**  
**Two Year Average**  50 / 2 = 25 M gal  
(d) Excess usage/proven malfunction = 35 M gal  
(e) Subtract $2.27 cost of production from current volume rate and 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).  
(f) 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.

F. **PLUMBING INSPECTION FEES** - The District hereby adopts the plumbing inspection fees shown on Exhibit D attached hereto.

G. **MISCELLANEOUS DEPOSITS, FEES & CHARGES** - The District hereby imposes miscellaneous deposits, fees and charges for the following items.

(a) Construction inspection and plan review fees as set forth in Exhibit E.

(b) Easement Release request review fees as set forth in Exhibit E.

(c) Certification of District records as set forth in Exhibit E.
(d) Unauthorized releases - Any wastes released into the District wastewater collection system without prior authorization will incur fees as set forth in Exhibit E.

(e) Service fees as set forth in Exhibit E.

(f) 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 at http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac view=4&ti=l&pt=3&ch=70&rl=Y.

(g) Professional Services Fees. 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 their request by the Board.

H. TEMPORARY SERVICE - The District hereby imposes fees for temporary services rendered.

(1) Cleaning - In the event temporary service is requested for an interim period, not to exceed three (3) calendar days, for purposes of cleaning only, fees will be charged as set forth in Exhibit A.

(2) Fire Hydrant Use - In the event water service is requested through the use of a District fire hydrant for any purpose the District will require a refundable non-interest-bearing deposit as set for in Exhibit B. Fees will be charged as set forth in Exhibit A.

(3) Inactive accounts - In the event the water, wastewater and/or reuse service is discontinued for an interim period of the owner moving back into a residence or a renter moving into a residence, the account will become inactive with no charges applied for water and/or wastewater service while the service is discontinued.

The provisions of this Order shall apply to all services requested from and/or provided by the District from and after the effective date hereof. All provisions of Orders heretofore adopted which are in conflict herewith are repealed to the extent of any conflict, but any provisions which are re-enacted herein shall continue in full force and effective as of the date of their original adoption.

I. EXHIBIT LIST

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Exhibit A</td>
<td>WATER/WASTEWATER/REUSE RATES AND CHARGES</td>
</tr>
<tr>
<td>Exhibit A-1</td>
<td>GENERAL GUIDELINES FOR RELIABLE OPERATION OF RESIDENTIAL GRINDER PUMP SYSTEMS</td>
</tr>
<tr>
<td>Exhibit B</td>
<td>SECURITY DEPOSIT SCHEDULE</td>
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</table>
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 9th day of September 2020.

LAKEWAY MUNICIPAL UTILITY DISTRICT

By: ________________________________

Printed Name: ________________________________

Title: ________________________________

Date: ________________________________

ATTEST:

By: ________________________________

Printed Name: ________________________________

Title: ________________________________

Date: ________________________________
EXHIBIT-A

WATER/WASTEWATER/REUSE RATES AND CHARGES
TO THE DISTRICT'S ORDER DATED SEPTEMBER 9, 2020
EFFECTIVE WITH THE OCTOBER/NOVEMBER 2020 BILLING PERIOD

1. The District’s Charge for WATER, WASTEWATER AND REUSE service shall be as follows:

a. WATER RATES - In or Out of District

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<tr>
<th>Size</th>
<th>Rates</th>
<th>Volume Rate</th>
<th>Price</th>
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<tbody>
<tr>
<td>5/8” Meters</td>
<td></td>
<td>Bimonthly- Per 1,000 gallons</td>
<td>$2.50</td>
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<td>1” Meters</td>
<td>Factor 1.7</td>
<td>0-15,000 Gallons</td>
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<td>1 ½” Meters</td>
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<td>30,001-50,000 Gallons</td>
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<td>4” Meters</td>
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<td>50,001-80,000 Gallons</td>
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<td></td>
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<td>80,001-100,000 Gallons</td>
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<tr>
<td></td>
<td></td>
<td>Over 100,000 Gallons</td>
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b. WASTEWATER RATES- In District

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<thead>
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<th>Size</th>
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<th>Volume Rate</th>
<th>Price</th>
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<td>5/8” Meters</td>
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<td></td>
<td>$14.00</td>
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<tr>
<td>1” Meters</td>
<td>Factor 1.7</td>
<td></td>
<td>$23.80</td>
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VOLUME RATE: Per 1,000 gallons** $2.50
c. **WASTEWATER RATES - Out of District**

