



STEPHENS REGIONAL SPECIAL
UTILITY DISTRICT

RATE ORDER AND SERVICE POLICY

Adopted November 2008

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Stephens Regional Special Utility District
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TABLE OF CONTENTS

ORDER ADOPTING SERVICE POLICY

SECTION A. AUTHORITY

SECTION B. STATEMENTS

1. Organization
2. Non-Discrimination Policy
3. Policy and Rule Application
4. Fire Protection Responsibility
5. Liability
6. Information Disclosure
7. Customer Notice Provision
8. Customer Service Inspections
9. Uniform Plumbing Code
10. Submetering Responsibility
11. Prohibition Against Resale of Water
12. Sample Application Packet and Miscellaneous Transaction Forms

SECTION C. DEFINITIONS

SECTION D. GEOGRAPHIC AREA SERVED

SECTION E. DISTRICT SERVICE RULES AND REGULATIONS

1. Service Entitlement
2. Application Procedures and Requirements
3. Activation of Standard and Non-Standard Service
4. Line Extension Reimbursement
5. Ownership of Equipment
6. Changes in Service Classification
7. Denial of Service
8. Applicant's Recourse
9. Insufficient Grounds for Refusal of Service
10. Deferred Payment Agreement
11. Charge Distribution and Payment Application
12. Due Dates, Delinquent Bills, and Service Disconnection Date
13. Returned Check Policy
14. Rules for Disconnection of Service
15. Billing Cycle Changes
16. Back-Billing
17. Disputed Bills
18. Inoperative Meters
19. Bill Adjustment
20. Meter Tampering and Diversion
21. Damage to District Facilities

22. Service Facility Relocation
23. Prohibition of Multiple Connections to a Single Tap
24. Customer's Responsibilities
25. Prohibited Plumbing Practices
26. Connection of Water Service
27. Standards for Water Service Lines
28. Penalties and Enforcement

SECTION F.

**DEVELOPER, SUBDIVISION, and
NON-STANDARD SERVICE REQUIREMENTS**

PART I:

1. District's Limitations
2. Purpose
3. Application of Rules
4. Non-Standard Service Application
5. Design
6. Design Requirements for Water System Improvements
7. Non-Standard Service Contract
8. Property and Right-of-Way Acquisition
9. Bids for Construction
10. Pre-Payment for Construction and Other Costs
11. Construction
12. Dedication to and Acceptance of Service Facilities by District

PART II:

1. Sufficient Information
2. Service Within Subdivisions

SECTION G.

RATES AND SERVICE FEES

1. Classes of Users
2. Service Investigation Fee
3. Deposit
4. Easement Fee
5. Installation Fee (Tap Fee)
6. Re-Service Fee
7. Monthly Charges
8. Impact Fee
9. Late Payment Fee
10. Returned Check Fee
11. Reconnect Fee (Re-Service Fee)
12. Service Trip Fee
13. Fee for Unauthorized Actions
14. Customer History Report Fee
15. Meter Test Fee
16. Certified Meter Test Fee
17. Meter Relocation Fee
18. Transfer Fee
19. Temporary Service Charges
20. Non-Disclosure Fee
21. Information Disclosure Fee

22. Customer Service Inspection Fee
23. Regulatory Assessments
24. Additional Assessments
25. Accessibility Charge
26. Construction Inspection Fee
27. Adjustments
28. Plan Review and Resubmittal Fees
29. Other Fees

SECTION H.

EMERGENCY WATER CONSERVATION AND DROUGHT CONTINGENCY PLANS

EMERGENCY WATER CONSERVATION PLAN

1. Declaration of Policy, Purpose and Intent
2. Utility Profile Summary
3. Water Conservation Goals
4. Schedule of Implementation
5. Method of Tracking and Implementation
6. Master Metering
7. Universal Metering
8. Measures to determine and Control Unaccounted For uses of Water
9. Leak Detection and Repair
10. Education and Information
11. Non-Promotional Water Rate Structure
12. Plumbing Codes
13. Additional Wholesale Water Contract Requirements
14. Public Input
15. Enforcement Procedure & Plan Adoption
16. Coordination with Region G Planning Group
17. Reservoir Operations Plan
18. Revisions to the Water Conservation Plan
19. Severability

DROUGHT CONTINGENCY PLAN

1. Declaration of Policy, Purpose, and Intent
2. Public Involvement
3. Public Education
4. Coordination with Regional Water Planning Group
5. Authorization
6. Application
7. Triggering Criteria for Initiation/Termination of Drought Response Stages
8. Application
9. Drought Response Stages
10. Pro Rata Water Allocation
11. Enforcement
12. Variances
13. Modification, Deletion and Amendment
14. Severability

SECTION I.

SAMPLE APPLICATION PACKET

1. District Service Application and Agreement
2. Right-of-Way Easement (General)
3. Right-of-Way Easement (Location Required)
4. Non-Standard Service Contract
5. Applicant Notice of Insufficient Information

SECTION J.

MISCELLANEOUS TRANSACTION FORMS

1. Confidentiality of Customer Records
2. Customer Notice of Water Rationing
3. Customer Notice of First Violation & Penalty
4. Customer Notice of Second Violation & Penalty
5. Customer Notice of Subsequent Violation & Penalty
6. Notice of Termination – Water Rationing Violations
7. Deferred Payment Agreement
8. Line Extension Refund Agreement
9. Meter Test Authorization and Test Report
10. Notice of Requirement to comply with the Subdivision and Service Extension Policy
11. Notice of Returned Check
12. Right-of-Way Easement Denial Letter and Affidavit Form
13. Equipment and Line Dedication Agreement
14. Termination Notice – Past Due Account
15. Developer Dedication, Bill of Sale & Assignment Agreement
16. Individual Dedication Agreement
17. Customer Service Inspection Certification

**ORDER ADOPTING A RATE ORDER AND SERVICE POLICY FOR
THE STEPHENS REGIONAL SPECIAL UTILITY DISTRICT
AND ESTABLISHING RATES, FEES, AND
CHARGES, AND ADOPTING RULES RELATING TO THE
ADMISTRATION OF ITS UTILITY SERVICES, AND PROVIDING
FOR ENFORCEMENT FOR VIOLATING THIS SERVICE POLICY**

WHEREAS, the Stephens Regional Special Utility District (the “District”) is the successor to the Stephens County Rural Water Supply Corporation, and was created in 2005 by the Texas Legislature pursuant to Chapter 7205, Special Districts and Local Laws Code, and operates under Chapters 49 and 65 of the Texas Water Code to provide facilities for the production and distribution of potable water to residential and business customers within its certificated service area;

WHEREAS, Section 65.205, Texas Water Code, authorizes the District to adopt and enforce reasonable rules and rates;

WHEREAS, Section 49.212, Texas Water Code, authorizes the District to adopt and enforce all necessary charges, rates, fees, or rentals, and other terms and conditions for providing District services;

WHEREAS, the Board of Directors has carefully considered the matter and is of the opinion that the fees, charges, rates, rules, regulations, and enforcement procedures set forth in the Rate Order and Service Policy attached hereto as Exhibit “A” are prudent and necessary for the safe and efficient management of the District’s utility facilities and services.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE STEPHENS REGIONAL SPECIAL UTILITY DISTRICT:

Section 1. The Rate Order and Service Policy attached hereto as Exhibit “A” is hereby approved and adopted by the District to be effective immediately; and

Section 2. All orders and provisions of orders of the District that are in conflict with this Order are hereby repealed, including the District’s previous rate order and service policies.

Section 3. An official copy of this Order and attachment shall be made available to all customers of the District during the regular office hours of the District. The General Manager shall provide notice of the substance of this Order as required by Chapter 65, Texas Water Code.

PASSED AND APPROVED by the Board of Directors of the Stephens Regional Special Utility District on this 19th day of May, 2022.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

SECTION A **AUTHORITY**

1. This Rate Order and Service Policy (“Service Policy”) was adopted by resolution by the Board of Directors of the District on May 19, 2022. This Service Policy supersedes all utility service policies, adopted or passed by the Board of Directors previously, unless otherwise provided.
2. The adoption of this Service Policy shall not affect any violation or act committed or done, or any penalty or forfeiture incurred, or any contract or vested right established or accrued under any prior Service Policy.
3. An original of this Service Policy as approved shall be maintained in the records of the District and all additions, deletions and changes thereto shall be clearly exhibited.
4. Laws and regulations of state and federal agencies having applicable jurisdiction, promulgated under any applicable state or federal law, shall supersede all terms of the Service Policy that directly conflict with such state and federal laws or regulations. If any section, paragraph, sentence, clause, phrase, word or words of the Service Policy are declared unconstitutional or in violation of law, the remainder of the Service Policy shall not be affected thereby and shall remain in full force and effect.
5. This Service Policy is immediately effective upon the date of adoption unless otherwise specified.

SECTION B **STATEMENTS**

1. ***Organization.*** The Stephens Regional Special Utility District is the successor to the Stephens County Rural Water Supply Corporation, and was created in 2005 by the Texas Legislature pursuant to Chapter 7205, Special Districts and Local Laws Code, and is a conservation and reclamation district and a political subdivision of the State of Texas operating under Chapters 49 and 65 of the Texas Water Code for the purpose(s) of furnishing potable water service to customers located in Stephens, and portions of Eastland, Shackelford, Palo Pinto, and Throckmorton Counties. The management of the District is supervised by the Board of Directors which is responsible for adopting all District service policies, rates and regulations. The members of the Board of Directors are elected by the registered voters residing within the District's boundaries.
2. ***Non-Discrimination Policy.*** Service is provided to all Applicants who comply with the provisions of this Service Policy regardless of race, creed, color, national origin, gender, disability, or marital status.
3. ***Policy and Rule Application.*** These policies, rules, and regulations apply to the water services provided by the District. Failure on the part of the Customer or Applicant to observe these policies, rules and regulations gives the District the authority to deny or discontinue service and to take any other action deemed appropriate according to the terms of this Policy.
4. ***Fire Protection Responsibility.*** The District does not provide nor does it imply that fire protection is available on any portion of the water system. All hydrants or flush valves are for the operation and maintenance of the system and may be used for refill purposes only by authorized fire departments. The District reserves the right to prohibit, limit, or restrict the rate of flow at which a fire department or any other person, contractor, entity, or user of water of any nature takes water from the District's facilities when at the sole discretion of the District's personnel such action by the party or parties taking the water present a risk of damage to the District's lines and/or pumping equipment, jeopardize the customer's ability to obtain basic water service from the District's facilities, create a hazardous condition, or when such use by these third parties results in violation of TCEQ regulations. Any hydrant, flush valve or similar fixture painted black is explicitly not available for fire flow and shall not be used for such purposes according to state law. The District reserves the right to remove any hydrant, due to improper use or detriment to the system as determined by the District, at any time without notice, refund, or compensation to any third party. The District shall not be held liable for any inability to provide water for the purpose of fighting or preventing any fire or damage to any property or equipment or injury to any person resulting there from.
5. ***Liability.*** The District is not liable for damages caused by service interruptions, events beyond its control, for normal system failures, or for damages caused by negligent acts of the District, its employees, designated representatives and contractors.
6. ***Information Disclosure.*** The records of the District shall be kept in the District's office in Breckenridge, Texas. All information collected, assembled, or maintained by or for the District shall be disclosed to the public in accordance with the Texas Public Information Act. A reasonable

charge as established pursuant to the Texas Public Information Act may be assessed to any person requesting copies of District records. An individual customer may request in writing that their address, telephone number, account record of water use or social security number be kept confidential. Such confidentiality does not prohibit the District from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the District acting in connection with the employee's duties or as otherwise authorized by Section 182.054 of the Texas Utilities Code.

7. ***Customer Notice Provision*** -- The District will give written notice of a change in monthly water rates by publication, mail or hand delivery to all affected customers within thirty (30) days after the date on which the board authorizes the new rate. The notice shall contain the old rates, new rates, effective date of the new rates, date of Board authorization, and the location where additional information on rates can be obtained. Failure of the District to give the notice shall not invalidate the effective date of the change, the amount of the newly adopted rate nor any charge incurred based on the new rate.
8. ***Customer Service Inspections***. The District requires that a customer service inspection certification be completed prior to providing water service to new construction and for all new customers as part of the activation of standard and non-standard service. Customer service inspections are also required on any existing service when the District has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction or addition to the customer's water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contaminant hazards and illegal lead materials. (30 TAC 290.46(i-j))
9. ***Uniform Plumbing Code***. The District adopts applicable sections of the Uniform Plumbing Code (2012), as amended, promulgated by the Plumbing Heating Cooling Contractors National Association, as guidance in the design, installation and maintenance of line extensions and service facilities.
10. ***Submetering Responsibility***. Submetering and Non-Submetering by Master Metered Accounts may be allowed in the District's water distribution system provided the Master Metered Account customer complies with the Public Utility Commission of Texas (PUC) Chapter 24 Subchapter H rules pertaining to Submetering, and subject to approval by the District's Board of Directors. The District has no jurisdiction over or responsibility to the tenants. Tenants receiving water under a Master Metered Account are not considered customers of the District. Any interruption or impairment of water service to the tenants is the responsibility of the Master Metered Account Customer. Any complaints regarding submetering should be directed to the PUC. All Master Metered Accounts, both Submetered and Non-Submetered must be approved by the District prior to implementation.

NOTE: The District may check with the Master Metered Account Customer to:

- a) Confirm that they have properly registered with the PUC, (Texas Water Code Chapter 13 Subchapter M.)
- b) Confirm that they do not charge their tenants more than the total amount of charges billed. If the aggregate bill is greater than the District's charge, the Master Metered Account Customer

is considered by the PUC to be a separate Public Water System and will be required to comply with all applicable TCEQ and PUC regulations.

Protection of the District's CCN. Should the Master Metered Account Customer violate these or other state regulations, the District may elect to request a Cease and Desist Order from the PUC. (Texas Water Code Section 13.252 and PUC Rules, Chapter 24 Section 24.118)

11. ***Prohibition Against Resale of Water.*** Except for approved Master Meters, a meter connection is for the sole use of the customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to share or resell water to any other persons, dwellings, businesses, or property, etc., is prohibited.

12. ***Sample Application Packet and Miscellaneous Transaction Forms.*** The Board of Directors of the District acknowledge the documents referenced in the respective Sections I and J are continually in need of change and timely updating as to content and regulatory requirement. The Board has adopted this Rate Order and Service Policy in its entirety, however, **SECTION I. SAMPLE APPLICATION PACKET** and **SECTION J. MISCELLANEOUS TRANSACTION FORMS** are adopted as to general purpose and content with the expectation that Management will amend, add, create new documents, and otherwise change new or existing documents as Management deems necessary in the best interest of the District, and the Board hereby delegates to the General Manager authority to do so. The Board of Directors may from time to time, review the documents used or amended by the District in conducting its business, and as a result of this review process the Board of Directors may make changes to forms then used by the District.

SECTION C **DEFINITIONS**

Active Connection — Water connections currently being used to provide retail water service, or wholesale service. (see PUC Rules, TAC, Chapter 24, Subchapter A, Subsection 24.3 (2)).

Applicant - A person, corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, or any other legal entity applying for service with the District. A person must have reached age of majority (18) in Texas to apply for service. (Section 129.001, Civil Practice & Remedies Code).

Authorized Representative or District Representative - The General Manager of the District or a representative or employee of the District engaged in carrying out the terms of or performing services prescribed by this Policy pursuant to either general or specific authorization to do so from the General Manager or the Board of Directors of the District.

Base Rate — The monthly charge assessed each 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.

Board of Directors - The governing body of the District elected by the registered voters within the District's boundaries in accordance with the applicable election laws.

Certificate of Convenience and Necessity “CCN” - That area within which the District has the exclusive right and obligation to provide retail water service (and being the geographic area described within CCN Number 11456). Note: the District may provide retail water service outside its CCN area, except as prohibited by law (such prohibitions would include serving in another’s CCN or inside another District or City which provides retail water service without permission).

Customer - Any person, corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, or any other legal entity receiving District’s service at any specified premises designated to receive service.

Defined Service Area - That area within which water services are provided to customers and that includes the area within the District’s boundaries (and/or the area described within CCN Number 11456).

Deposit - A non-interest bearing refundable fee as set by the Board of Directors based upon the size of the water meter or customer class, which is held by the District as security for service being rendered.

Developer - Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who owns or controls land located within the District or the District’s service area(s) who has divided or proposes to divide the land into two or more parts for the purpose of laying out any subdivision or any tract of land or any addition to any town or city, or for laying out suburban lots or building lots, or any lots, streets, alleys, or parks or other portions intended for public use, or the use of purchasers or owners of lots fronting thereon or adjacent thereto. (See Texas Water Code 13.2502(e)(1) & 49.052(d)).

Disconnection of Service - The discontinuance of water service to a customer of the District.

District - The Stephens Regional Special Utility District (SRSUD).

District’s Water System - The water production, treatment, and distribution facilities operated or to be constructed by the District as currently operating and any water system extensions or improvements which may be built within the District in the future.

Easement - A private perpetual right-of-way dedicated to the District for the installation of water pipelines and necessary facilities that allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable) for both service to a customer/applicant and system-wide service. This may also include restrictions on the adjacent area to limit the installation of sewer lines or other facilities that would restrict the use of any area of the easement. The District maintains and occasionally updates a standard easement which must be executed and returned to the District prior to service to a new customer or new service connection.

Final Plat - A complete and exact plan for the subdivision of a tract of land which has been approved by all regulatory agencies having jurisdiction over approval of the design, planning and specifications of the facilities of such subdivision.

Hazardous Condition - A condition that jeopardizes the health and welfare of the customers of the

District as determined by the District or any other regulatory authority with jurisdiction.

Impact Fee — A charge or assessment imposed by a District against new development to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to such new development (See TWC Chapter 49, Section 49.212(d)). A charge or fee by a District for construction, installation, or inspection of a tap or connection to District water, wastewater, or drainage facilities, including all necessary service lines and meters, or for wholesale facilities that serve such water or drainage facilities, shall not be deemed to be an impact fee if it does not exceed three times the actual and reasonable costs to the District for such tap or connection.

Inactive Connection— Water connections tapped to the applicant’s utility and that are not currently receiving service from the utility. (See PUC Rules, TAC, Chapter 24, Subchapter A, Subsection 24.3 (29))

Installation Fee — A fee charged for all costs necessary for installation of the type of service requested. (See Section G. for breakdown of costs included in the fee.)

Living Unit Equivalent (or) LUE— A measure of the estimated average daily volume of water used by a typical single-family residence within the District. LUEs for connections other than single family residences, including multi-family, landscape irrigation, commercial, industrial or any proposed amenity center site, will be calculated based upon the District engineer’s recommendation.