**RATE 1- Residential & Commercial**

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<tr>
<th>Base Rate: Monthly</th>
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<tr>
<td>5/8” Meters</td>
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<td>2” Meters</td>
<td>$392.20</td>
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<td>4” Meters</td>
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**VOLUME RATE: Per 1,000 gallons*** $2.50

d. **WHOLESALE WATER & WASTEWATER RATES**

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<th>Rate Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>WATER VOLUME RATE: Per 1,000 gallons</td>
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<td>WASTEWATER VOLUME RATE: Per 1,000 gallons</td>
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<td>WASTEWATER BASE RATE: Monthly</td>
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e. **REUSE RATES - In & Out of District**

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<th>Rate Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>VOLUME RATE: Per 1,000 gallons</td>
<td>$2.50</td>
</tr>
<tr>
<td>Wholesale Per 1,000 gallons</td>
<td>$1.50</td>
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</table>

f. **GRINDER PUMP SERVICE PROGRAM RATES**

– Eligible In & Out of District Customers Only

All District customers at a Service Address with a grinder pump system (as defined in Exhibit E) shall pay the applicable fee(s) set forth below and are eligible for participation in this program.

System components covered by this program: The District includes the following grinder pump system components in this program: Control Panel (including all necessary electrical components); Service Access Areas (including clean out access and collection tank lid); Collection Tank components (including the tank, grinder pump and float switches); and Service Box. All other components of the Service Address wastewater system, including service lines and electrical service, remain the responsibility of the Customer.

Program includes: Responsibility is given to the District to perform all maintenance and repair needs to the covered grinder pump system components at the Service Address to keep it functioning properly. It remains the Customer’s responsibility to follow the General Guidelines for Reliable Operation of Residential Grinder Pump Systems (see Exhibit A-1) and contact the District to schedule all non-routine maintenance and repairs.
Customers at a Service Address with a grinder pump system NOT installed by the District:

Until all grinder pump system components covered by this program have been replaced by the District or its authorized agent, a fee equal to:

- $5.00/month, which will be included on the customer’s regular bill, beginning on the date the District confirms system meets District’s standards for eligibility for this program (see Exhibit F), plus
- The District’s cost of each part and/or material needing to be replaced for system to function properly, less
- Un-applied credit equal to the amount of monthly Grinder Pump Service Fees paid by current and/or previous customers at the Service Address prior to the date of service.

After all eligible grinder pump system components have been replaced by the District or its authorized agent, a fee equal to:

- $5.00/month, which will be included on the customer’s regular bill.

Customers at a Service Address with a grinder pump system installed by the District:

- $5.00/month, which will be included on the customer’s regular bill, beginning on the date the Service Address was connected to the public sewer system.

** Wastewater volume for residential accounts will be established according to winter averaging methods described in the rate manual. Winter averaging will not apply to commercial accounts, which will use the water volume for the billing period as the wastewater volume. Some accounts may have separate wastewater flow meters.

*** For commercial wastewater accounts there can be a multiplier applied to the wastewater volume rate. This multiplier will be calculated as the product of the ratios of the measured BOD and TSS to the residential design value of 200 mg/1. The ratio used will not be less than 1. Restaurants will have a multiplier of two (2), unless a different ratio is determined.

2. The District’s fee for TEMPORARY service for water, not to exceed three (3) calendar days, for purpose of cleaning only as noted in Section 10-a. shall be as follows:

<table>
<thead>
<tr>
<th>TEMPORARY WATER SERVICE</th>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 5,000 gallons</td>
<td></td>
<td>$50.00 Fee</td>
</tr>
<tr>
<td>6,000 - 25,000 gallons</td>
<td></td>
<td>$2.50/1,000 gallons</td>
</tr>
<tr>
<td>26,000 gallons and up</td>
<td></td>
<td>$3.50/1,000 gallons</td>
</tr>
</tbody>
</table>

3. The District’s Monthly fee for FIRE HYDRANT water usage as noted in Section 10-b. shall be as follows:

<table>
<thead>
<tr>
<th>FIRE HYDRANT WATER USAGE</th>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
0 - 5,000 gallons  $100.00 Fee
6,000 - 25,000 gallons  $2.50/1,000 gallons
26,000 gallons and up  $3.50/1,000 gallons

4. Commercial TSS and/or BOD strength test as noted in Exhibit A*** shall be billed as incurred plus 15% for all services.