Master Meter - A meter used to measure, for billing purposes, all water usage of an apartment house, condominium, multiple use facility, or manufactured home rental community, including common areas, common facilities, and dwelling units. (See PUC Rules Chapter 24, Subchapter H, Section 24.121(c)(8))

Meter Test Fee — A fee assessed by the District upon written request of the Customer for testing the accuracy of the meter.

Mobile Home Park — A property on which spaces are rented for the occupancy of manufactured or mobile homes for non-transient residential use and for which rental is paid at intervals of one month or longer.

Public Utility Commission of Texas (PUC) – The state regulatory agency having Certificates of Convenience and Necessity (CCNs) and appellate jurisdiction over the rates and fees of utility districts.

Recreational Vehicle — A motor vehicle primarily designed as temporary living quarters for recreational camping or travel use, including a travel trailer, camping trailer, truck camper, and motor home. (See Section 522.0044(b) Transportation Code)

Recreational Vehicle Park — A commercial property that is designated primarily for recreational vehicle transient guest use for which fees for site service connections are paid daily or longer. (See Texas Water Code Section 13.087)

Re-Service - Providing service to an Applicant at a location at which service previously existed. Costs of such re-servicing are set forth in Section G of this Service Policy.

Revenues - Any funds received for water service, tap fees, service charge fees, disconnect fees,

reconnection fees or any and all other charges except for service deposits, that may be charged and collected by the District from the ownership and operation of its water systems.

Service – Any act performed, anything furnished or supplied, and any facilities used by the District in the performance of its duties under the Texas Water Code to its customers, employees, other retail public utilities, and the public, as well as the interchange of facilities between the District and one or more retail public utilities.

Service Application and Agreement - A written agreement on the current service application and agreement form between the Applicant and the District defining the specific type of service requirements requested, and the responsibilities of each party regarding the service to be provided on property designated to receive service.

Service Classification - The type of water service required by an Applicant as may be determined by the District based on specific criteria such as usage, meter size, demand, type application, and other relevant factors related to the Applicant's request. The base unit of water service used by the District in facilities design and rate making in this Service Policy is a 5/8" X 3/4" water meter.

Service Investigation Fee – A fee paid by a potential customer of the District for the purpose of determining the feasibility of providing service or of a construction, line extension and/or expansion project.

Service Trip Fee — A fee charged for any service call or trip to the Customer's tap as a result of a request by the Customer for response to damage of the District's or another Customer's facilities; for customer service inspections due to suspicion of meter tampering, bypass or diversion of service; or for the purpose of disconnecting or collecting payment for services.

Service Unit — The base unit of service used in facilities design and rate making. For the purpose of this District Service Policy, a service unit is a 5/8" X 3/4" water meter. (See District Service Policy Section G.)

Subdivide - To divide the surface area of land into lots or tracts. (Local Government Code Chapter 232, Section 232.021 Definitions).

Subdivider - 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 (Local Government Code Chapter 232, Section 232.021 Definitions).

Subdivision - An area of land that has been subdivided into lots or tracts (Local Government Code Chapter 232, Section 232.021 Definitions).

Tap Fee — all current labor and materials necessary to provide individual metered water service.

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 service (including agricultural, road construction, drilling, livestock, etc.), and is not applicable to structures on a future residential, business, or commercial site. The Board will set the length of time and other conditions associated with this classification.

Texas Commission on Environmental Quality (TCEQ) - State regulatory agency having general

supervision and oversight of public water systems and the governance of water districts.

Usage — Amount billed for water or sewer service based on actual or estimated usage.

1. **Actual Usage** – Amount billed or to be collected based on actual meter reading.
2. **Estimated Usage** – Amount billed or to be collected based on either the customer's historical average usage for the prior month or for the same month of the prior year where date is available. (See Section E. 5.b; See also PUC Rules 16 TAC §24.125(i) regarding estimated bills.)

Water Conservation Penalty — A penalty that may be assessed under Section H of this Policy to enforce customer water conservation practices during drought contingency or emergency water demand circumstances. (See Section H, Drought and Contingency Plan)

SECTION D
GEOGRAPHIC AREA SERVED

The District provides retail water service to areas reached by its water system, which generally include those areas within the District's Certificate of Convenience and Necessity "CCN" and District boundary.

(See Attached District (CCN) map)

SECTION E
DISTRICT SERVICE RULES AND REGULATIONS

1. ***Service Entitlement.*** An Applicant requesting service within the boundaries of the District or the District's defined CCN area shall be considered qualified and entitled to water utility service when proper application has been made, terms and conditions of service have been met and continue to be met, and all fees have been paid as prescribed. An Applicant shall follow the requirements of the District's rate order and construction standards before construction of any improvements on an undeveloped tract or lot. An Applicant requesting service outside the District's boundaries or defined CCN area shall be considered for service in accordance with current District policies on providing service outside the District boundaries or CCN area.

2. ***Application Procedures and Requirements.*** The District reserves the right to determine how an application is classified. For the purposes of this Service Policy, applications to the District for service shall be divided into the following two classes:
 - a. **Standard Service** is defined as service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include one 5/8" X 3/4" sized water meter service set on existing pipelines on a single tract of property.
 - b. **Non-Standard Service** is defined as any service that is not classified by the District as Standard Service, including but not limited to: most commercial, industrial, and governmental uses and developments, subdivisions, additions to subdivisions, and developers; single tracts of property that require multiple meters, additional service facilities, or a single meter larger than 5/8" x 3/4" for service; temporary water service requests; service requests to a Master Metered Account pursuant to an agreement; or an addition to or extension of the District's water system to receive the requested service.. The service requirements as prescribed by Section F of this Service Policy shall be required of the Non-Standard Service Applicant prior to providing service. The service requirements as prescribed by Section F of this Service Policy also apply to existing customers, as a condition of continued service, where their service classification has changed. The District shall make a determination as to the appropriate size and type of meter for all non-standard service connections.
 - c. **Requirements for Standard and Non-Standard Service.**
 - i. All applicants for initial service will complete a Prospective Service Application along with a plat of the property for which the application is being made. This form will be used by the District's engineer and the District to determine if the area is located in the District's service area and whether service is available for that area. The District's Service Application and Agreement Form shall be completed in full and signed by the Applicant.
 - ii. As a condition for service, a Right-of-Way Easement Form or other such easement form, approved by the District, must be provided by the Applicant (properly executed by the person or persons having legal authority to convey an easement) to allow the District a right of access to construct, install, maintain, replace, upgrade, inspect or test any facility necessary to serve the Applicant as well as the District's purposes in providing system-wide service. (Tex. Water Code § 49.218). New meters

shall be located within a utility easement at or near the boundary line of the property designated for service. The Applicant shall provide proof of ownership of the real property designated to receive service by warranty deed or other recordable documentation of fee simple title.

- iii. As set forth in Section B. 9. of this Service Policy, the District shall install individual meters owned by the District in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction begins after January 1, 2003, unless the District determines that installation of individual meters is not feasible. If the District determines that installation of meters is not feasible, the property owner or manager shall install a plumbing system that is compatible with the installation of submeters or individual meters. The District shall be entitled to the payment of costs, including the costs of individual meter installations, as provided in Section G. 5. The cost of individual meter installation shall be prepaid by the property owner as well as the cost of any additional facilities or supply occasioned by the total water service demand represented by full occupancy of the property, as determined under applicable provisions of Section G.
- iv. The District may consider master metering non-standard water service to apartments, condos, trailer /RV parks, or business centers and other similar type enterprises installed prior to January 1, 2003, or at an Applicant's request provided the total number of units to be served are:
 - a. owned by the same person, partnership, cooperative, corporation, agency, public or private organization of any type but not including a family unit, and considered a commercial enterprise; i.e. for business, rental, or lease purposes; or
 - b. not directly accessible to public right-of-way (such as but not limited to gated communities).
- v. Individual Metering for Multiple Use Facilities. On request by the property owner or manager, the district shall install individual meters owned by the District in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction began after January 1, 2003, unless the District determines that installation of meters is not feasible. If the District determines that installation of meters is not feasible, the District shall have no obligation to install meters until the property owner or manager installs a plumbing system, at the property owner's or manager's expense, that is compatible with the installation and service of meters. Each individual meter will require a Service Application and Agreement pursuant to this Service Policy. The District is entitled to the payment of costs to install individual meters pursuant to 16 TAC § 24.122(d) and this rate order, including the costs of individual meter installations, as provided in Section G. The cost of individual meter installation shall be prepaid by the property owner as well as the cost of any additional facilities or supply occasioned by the total water service demand represented by full occupancy of the property, as determined under applicable provisions of Section G.
- vi. Notice of application approval and costs of service determined by the District shall be presented to the Applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the Applicant must re-apply for service.
- vii. If a water line has been located in the public right-of-way due to the refusal by the applicant, or any previous owner of the applicant's property, to grant an easement to the District for the purposes of installing water line and appurtenances for the District's system wide service (See Miscellaneous Transaction Forms), the applicant, prior to receiving the requested service, shall grant an easement to the District for the

purpose of installing the water line and appurtenances. Further, and in addition to the normally required fees for service and to compensate for the original denial of easement, the applicant shall pay such sums as are necessary for the relocation of the water line from the public right-of-way and for re-installation of the line onto the applicant's property, before receiving the requested service. However, after the passage of ten (10) years from the date of the original denial of easement the compensation charge to be paid by the applicant shall be the per foot charge as set by the Board to reasonably compensate the District for the denial of easement. The measurement of the footage involved shall reasonably approximate the amount of water line which would be required to be re-laid in private easement to cure the original denial of easement. The District shall retain the right to delay relocation of existing facilities onto the private easement. The Board may establish a fund to accumulate the payments collected under this section for use in moving water lines out of public rights-of-way.