5. All restaurants and hotels will have a strength multiplier of two (2).
EXHIBIT 1-A

GENERAL GUIDELINES FOR RELIABLE OPERATION OF RESIDENTIAL GRINDER PUMP SYSTEMS
TO THE DISTRICT'S ORDER DATED SEPTEMBER 9, 2020
EFFECTIVE WITH THE OCTOBER/NOVEMBER 2020 BILLING PERIOD

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 below guidelines 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.
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. Users 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. Users 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 users 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, users 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 users’ 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 calls, 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
TO THE DISTRICT'S ORDER DATED SEPTEMBER 9, 2020
EFFECTIVE WITH THE OCTOBER/NOVEMBER 2020 BILLING PERIOD

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>5/8&quot;</th>
<th>1&quot;</th>
<th>1 1/2&quot;</th>
<th>2&quot;</th>
<th>4&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>In District Service</td>
<td>$200</td>
<td>$350</td>
<td>$700</td>
<td>$1,150</td>
<td>$3,650</td>
</tr>
<tr>
<td>Out of District Service:</td>
<td>Water Only</td>
<td>$150</td>
<td>$250</td>
<td>$500</td>
<td>$800</td>
</tr>
<tr>
<td></td>
<td>Water &amp; Wastewater</td>
<td>$400</td>
<td>$700</td>
<td>$1,300</td>
<td>$2,100</td>
</tr>
<tr>
<td>Fire Hydrant Meters</td>
<td>$150</td>
<td>$250</td>
<td>$500</td>
<td>$800</td>
<td>$2,600</td>
</tr>
</tbody>
</table>

A deposit will not be required by new customers who present a letter from another utility company on its letterhead stating satisfactory credit history for the previous consecutive twelve (12) month period.
EXHIBIT-C

TAP FEE SCHEDULE
TO THE DISTRICT'S ORDER DATED SEPTEMBER 9, 2020
EFFECTIVE WITH THE OCTOBER/NOVEMBER 2020 BILLING PERIOD

The District’s Charge for Water and Wastewater Taps and connections, both In District and Out of District shall be as follows. If there is an existing tap then the following fees will apply. If no tap exists, then the charge shall be the amount shown plus actual installation costs.

### WATER

<table>
<thead>
<tr>
<th>Size</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot; meter</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>1&quot; x 1&quot; meter</td>
<td>$1,600.00</td>
</tr>
<tr>
<td>1 1/2&quot; x 1 1/2&quot; meter</td>
<td>$3,500.00</td>
</tr>
<tr>
<td>2&quot; x 2&quot; meter</td>
<td>$6,000.00</td>
</tr>
<tr>
<td>Larger meter (plus actual costs)</td>
<td>$8,000.00</td>
</tr>
</tbody>
</table>

### WASTEWATER

<table>
<thead>
<tr>
<th>Size</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>4&quot; existing connection</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>6&quot; existing connection</td>
<td>$2,400.00</td>
</tr>
</tbody>
</table>

Requests for installation of a water meter larger than a standard 5/8" x 3/4" must receive prior approval of the District’s General Manager. Provided however, that where a 5/8" x 3/4" meter exists and a larger meter is requested and approval given, the cost difference between the specific tap size fees of a 5/8" x 3/4" meter and the larger meter will be charged PLUS $100.00 or actual 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 cost, whichever is greater. The cost difference between the specific tap size fees will not be refunded. There shall be no refund for abandoned taps.
EXHIBIT-D

PLUMBING FEE SCHEDULE
TO THE DISTRICT'S ORDER DATED SEPTEMBER 9, 2020
EFFECTIVE WITH THE OCTOBER/NOVEMBER 2020 BILLING PERIOD

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WATER/WASTEWATER</strong></td>
<td></td>
</tr>
<tr>
<td>Minimum ten (10) inspections</td>
<td>$750.00</td>
</tr>
<tr>
<td>Each additional inspection over ten (10)</td>
<td>$75.00</td>
</tr>
<tr>
<td><strong>SPRINKLER SYSTEM</strong></td>
<td></td>
</tr>
<tr>
<td>Minimum two (2) S/S inspections</td>
<td>$150.00</td>
</tr>
<tr>
<td>Each additional S/S inspection over two (2)</td>
<td>$75.00</td>
</tr>
<tr>
<td><strong>REMODELS</strong></td>
<td></td>
</tr>
<tr>
<td>Minimum three (3) inspections</td>
<td>$225.00</td>
</tr>
<tr>
<td>Each additional inspection over three (3)</td>
<td>$75.00</td>
</tr>
<tr>
<td><strong>PROPANE GAS &amp; WATER HEATER REPLACEMENT</strong></td>
<td></td>
</tr>
<tr>
<td>Minimum one (1) inspection</td>
<td>$75.00</td>
</tr>
<tr>
<td>Each additional inspection</td>
<td>$75.00</td>
</tr>
<tr>
<td><strong>BACKFLOW PREVENTER RETesting</strong></td>
<td></td>
</tr>
<tr>
<td>Annual inspection (1)</td>
<td>Actual cost by subcontractor</td>
</tr>
<tr>
<td><strong>GRINDER PUMP</strong></td>
<td></td>
</tr>
<tr>
<td>Design review</td>
<td>$100.00</td>
</tr>
<tr>
<td>Plumbing/mechanical inspection</td>
<td>$75.00</td>
</tr>
<tr>
<td>Electrical inspection</td>
<td>$75.00</td>
</tr>
<tr>
<td>Start-up/Demonstration</td>
<td>$75.00</td>
</tr>
<tr>
<td><strong>GREASE TRAP CLEANING</strong></td>
<td>Actual cost by subcontractor plus $50 administrative fee</td>
</tr>
<tr>
<td><strong>BACKFLOW PREVENTER FOR SPRINKLER SYSTEM AND SWIMMING POOL</strong></td>
<td>By others</td>
</tr>
<tr>
<td>Minimum one (1) testing inspection</td>
<td>By others</td>
</tr>
<tr>
<td>Each additional inspection over one (1)</td>
<td>By others</td>
</tr>
</tbody>
</table>
EXHIBIT-E

MISCELLANEOUS DEPOSITS, FEES AND CHARGES
TO THE DISTRICT'S ORDER DATED SEPTEMBER 9, 2020
EFFECTIVE WITH THE OCTOBER/NOVEMBER 2020 BILLING PERIOD

<table>
<thead>
<tr>
<th>SERVICE FEES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Special Activity Fee</td>
<td>$50.00</td>
</tr>
<tr>
<td>Meter Calibration</td>
<td>$75.00</td>
</tr>
<tr>
<td>New service connections</td>
<td>$50.00</td>
</tr>
<tr>
<td>Transfers</td>
<td>$50.00</td>
</tr>
<tr>
<td>Non-payment/Reconnection fee</td>
<td>$50.00</td>
</tr>
<tr>
<td>Non-payment/Reconnection fee after hours</td>
<td>$100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CIVIL PENALTIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Meter resets - illegal usage/tampering</td>
<td>$100.00</td>
</tr>
<tr>
<td>Failure to follow Grinder Pump</td>
<td></td>
</tr>
<tr>
<td>Operation Guidelines</td>
<td>$100.00</td>
</tr>
<tr>
<td>Failure to comply with Drought Contingency:</td>
<td></td>
</tr>
<tr>
<td>First Violation</td>
<td>Written notice of violation</td>
</tr>
<tr>
<td>Second Violation</td>
<td>Penalty fee up to $200.00</td>
</tr>
<tr>
<td>Third Violation</td>
<td>Penalty fee up to $500.00</td>
</tr>
<tr>
<td>Forth Violation</td>
<td></td>
</tr>
<tr>
<td>Issuance of Notice of Intent to Terminate Service + Reconnection fee + Security Deposit (Exhibit B)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONSTRUCTION INSPECTION/CONTRACT MANAGEMENT/PLAN REVIEW FEE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$60.00/hr or actual billed + 10%</td>
<td></td>
</tr>
<tr>
<td>Actual billed + 10%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADMINISTRATIVE FEE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice Processing</td>
<td>Actual billed + 10% (w/cap of $500)</td>
</tr>
<tr>
<td>Contract Administration (non-engineering)</td>
<td>Actual billed + 10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EASEMENT RELEASE REQUEST FEE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$50 Standard</td>
<td></td>
</tr>
<tr>
<td>$50.00+$60.00/hr Non-Standard Or actual billed + 10%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CERTIFICATION OF DISTRICT RECORDS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.00 each</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RETURN CHECK FEE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$25.00</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UNAUTHORIZED WASTE RELEASE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000.00</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LABOR COST</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$30.00/hr</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SUPERVISOR LABOR COST</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$50.00/hr</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROFESSIONAL SERVICES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual cost to the District</td>
<td></td>
</tr>
</tbody>
</table>