- viii. If an Applicant or transferee fails to provide all documentation or information required at the time of application, the District will issue written notice that the Applicant shall provide the documentation or information within ten days or service will be terminated or the application will be rejected. This provision applies to both standard and non-standard service requests.
- ix. All plans for construction of water facilities, including lines and related appurtenances, shall be submitted to the District for review and approval in writing and approved by the District prior to bidding and construction. The District and the District's engineer will review the plans and provide written comments or noted deficiencies if the plans are not approved. The District's Plan Review Fee and any Resubmittal Fees shall be fully paid before the District will approve any plans.
- x. If the water main was routed around applicant's property other than on public right-of-way due to applicant's or previous owner's previous refusal to grant easement to the District for purpose of installing the water main or appurtenances, the applicant, prior to receiving the requested service, shall grant easement to the District for the District's system wide service. In addition, applicant shall reimburse the District the equivalent of the added cost incurred by the District in the original re-routing of the water main as determined by the Board in accordance with Section vii.

3. *Activation of Standard and Non-Standard Service.*

- a. **New Tap** -- The District shall charge a non-refundable service installation fee and a refundable deposit as required under Section G of this Service Policy. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid or a deferred payment contract signed in advance of installation (30 TAC 291.86 (a)(1)(A)).
- b. **Re-Service** -- For re-service the District shall charge the deposit fee and other costs necessary to restore service, including the Re-Service Fee. When re-service is requested by an applicant owing any delinquent charges on previous service at any location served by the District, all delinquent charges must be paid before re-servicing procedures can begin.
- c. **Performance of Work** -- After approval is granted by proper authorities, all tap and equipment installations specified by the District shall be completed by the District staff or designated representative. No person, other than the properly authorized agent of the District, shall be permitted to tap or make any connection to the mains or distribution pipes of the district's water system, or make any repairs or additions to or alterations in any tap, pipe, cock or other fixture connected with the water service pipe. The tap for a standard service request shall be completed within five (5) working days whenever practicable, but

not later than ten (10) working days after approval and receipt of payment of quoted fees on the property designated to receive service. This time may be extended for installation of equipment for Non-Standard Service Request (see Section F., 30 TAC 291.85).

- d. **Inspection of Customer Service Facilities** -- The facilities at the service connection shall be inspected to ensure compliance with state required Minimum Acceptable Operating Practices for Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. As a result of such an inspection, the District may require that a customer properly install a backflow prevention device, and thereafter, inspect, test and maintain the device, and provide all required documentation to the District, all at the customer's expense. (30 TAC § 290.46(j)). .

4. **Line Extension Reimbursement.** An approved Applicant may have to pay on a prorated basis a line reimbursement fee to the District for the purpose of reimbursing a customer or other party that made the capital outlay to extend service to that area. (See Miscellaneous Transaction Forms).
5. **Ownership of equipment.**
All water meters and equipment and materials required to provide water service to the point of customer connection; water meter or service tap, is the property of the District upon installation, and shall be maintained by the District only.
6. **Changes in Service Classification.** If at any time the District determines that the customer service demands have changed from those originally applied for to a different service classification and the District determines that additional or different facilities are necessary to provide adequate service, the District shall require the Customer to re-apply for service under the terms and conditions of this Service Policy. Customers failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this Service Policy, Section E, Sub-Section 14.a.
7. **Denial of Service.** The District may deny service for the following reasons:
 - a. Failure of the Applicant to provide all required easements and forms and to pay all required fees and charges;
 - b. Failure of the Applicant to comply with rules, regulations, policies, and bylaws of the District;
 - c. Existence of a hazardous condition at the Applicant's property which could jeopardize the welfare of other customers of the District upon connection;
 - d. Failure of Applicant to provide representatives or employees of the District reasonable access to property for which service has been requested;
 - e. Failure of an Applicant to provide proof of ownership of the property designated to receive service to the satisfaction of the District;
 - f. the District has determined that the Applicant's service facilities are known to be inadequate or of such condition that satisfactory service cannot be provided; or
 - g. Failure of the Applicant to pay any previous outstanding delinquent account(s) in full. This could be delinquencies resulting from the same account location or other service location(s) within the system where the Applicant received service.
8. **Applicant's Recourse.** In the event the District refuses to serve an Applicant under the provisions of this Service Policy, the District must notify the Applicant, in writing, of the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the District within 15 days after the District sends the notice.

9. ***Insufficient Grounds for Refusal of Service.*** The following shall not constitute sufficient cause for the refusal of service to an Applicant:
- a. Delinquency in payment for service by a previous occupant of the premises to be served;
 - b. Failure to pay a bill to correct previous under billing due to meter error, misapplied meter multiplier, incorrect meter readings, or computation error more than six (6) months prior to the date of application;
 - c. Violation of the District's rules pertaining to operation of non-standard equipment or unauthorized attachments which interfere with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;
 - d. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill; or
 - e. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations.
10. ***Deferred Payment Agreement.*** The District may offer a deferred payment plan to a Customer who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the District, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement (See Miscellaneous Transaction Forms).
11. ***Charge Distribution and Payment Application.***
- a. **The Service Availability Charge (or Base Rate)** is billed on a monthly basis. Charges shall be prorated for meter installations and service terminations falling during the billing period.
 - b. **Gallage Charge** shall be billed at the rate specified in Section G and billing shall be calculated in one hundred (100) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the District's employees or designated representative.
 - c. **Posting of Payments** -- All payments shall be posted against previous balances prior to posting against current billings.
 - d. **Forms of Payment:** The District will accept the following forms of payment: cash, personal check, cashier's check, money order, credit card, automatic debit on customer's bank account, or draft on bank. The District will not accept two-party checks, pay checks, or any other instrument of payment that is not made out to the District. The District reserves the right to require exact change and may refuse to accept payments made using more than \$1.00 in coins. For credit card charges, the District may collect a reasonable fee to recoup the costs incurred by the District to process the credit card payment.
12. ***Due Dates, Delinquent Bills, and Service Disconnection Date.*** The District shall mail all bills on or about the 1st of the month. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill 15th of the month (allowing approximately fifteen (15) days to pay) after which time a penalty shall be applied as described in Section G. A bill is delinquent if not paid on or before the past due date. Payments made by mail will be considered late if postmarked after the past due date. A 10 day grace period may then be allowed for delayed payments prior to mailing of final notices. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment

purposes shall be the next day the District office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings.

- a. Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the District shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15 day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings (Reference: Utilities Code Section 182.001 - 182.005).

13. **Returned Check Policy.** Payment by check or electronic draft that has been rejected for insufficient funds, closed account, or for which a stop payment order has been issued is not deemed to be payment to the District. The District shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the District office. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service (Miscellaneous Transaction Forms). Any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period shall be considered evidence of bad credit risk by the District. The Customer in violation may be placed on a "cash-only" basis for a period of 12 months. **NOTE:** "cash only," means certified check, money order, or cash.

14. **Rules for Disconnection of Service.** The following describes the rules and conditions for disconnection of service.

- a. **Disconnection with Notice** -- Water utility service may be disconnected for any of the following reasons after proper notification has been given.
 - i. Failure to satisfy the requirements of the District's Returned Check Policy as provided in these Service Policies.
 - ii. Failure to pay a delinquent account for utility service, failure to timely provide a deposit or failure to comply with the terms of a deferred payment agreement (Miscellaneous Transaction Forms).
 - iii. Failure to pay charges arising from service trip fee, meter re-read fee, or meter read fee when customer on self-read plan failed to submit their meter reading.
 - iv. Failure by a Customer to pay for all repair or replacement costs resulting from the Customer damaging system facilities including, but not limited to water lines, service taps, meter boxes, valves, or meters by engaging in activities such as property excavations, installment of a driveway or roadway requiring encasements, lowering or re-routing of lines or system components, or by any other action. The District will provide the Customer with notice detailing the extent of the damage, the location of the damage, the cost of repair, and whether the damage occurred on private property or on a public right-of-way. Failure to pay the cost of repair or replacement will result in the Customer's service being disconnected in accordance with the Disconnection with Notice Provisions in the Section. Service will remain disconnected until payment is received or an acceptable payment plan is approved.
 - v. Failure to disconnect or secure additional service tap(s) for an RV or other service connection after notification by the District of violation of the Prohibition of Multiple Connections.
 - vi. Violation of the District's rules pertaining to the use of service in a manner which interferes with the service of others.

- vii. The operation of non-standard equipment if a reasonable attempt has been made to notify the Customer and the Customer is provided with a reasonable opportunity to remedy the situation.
 - viii. Failure of the Customer to comply with the terms of the District's Service Agreement, Service Policy, Bylaws, or Special Contract provided that the District has given notice of said failure to comply, and Customer has failed to comply within a specified amount of time after notification.
 - ix. Failure to provide access to the meter under the terms of this Service Policy or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify. Conditions that may hinder access include, but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals.
 - x. Misrepresentation by any Applicant of any fact on any form, document, or other agreement required to be executed by the District.
 - xi. Failure of Customer to re-apply for service upon notification by the District that Customer no longer meets the terms of the service classification originally applied for under the original service application.
- b. **Disconnection Without Notice** -- Water utility service may be disconnected without notice for any of the following conditions:
- i. A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a public health nuisance as defined in Section 341.011 or 343.011 of the Texas Health and Safety Code. If there is reason to believe a dangerous or hazardous condition exists, the District may conduct a customer service inspection (“CSI”) to verify the hazardous condition and may notify the local county health office. The District will disconnect without notice if the Customer refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (Section E. 3.d., E. 20, 21., 30 TAC 290.46 (j)). Service will be restored when a CSI confirms no health hazard exists, the health hazard has been removed or repaired, or the health hazard has been isolated from the District’s water system by the installation of a backflow prevention device.
 - ii. A line leak on the customer’s side of the meter is considered a potentially hazardous condition under paragraph (b)(i). If the District conducts a CSI and discovers that the line leak has created a hazardous condition, the District will provide the customer up to five (5) business days, or another time period determined reasonable under the circumstances, to repair the line prior to disconnection of service.
 - i. Service is connected without authorization or has been reconnected without authorization following termination of service for nonpayment;
 - ii. Tampering with the District's meter or equipment, by-passing the meter or equipment, or other unauthorized diversion of service; or
 - iii. When a returned check is received on an account that was scheduled for disconnection, service shall be immediately disconnected in accordance with the standard delinquent account policy. Notice shall be provided by same day mail or hand-delivery that insufficient check was received. Notice shall state the hours and location where this insufficient check can be redeemed to allow service to be re-connected.

NOTE: Where reasonable under the circumstances of the disconnection without notice, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit after service has been disconnected.

- c. **Disconnection Prohibited** -- Utility service may not be disconnected for any of the following reasons:
 - i. Failure of the Customer to pay for merchandise or charges for non-utility service provided by the District, unless an agreement exists between the Applicant and the District whereby the Customer guarantees payment of non-utility service as a condition of service;
 - ii. Failure of the Customer to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
 - iii. Failure of the Customer to pay charges arising from an under billing occurring due to any misapplication of rates more than six (6) months prior to the current billing;
 - iv. Failure of the Customer to pay the account of another Customer as guarantor thereof, unless the District has in writing the guarantee as a condition precedent to service;
 - v. Failure of the Customer to pay charges arising from an under billing due to any faulty metering, unless the meter has been tampered with or unless such under billing charges are due under the Inoperative Meters Section E. 15. of this Service Policy.
 - vi. Failure of the Customer to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the District is unable to read the meter due to circumstances beyond its control.

- d. **Disconnection on Holidays and Weekends** -- Unless a dangerous condition exists or the Customer requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the District are not available to the public for the purpose of taking collections and reconnecting service.
- e. **Disconnection Due to Utility Abandonment** -- The District may not abandon a Customer or a Certificated Service Area without complying with the applicable requirements established by the Texas Commission on Environmental Quality or the Public Utility Commission..
- f. **Disconnection for Ill and Disabled** -- The District may not discontinue service to a delinquent residential Customer permanently residing in an individually metered dwelling unit when that Customer establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a Customer seeks to avoid termination of service under this Sub-section, the Customer must have the attending physician call or contact the District within sixteen (16) days of issuance of the bill. A written statement must be received by the District from the physician within twenty-six (26) days of the issuance of the utility bill. The prohibition against service termination shall last sixty-three (63) days from the issuance of the utility bill or such lesser period as may be agreed upon by the District and Customer's physician. The Customer shall enter into a Deferred Payment Agreement (see Miscellaneous Transaction Forms).
- g. **Disconnection of Master-Metered Accounts and Non-Standard Services** -- When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the

following shall apply:

- i. The District shall send a notice to the Customer as required. This notice shall also inform the Customer that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.
- ii. At least five (5) days after providing notice to the Customer and at least five (5) days prior to disconnection, the District shall post notices stating "Termination Notice" in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.
- iii. The tenants may pay the District for any delinquent bill on behalf of the owner to avert disconnection or to reconnect service to the complex.
- h. **Disconnection of Temporary Service** -- When an applicant with a temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this Service Policy service may be terminated with notice.

15. **Billing Cycle Changes.** The District reserves the right to change its billing cycles if the workload requires such practice. After a billing period has been changed, the billings shall be sent on the new change date unless otherwise determined by the District.

16. **Back-billing.** The District may back-bill a Customer for up to forty-eight (48) consecutive months for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a Customer's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service.

17. **Disputed Bills.** In the event of a dispute between the Customer and the District regarding any bill, the District shall forthwith make and conduct an investigation as shall be required by the particular case, and report the results in writing thereof to the Customer. All disputes under this Subsection must be submitted to the District, in writing, prior to the due date posted on said bill.

18. **Inoperative Meters.** Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless by-passed or tampered with, the District shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years. If the meter is inoperative due to by-passing or tampering, the District will proceed with disconnection under Subsection E.11.b.iii. See also Section E.17.

19. **Bill Adjustment**

- a. **Due To Meter Error.** The District shall test any Customer's meter upon written request of the Customer. In the event the meter tests within the accuracy standards of The American Water Works Association, a test fee as prescribed in Section G of this Service Policy shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Customer shall complete a Meter Test Request Form prior to the test. (See Misc. Transaction Forms)
- b. **Due to Estimated Billing.** If the District has estimated usage because the District is unable to access the meter due to circumstances beyond the District's control, such as a

natural disaster, or because access is hindered or denied by a Customer, the District shall adjust the bill once access has been regained and actual usage is determined.

20. ***Meter Tampering and Diversion of Service.*** All meters connected to the District's water system will be provided, owned, installed and maintained by the District. Meter-tampering, by-passing, or diversion are strictly prohibited, including any tampering with the District's service equipment, causing damage or unnecessary expense to the District by-passing a meter or service equipment, or other instances of diversion, such as:
- a. installing a meter or service equipment without authorization from the District;
 - b. removing or altering a locking or shut-off device used by the District to discontinue service;
 - c. removing, altering, or physically disorienting a meter or service equipment;
 - d. inserting or attaching objects to the meter to divert service or to by-pass;
 - e. other electrical or mechanical means of tampering with, by-passing, or diverting service;
 - f. connecting or reconnecting service without District authorization;
 - g. connecting to the service line of an adjacent customer of the District; or
 - h. Preventing the supply from being correctly registered by a metering device due to adjusting the valve so that flow is reduced below metering capacity.

Photographic evidence or any other reliable and credible evidence may be used to establish that a violation of this prohibition has occurred and to justify appropriate action by the District. A court finding of meter tampering may be used instead of photographic or other evidence, if applicable. In addition to any other penalties or remedies provided for in this rate order or under Texas civil law, persons who tamper with meters or divert service and unauthorized users of District services may be prosecuted to the extent allowed by law under the Texas Penal Code §§ 28.03, 12.21, and 12.22 as appropriate.

- i. If the District determines under subsection (a) that Tampering has occurred, the District shall disconnect service without notice as set forth in Subsection E and charge the person who committed the Tampering the total actual loss to the District, including the cost of repairs, replacement of damaged facilities, and lost water revenues. Any person who destroys, defaces, damages or interferes with District property will be charged the total actual loss to the District, including but not limited to the cost of repairs, replacement of damaged facilities, and lost water revenues.

The District also will prosecute the offending party to the extent allowed under law pursuant to Texas Water Code Section 49.228 and other applicable laws. For purposes of this section, "offending party" means the person who committed the Tampering or damaged the property.

- j. In addition to actual damages charged under subsection (b), the District may assess a penalty against the person who committed the Tampering. The penalty must be reasonable and not exceed \$10,000.

21. ***Damage to District Facilities.***

- (a) Damage to Meter and Appurtenances. No person other than a duly authorized employee or agent of

the District is permitted to tap or make any connection to the water distribution lines of the District's water system, except for emergency fire-fighting purposes, or make any repairs or additions to or alterations in any meter, meter box, tap, pipe, cock or other fixture connected with the water system, or any manhole, main, trunk or appurtenance of the District's system. The District reserves the right, immediately and without notice, to remove the meter or disconnect water service to any Customer whose meter has been tampered with and to assess an equipment damage fee to the Customer under Section G of this rate order.

(b) Right to Repair. The District reserves the right to repair any damage to the water system without prior notice and to assess against any Customer causing the damage such penalties as are provided for by law and this rate order, in addition to those charges necessary to repair system damage.

22. ***Service Facility Relocation.*** Relocation of service facilities on the same property shall be allowed by the District provided that:

- a. The relocation is limited to the requesting customer's existing property designated to receive service;
- b. An easement for the proposed location has been granted to the District;
- c. Service capacity is available at the proposed location; and
- d. The Customer pays a Meter Relocation Fee and any additional costs incurred by the District to relocate the meter.

In order to improve the operations of the District, the District may relocate a meter at any time at no cost to the customer.

23. ***Prohibition of Multiple Connections to a Single Tap.*** In order that the District may maintain adequate records of the actual number of users and water consumption on its water system to assure public health and compliance with TCEQ and/or PUC rules and regulations, ensure that charges are received for each user on the water system, and provide that the District's metering devices are adequately sized for proper flow and accurate measurement of water used, all connections of any dwelling, household, business and/or water-consuming establishment currently receiving or planning to receive water service, either directly or indirectly from the District's water system, shall individually apply for service under this Service Policy. No more than one (1) residential, business, corporate, commercial, or industrial service connection is allowed per meter. The District may consider allowing an apartment building or mobile home/RV park to apply as a "Master Metered Account" and have a single meter (Referring to Section E. 2. c. iv.). Any unauthorized submetering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. Diversion of service to more than one facility or specific use is considered a multiple connection. Examples of unauthorized submetering and diversion of service may include, but are not limited to: hunting camps and related facilities, cabins, recreational facilities, RV hook-ups, barns with living quarters, or any improper facility or use as determined by the District. If the District has sufficient reason to believe a Multiple Connection exists, the District shall discontinue service under the Disconnection without Notice provisions of this Service Policy.