<p>| MACHINERY                                                  |       |</p>
<table>
<thead>
<tr>
<th>Equipment</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Truck</td>
<td>$45.00/hr</td>
</tr>
<tr>
<td>Dump Truck</td>
<td>$45.00/hr</td>
</tr>
<tr>
<td>Electric Rodder</td>
<td>$55.00/hr</td>
</tr>
<tr>
<td>Mini Jet</td>
<td>$55.00/hr</td>
</tr>
<tr>
<td>Back Hoe</td>
<td>$90.00/hr</td>
</tr>
<tr>
<td>Hydro Jet</td>
<td>$100.00/hr</td>
</tr>
<tr>
<td>Vacuum Machine</td>
<td>$100.00/hr</td>
</tr>
</tbody>
</table>
EXHIBIT-F

DEFINITIONS & BILLING CLASSIFICATIONS
TO THE DISTRICT'S ORDER DATED SEPTEMBER 9, 2020
EFFECTIVE WITH THE OCTOBER/NOVEMBER 2020 BILLING PERIOD

DEFINITIONS

IN DISTRICT: All property located within the District boundaries, subject to taxation by the District.

OUT OF DISTRICT: Any property served outside the District boundaries, not subject to taxation by the District.

BOD: BIOCHEMICAL OXYGEN DEMAND: a measure of the organic strength of wastewater, as defined and quantified in the latest edition of Standard Methods for the Examination of Water and Wastewater.

GRINDER PUMP: a low-pressure sewer system installed on the outside of a home to discharge wastewater from the home into the public sewer system, used at locations where gravity-feed is not possible or sufficient. As opposed to effluent or sewage ejector pumps, which are intended to service a singular fixture, grinder pump systems use a 2-horsepower motor and 220 volt electricity to operate. Occupants should follow operation guidelines as outlined in Exhibit A-1.

TSS: TOTAL SUSPENDED SOLIDS: a measure of the solid matter in wastewater as defined and quantified in the latest edition of Standard Methods for the Examination of Water and Wastewater.

WASTEWATER MULTIPLIER: a strength multiplier applied to commercial wastewater accounts. This multiplier is calculated as the product of the ratios of the measured BOD and TSS to the residential design value of 200 mg/l. The ratio used is not less than one (1).

BILLING PERIOD: The billing period is the nominal two (2) months of the billing cycle and uses the volume accumulated in the period between meter readings. The table below shows the billing periods, the billing cycle and the meter reading dates for each billing cycle. Meter reading for all meters in the District begins on or about the first (1st) business day of the month prior to billing period and proceeds until complete with the objective of reading all meters before the twentieth (20th) of that month. Each meter will be read approximately every sixty (60) days.

<table>
<thead>
<tr>
<th>Billing Period</th>
<th>Billing Cycle</th>
<th>Meter Reading Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Beginning Read Date</td>
</tr>
<tr>
<td>October/November</td>
<td>9/21 thru 11/20</td>
<td>September 1-20</td>
</tr>
<tr>
<td>December/January</td>
<td>11/21 thru 1/20</td>
<td>November 1-20</td>
</tr>
<tr>
<td>February/March</td>
<td>1/21 thru 3/20</td>
<td>January 1-20</td>
</tr>
<tr>
<td>April/May</td>
<td>3/21 thru 5/20</td>
<td>March 1-20</td>
</tr>
</tbody>
</table>
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: IRRIGATION/SPRINKLER SYSTEM: Any metered water not used for residential or commercial purposes as listed in Class A through Class C above.