Definitions relating to "Multiple Connections":

- a. A "multiple connection" is the connection to any portion of a customer's private plumbing that is connected to a primary delivery point already servicing one residence, one commercial or industrial facility of a water line serving another residence or commercial or industrial facility. Water lines to outbuildings, barn or other accessory structures shall not be considered a multiple connection if: (i) those structures are located on the same tract as the primary delivery point and (ii) such structures are not

- used as a residence or as a commercial or industrial facility.
- b. A “primary delivery point” shall mean the physical location of a meter tap that is installed in accordance with these Service Policies and applicable law and which provide water service to the residence or commercial or industrial facility of a customer.
 - c. A “residence” shall mean any structure which is being used for human habitation, which may include kitchen and bathroom facilities or other evidence of habitation as defined by the District.
 - d. “Commercial” facility shall mean any structure or combination of structures at which any business, trade, occupation, profession, or other commercial activity is conducted. A customer that utilizes water within their residence or property for commercial purposes may be required to obtain a separate meter. A business conducted within a customer’s residence or property that does not require water in addition to that provided to the customer’s residence shall not be considered a separate commercial facility.
 - e. The District agrees to allow customers in good standing to share water usage with a visitor on their property with a recreation vehicle (RV) or travel trailer for a period of no longer than three months. If the recreation vehicle/travel trailer is being used for a permanent residence, these Service Policies require the installation of an additional meter(s) and application for a new service connection for that location. If the Customer routinely has more than one visitor at a time with recreation vehicles or travel trailers or has multiple visitors throughout the year, the district may require that a second or additional meter(s) be purchased. The customer must submit a written request to the district’s business office at least 5 business days prior to sharing district water with a visitor. The district has the right to refuse or deny the shared usage for any reason. The district has the right to inspect the premises for any potential cross-contamination issues as outlined in the Customer Service Inspection requirements and to ensure that the meter is properly sized for the additional usage at the time of total peak water demand. These requirements pertain to visitors ONLY. No commercial usage where fees for water are charged is allowed. If a customer is found to violate these conditions, the customer will be sent a letter of notice stating the water service will be cut off in ten days if the situation is not corrected.

24. *Customer Responsibilities.*

- a. The Customer shall provide access to the meter as per the easement and service agreement. Customers shall provide a key to locked gates to provide access to District facilities. Customers who maintain a locked gate at their meter must provide, (1) a District approved fence walk-over, or (2) provide to the District a key or combination to the Customer’s lock or (3) allow placement of a District lock on the Customer’s gate. Locked gates must be within fifty (50) feet of the Customer’s meter or a fence walk-over must be provided. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the Customer for the month; and a notice shall be given to the Customer that access could not be gained. If access is denied for three (3) consecutive months after proper notification to the Customer, then service shall be discontinued and the meter removed with no further notice. (Section E.3.d., E.14.ix) Conditions that may hinder access include, but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals.
- b. The Customer shall be responsible for compliance with all District, utility, local, state, and federal codes, requirements, and regulations concerning on-site service and plumbing facilities.

- i. All water service connections shall be designed to ensure against back-flow or siphonage into the District's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC 290.46)
- ii. The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the District's facilities. Customer service pipelines shall be installed by the applicant. (30 TAC 290.46)

The District will discontinue service without further notice when installations of new facilities or repair of existing facilities are found to be in violation of this regulation until the violation is corrected.

- c. A customer owning more than one service connection shall keep all payments current on all accounts. Failure to maintain current status on all accounts is enforceable under this rate order, a Service Application or agreement executed by the customer.
- d. The District's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment. Therefore, all water usage registering upon and/or damages occurring to the metering or other equipment owned and/or maintained by the District shall be subject to charges as determined by the District or this Service Policy.
- e. The District shall require each Customer to have a cut-off valve on the Customer's side of the meter for purposes of isolating the Customer's service pipeline and plumbing facilities from the District's water pressure. This cut-off valve may be installed as a part of the original meter installation by the District. The valve shall meet AWWA standards (a ball valve is preferred). The Customer's use of the District's curb stop or other similar valve for such purposes is prohibited. Any damage to the District's equipment shall be subject to service charges.
- f. The customer is required to notify the system 48 hours prior to digging or excavation activities along or near water lines and appurtenances.

25. *Prohibited Plumbing Practices*

- a. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination will be isolated from the public water system by an air gap or an appropriate backflow prevention device.
- b. No cross-connection between the water supply and a private water system is permitted. These potential threats to the public drinking water supply must be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
- c. No connection which allows water to be returned to the public drinking water supply is permitted.
- d. No pipe or pipe fitting which contains more the eight percent (8.0%) lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
- e. No solder of flux which contains more than two-tenths of one percent (0.2%) lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

26. Connection of Water Service

- a. Applications for water service connections shall be filed with the District upon application forms made available from the District. Applicants for water service shall meet all District requirements for service including the granting of any necessary water easements (as determined by the District) to serve the connection and to enable the District to provide system wide service. In addition, the District shall install a customer service isolation valve at the expense of the service applicant.
- b. No person, other than the properly authorized agent of the district, shall be permitted to tap or make any connection with the mains or distributing pipes of the district's water system, or make any repairs or additions to or alterations in any tap, pipe, cock or other fixture connected with the water service pipe.
- c. The customer must allow his or her property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections will be conducted by the District or its designated agent prior to initiating service and may be conducted periodically thereafter. All inspections will be conducted during the District's normal business hours.
- d. The customer must, at his or her expense, properly install any backflow prevention device required by the District.
- e. Water Extensions. As of the effective date of this Service Policy, the cost of the installation of water lines beyond the existing service lines or the cost of upsizing lines (when necessary) of District to any residential or commercial user or any undeveloped area within the District shall be the sole responsibility of the property owner and/or developer requesting services.

27. Standards for Water Service Lines

- a. In addition to compliance with this Service Policy, all connections shall comply with the Rules and Regulations for Public Water Systems issued by the Texas Commission on Environmental Quality set forth in 31 TAC 290. In the event of a conflict between this Service Policy and TCEQ Rules, the more stringent rule shall apply.
- b. Water pipe and fittings shall be of brass, copper, cast iron, galvanized malleable iron, galvanized wrought iron, galvanized steel, pvc, poly, pex, or other approved materials.
- c. Water service lines shall not be less than three (3) feet apart horizontally and shall be separated by undisturbed or compacted earth.
- d. Water service lines or any underground water pipe shall not be run or laid in the same trench with non-metallic sewer or drainage piping unless all three of the following conditions are met:
 - i. The bottom of the water service line at all points shall be at least twelve inches (12") above the top of the wastewater line.
 - ii. The water service line shall be placed on a solid shelf excavated at one side of the common trench and the two lines shall be separated by a minimum of eighteen inches (18").
 - iii. The water service line shall be installed with water tight joints tested to a minimum of 150 PSI.
- e. A minimum of four feet (4') of type "L" soft copper pipe or other suitable material shall be installed at the end of the water service line at the connection to the water meter.
- f. Water service lines shall be bedded in washed sand to provide six inches (6") of cushion below the line. The trench bottom and walls shall be cleared of all protruding rocks which could damage the pipe before the sand bedding is placed.

- g. A District-owned water meter and a District approved meter box shall be installed by a District representative.
- h. Potable water supply piping, water discharge outlets, backflow prevention devices, or similar equipment shall not be located so as to make possible the submergence of such equipment in any contaminated or polluted substance.
- i. Lawn sprinkling systems shall be equipped with an approved vacuum breaker installed in the discharge side of each of the last valves. The vacuum breaker shall be installed at least six inches (6") above the surrounding ground and above a sufficient number of heads so at no time will the vacuum breaker be subjected to back pressure or drainage.
- j. The District's water system shall be protected from swimming pool makeup water by means of an approved backflow preventer or an adequate air gap.
- k. Pressure regulators shall be installed at the customer's expense. It shall be the responsibility of the customer to monitor the pressure regulator and notify the District immediately in the event of unsatisfactory regulator operation and function at the customer's facilities.
- l. Upon the installation of a service line, a request for inspection shall be made to the District's office forty-eight (48) hours in advance for request of inspection, and no back filling of the lines may be made until inspection has been made by the District, its agents or employees.
- m. Back filling of service line trenches must be accomplished within 24 hours of inspection and approval, and no debris will be permitted in any service line trench. The District hereby notifies the Customer that dual check valves are routinely installed on new and existing services as a precaution against multiple connections both at Hubbard Creek Lake and at rural locations where livestock watering troughs are often installed. Dual check valves create a closed system for the Customer's facilities which helps to ensure the health and safety of all Customers and helps protect the public from possible cross-connection contamination. The Customer is hereby advised that as a result of the installation of dual check valves, the possibility of thermal expansion is present within the Customer's closed system. ***NOTICE: To prevent possible damage or harm from thermal expansion, all Customers shall install and maintain adequate thermal expansion tanks, and/or properly vented pressure relief valves or other devices on all hot water heaters attached to the Customer's service lines. All aspects of the installation, maintenance, and repair of this pressure relief equipment should be accomplished under the supervision of a licensed plumber with experience in these types of devices.***

28. Penalties and Enforcement.

- a. Penalties. Any person violating any provision of this Service Policy, as amended, may be subject to a fine of not more than \$1,000.00 for each violation. Each day that a violation is permitted to exist constitutes a separate violation. A penalty is in addition to any other penalty or remedy provided by the laws of the State of Texas or this Service Policy.
- b. Other Penalties. The District may disconnect water service to any customer discharging prohibited wastes.
- c. Liability for Costs. Any person violating any provision of this Service Policy, as amended, is liable to the District for any expense, loss or damage occasioned by the District by reason of such violation and the District's enforcement thereof. If the District prevails in any suit to enforce these rules and regulations, it may, in the same action, recover any reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court.

- d. No Waiver. The failure on the part of the District to enforce any section, clause, sentence, or provision of this rate order does not constitute a waiver of the right of the District later to enforce any section, clause, sentence, or provision of this rate order.

SECTION F
PART I: DEVELOPER, SUBDIVISION AND NON-STANDARD SERVICE
REQUIREMENTS

1. ***District's Limitations.*** All Applicants shall recognize that the District must comply with local, state, and federal rules and regulations as promulgated from time to time, and with covenants of current indebtedness. The District is not required to extend retail utility service to any Applicant requesting standard service to a lot or tract in a subdivision where the Applicant responsible for the subdivision has failed to comply with the requirements of the District's non-standard service requirements set forth in this Section.
2. ***Purpose.*** It is the purpose of this Section to define the process by which the specific terms and conditions for all kinds of Non-Standard Service, including specifically for Non-Standard Service to subdivisions and the respective developers and subdividers, are determined, including the Non-Standard Service Application and the District's respective costs.
3. ***Application of Rules.*** This Section sets forth the terms and conditions pursuant to which the District will process Non-Standard Service Requests. This Section is applicable to subdivisions, additions to subdivisions, developers, or whenever the District determines that additional service facilities are required for a single tract of property. Examples of non-standard services for a single tract of property include, but are not limited to, road bores (even road bores for service that is otherwise standard), extensions to the distribution system, meters larger than 5/8" X 3/4", water service lines exceeding 3/4" diameter and exceeding 25 feet in length. For the purposes of this Service Policy, Applications subject to this Section shall be defined as Non-Standard. Non-Standard service is any service which is not Standard, as determined by the District. **In cases of service to a single tract, the Board of Directors shall determine whether or not an Applicant's service request shall be subject to all or part of the conditions of this Section.** Non-Standard Service to subdivisions are governed by this Section.
4. ***Non-Standard Service Application.*** The Applicant shall meet the following requirements prior to the initiation of Non-Standard Service or the execution of a Non-Standard Service Contract by the District:
 - a. The Applicant shall provide the District a completed Service Application and Agreement giving special attention to the item(s) on SPECIAL SERVICE NEEDS OF THE APPLICANT.
 - b. The Applicant must be authorized to enter into a contract with the District setting forth terms and conditions pursuant to which Non-Standard Service will be furnished to a property or subdivision. The Specific terms and conditions pursuant to which the District will provide non-standard service in response to any request will depend upon the nature of such request and may be set forth in a legally enforceable, contractual agreement to be entered into by the District and the service Applicant. A Non-Standard service contract may not contain any terms or conditions that conflict with this section.
 - c. The Applicant must also submit at least two hard copies, and one digital copy when deemed necessary by the District's engineer, of all plats and plans with the Service Application, including:
 - A. Applicant shall include a plat and description of the area to be served complying with the map requirements of 30 Texas Administrative Code Section 291.105(a)(2)(A)-(G) of the TCEQ's Rules showing the Applicant's requested service area with the Service Application. The term "Service

Application” includes the preliminary plat showing the Applicant’s requested service area and any plans, specifications, and special requirements of such governmental authorities. The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall submit maps and plans detailing the location of the requested extension and details of demand requirements;

- a. Plans for all improvements the Applicant proposes to build;
 - b. A description of all intended land uses in the development;
 - c. Copies of all required approvals, reports and studies done by or for the Applicant Developer to support the viability of the proposed development;
 - d. The proposed improvements to be constructed by the Applicant Developer, including time lines for the construction of these improvements.
 - e. Intended land use of the development, including detailed information concerning types of land use proposed;
 - f. A schedule of events leading up to the anticipated date upon which service from the District will first be needed; and
 - g. Any other written information and plans reasonably sufficient to allow the District to determine the level and manner of service and improvements allocable to the service request. This includes any other additional information requested by the District or the District’s engineer.
- B. Applicant Developer must establish that current and projected service demands justify the level and manner of service being requested
- C. A Non-Standard Service Investigation Fee shall be paid to the District in accordance with the requirements of Section G for purposes of paying initial administrative, legal, and engineering fees. The District shall refund any balance that remains after it has completed its service investigation, and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all reasonable expenses incurred by the District, the Applicant shall pay to the District all remaining expenses that have been, or will be incurred by the District and District shall have no obligation to complete processing of the request until all remaining expenses have been paid.
- D. If after the service investigation has been completed, the District determines that the Applicant's service request is for property located, in whole or in part, outside the area described in the District's defined service area, service may be extended provided that:
- i. The service location is not in an area receiving similar service from another retail public utility;
 - ii. The service location is not within another retail public utility’s Certificate of Convenience and Necessity; and
 - iii. The District’s defined service area shall be amended to include the entirety of Applicant’s property for which service is requested. Applicant shall pay all reasonable costs incurred by District for annexation or for amending its CCN, including but not limited to engineering and professional fees. The District may extend service prior to completing the amendment to its CCN, but will do so only upon Applicant’s legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including legal, surveying and engineering fees incurred by District in securing the amendment). If the District determines to annex the

property, the Applicant shall secure written requests for annexation from all ownership interests in the property to be annexed, and shall pay all costs, including engineering and professional fees for the annexation.

5. **Design.** Upon receipt of a complete Non-Standard Service Application and Investigation Fee, the District shall study the design requirements of the Applicant's required facilities prior to initiation of a Non-Standard Service Contract by adopting the following schedule:
 - a. The District's Consulting Engineer shall review the Service Application and design, or review and approve plans for, all on-site and off-site service facilities for the Applicant's requested level and manner of service within the District's specifications, incorporating any applicable municipal or other governmental codes and specifications.
 - b. The Consulting Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee under Section 4.
 - c. The Consulting Engineer shall submit to the District a set of detailed plans, specifications, and cost estimates for the project.
 - d. The District's Engineer shall ensure all facilities for any Applicant are of proper size and type to meet the level and manner of service specified in the Non-Standard Service Application. The District reserves the right to upgrade design of service facilities to meet future demands provided however, that the District shall pay the expense of such upgrading in excess of what is reasonably and directly allocable to the Applicant's facility requirements.

6. **Design Requirements for Water System Improvements.**
 - a. The design criteria for water system improvements, including water line size and location, will be determined by the District's engineer, whose determination is final.
 - b. All water line material fittings shall conform to American National Standards Institute/National Sanitation Foundation (ANSI/NSF) standard 61 and shall be certified by an organization accredited by ANSI and not less than 8" C900 DR 18 PVC rated at 235 psi.
 - c. Any water line extensions constructed shall be constructed completely across (property line to property line) the side of the subdivision or development which is contiguous and adjacent to the road or street on which the main entrance to the project is located.
 - d. The water system shall be designed to afford effective circulation of water with a minimum of dead ends. All dead-end mains shall be provided with acceptable flush valves and discharge piping. All dead-end lines less than two inches in diameter will not require flush valves if they end at a customer service connection. The District may permit dead ends when necessary as a stage in the growth of the water system, but they shall be located and arranged to ultimately connect the ends to provide circulation. [see 30 TAC § 290.44(d)(6)].
 - e. All water and wastewater facilities shall be constructed in accordance with plans and specifications submitted to the District and approved in writing in advance by the District's engineer. The District Engineer will review the design, plats and plans for all on-site and off-site service facilities for the Applicant's requested service within the District's specifications, incorporating any applicable municipal or other governmental codes and specifications. The District's engineer will ensure that all facilities for any Applicant meet the demand for service as platted and/or requested in the plans or plat submitted in the Service Application. The District reserves the right to upgrade design of service facilities to meet future demands.
 - f. Notwithstanding any provision herein to the contrary, the minimum line sizes and materials used in construction in new subdivisions located within the corporate boundaries or extra-territorial jurisdiction of a municipality shall meet or exceed those specified by the subdivision requirements of the municipality.

7. ***Non-Standard Service Contract.*** Applicants requiring Non-Standard Service may be required to execute a Non-Standard Service Contract, drawn up by the District's Attorney, in addition to submitting the District's Service Application and Agreement. Service to any subdivision shall require a Non-Standard Service Contract. Said Contract shall define the terms, including the level and manner of service and the date for commencing service, prior to construction of any facilities. The Non-Standard Service Contract may include, but is not limited to:
- a. Specifying the costs for contract administration, the design, construction, and inspection of facilities, securing additional water supply.
 - b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
 - c. Amount and payment of capital contributions required by the District in addition to other costs required under this section.
 - d. Terms by which service capacity adequate to the level and manner of service requested shall be reserved for the Applicant following construction of facilities and duration of reserved service taking into consideration the impact the Applicant's service demand will have upon the District's overall system capability to meet other service requests, as well as assessment of any service availability charges following construction of facilities (if applicable).
 - e. Terms by which the District shall administer the Applicant's project with respect to:
 - i. Design of the on-site and off-site facilities;
 - ii. Securing and qualifying bids;
 - iii. Requirements for executing the Non-Standard Service Agreement;
 - iv. Selection of a qualified bidder for construction;
 - v. Dispensing funds advanced prior to initiation of construction;
 - vi. Inspecting facilities following construction;
 - vii. Testing facilities and closing the project; and
 - viii. The terms of enforceable remedies if the Applicant fails to comply with all contractual obligations, including specific performance
 - f. Terms by which the Applicant shall indemnify the District from all third party claims or lawsuits in connection with the project.
 - g. Terms by which the Applicant shall convey all constructed service facilities to the District and by which the District shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.
 - h. Terms by which the Applicant shall grant title or easements for use of property during construction and for ongoing service thereafter.
 - i. Terms by which the Board of Directors shall review and approve the Non-Standard Service Contract pursuant to current rules, regulations, and bylaws.
 - j. Agreement to enforceable remedies in the event Applicant fails to comply with all contract obligations, including specific performance.

The District and Applicant shall execute a Non-Standard Service Agreement before construction of service facilities for the project is commenced. In the event that the Applicant undertakes any construction of any such facilities prior to execution of a Non-Standard Contract with the District, the District may refuse to provide service to the Applicant or to any portion of the Applicant's property (or require payment of all costs for replacing/repairing any facilities constructed without prior execution of a Contract from any person requesting service within the Applicant's service area, such as a person buying a lot or home within the subdivision), require that all facilities be uncovered by the Applicant for inspection by the District, require that any facilities not approved

by the District be replaced, or take any other lawful action determined appropriate by the Board of Directors of the District.

- 8. *Property and Right-of-Way Acquisition.*** With regard to construction and subsequent maintenance and operation of facilities, the District shall require exclusive easements or title to property as appropriate.
- a. If the District determines that easements or facility sites outside the Applicant's property are required, the Applicant shall secure such easements or title to facility sites exclusively for the District. All easements and property titles shall be researched, validated, and filed by the District at the expense of the Applicant (See Sample Application Packet RUS Form 442-8 or 442-9).
 - b. In the event the Applicant is unable to secure any easements or title to any sites required by the District, and the District determines to acquire such easements or title by eminent domain, all reasonable costs incurred by the District shall be paid by the Applicant, including legal fees, appraisal fees, court costs, and the condemnation award.
 - c. The District shall require exclusive dedicated easements on the Applicant's property of at least 30' in width as appropriate for the size and site and level and manner of service requested by the Applicant and system-wide service, as determined by the District. Contained within the easement is an additional temporary construction and maintenance easement that shall be simultaneously granted by the Grantor, which may be utilized from time-to-time, for the initial construction, and any subsequent construction including all reasonably necessary maintenance of the pipeline. The temporary easement consisting of a 15 foot corridor on either side, parallel, and adjacent to, the permanent 30' easement. All such easements shall be adequate to authorize the District to construct, install, maintain, replace, upgrade, inspect, or test any facility necessary for service to the Applicant as well as system-wide service within the District generally. Easements for subdivisions also must be sufficient for service throughout the subdivision when the subdivision is fully occupied. Title to any portion of the Applicant's property required for on-site facilities will be provided and exclusive to the District.
 - d. Easements and facilities sites shall be prepared for the construction of all District facilities in accordance with the District's requirements and at the expense of the Applicant.
- 9. *Bids For Construction.*** Applicants may choose one of the following methods for selection of a contractor to construct line extensions and/or water distribution facilities required by the District to serve a development:
- A. The Applicant selects a qualified contractor. The District reserves the right to reject any contractor selected by the Applicant in accordance with the criteria set forth in the following subsection 8(2).
 - B. The District's Consulting Engineer shall solicit or shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with law and generally accepted practices. Plans and specifications shall be made available, with or without charge, to prospective bidders.

Before entering into a contract for construction, the Applicant shall meet the following criteria:

- a. The Applicant shall execute the Non-Standard Service Contract evidencing willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
- b. The Contractor shall provide an adequate bid bond under terms acceptable to the District;

- c. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the District;
 - d. The Contractor shall supply favorable references acceptable to the District;
 - e. The Contractor shall qualify with the District as competent to complete the work; and
 - f. The Contractor shall provide adequate certificates of insurance as required by the District.
8. ***Pre-Payment for Construction and Other Costs.*** As a general rule, Applicant shall be required to pay all anticipated costs of construction, easement and title acquisition, legal and engineering fees, and other costs associated with extending non-standard service prior to these costs being incurred by District. District shall promptly remit any and all unexpended prepaid funds, without interest, upon completion of the non-standard service extension and commencement of service. While the District will make every reasonable effort to work with Applicant, prepayment of costs shall be provided in a manner acceptable to District.
9. ***Construction.***
- a. All roadwork pursuant to state, county and/or municipal standards (as applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage of Applicant's facilities during construction.
 - b. The District shall, at the expense of the Applicant, inspect the facilities to ensure compliance with District standards during construction and prior to acceptance of the service facilities for operation and maintenance.
 - c. Construction plans and specifications shall be strictly adhered to, but the District reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate construction or operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.
10. ***Dedication to and Acceptance of Service Facilities by District.*** Upon proper completion of construction of an Applicant's on-site and off-site service facilities, final inspection and approval thereof by the District, and Applicant's payment to the District of all required fees and charges in connection there with and District's approval of the Final Plat, the Applicant shall dedicate the service facilities to the District by an appropriate legal instrument approved by the District's attorney, and the District accepts the dedication. The District thereafter owns the service facilities subject to Applicant's maintenance bond in an amount of not less than 20 percent of the total construction cost of the service facilities and for a term of not less than two years. The maintenance bond is subject to prior approval by the District's attorney.

Part II. Request for Service to Subdivided Property

This section contains additional requirement for applicants that are developers as defined in Section C Definitions.

1. ***Sufficient Information*** – Applicants shall provide the District sufficient information describing the level and manner of service requested and the timeline for initiation of this service. The following is the minimum information needed for an engineering evaluation of the requested service to the property described in the application.

- a. Completion of requirements described in Section F Part I, including completing the *Non-Standard Service Application*.
- b. Applicant shall provide the District with details concerning access to the property during evaluation of application.
- c. Applicant shall be notified in writing by the District or designated representative the timeframe within which the requested service can be provided and the costs for which the applicant will be responsible, in accordance with the details described on the Applicant's request for service.

12. Service within Subdivisions- The District's obligation to provide service to any customer located within a subdivision governed by this Section is strictly limited to the level and manner of the service specified by the Applicant Developer for that subdivision. The District is not required to extend retail utility service to an Applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of service. The Applicant Developer is responsible for paying for all costs necessary for non-standard service to a subdivision as determined by the District under the provisions of this Service Policy and specifically the provisions of this Section. If the Applicant Developer fails to pay these costs, the District has the right to require payment of these costs by any one or more of the persons purchasing lots or homes within such subdivision before the District is obligated to provide retail utility service to any customer service applicant within the subdivision. In addition, District may elect to pursue any remedies provided by the Non-Standard Service Contract if one has been executed. Applicant Developer is advised that purchasers of lots also may have legal recourse to the Applicant Developer under Texas law, including but not limited to Section 13.257, Texas Water Code, and the Texas Deceptive Trade Practices–Consumer Protection Act, Chapter 17, Subchapter E, Business and Commerce Code.

- a. The applicant developer must provide all information otherwise required under this section and must ensure that the District has been provided complete information sufficient to determine whether the level and manner of service requested by the applicant developer can be provided within the time frame specified by the applicant developer and to determine what capital improvements, including expansion of capacity of the District's production, treatment and/or storage facilities and/or general transmission facilities properly and directly allocable to the requested level and manner of service, will be needed. At a minimum, and in addition to information otherwise required under this section, the applicant developer must provide:
 - i. Map and legal description of the area to be served complying with the map requirements of PUC Rules, Chapter 24, Subchapter G, Section 24.119(a)(1-4).
 - ii. Time frame for:
 - a. Initiation of service; and
 - b. Service to each additional or projected phase following the initial service.
 - iii. Detailed description of the nature and scope of the project/development for:
 - a. Initial service; and
 - b. Phased and final needs, including a map showing each phase, and the projected land uses that support the requested level of service for each phase.
 - iv. Copies of all required approvals, reports and studies done by or for the applicant developer to support the viability of the proposed subdivision.

- v. The proposed improvements to be constructed by the applicant developer including time lines for the construction of these improvements.
 - vi. A map or plat of the subdivision depicting each phase and signed and sealed by a licensed surveyor or registered professional engineer.
 - vii. Intended land use of the development, including detailed information concerning types of land use proposed;
 - viii. The projected water demand of the development when fully built out and occupied, the anticipated water demands for each type of land use, and a projected schedule of build-out;
 - ix. A schedule of events leading up to the anticipated date upon which service from the District will first be needed;
 - x. A proposed calendar of events, including design, plat approval, construction phasing and initial occupancy; and
 - xi. Any additional information requested by the District necessary to determine the capacity and the costs for providing the requested service.
- c. Applicant developer must establish that current and projected service demands justify the level and manner of service being requested.
 - d. The applicant developer must advise the District that he/she may request expedited decertification from the PUC.
 - e. The application will be processed on a time frame that should ensure final decision by the District within ninety (90) days from the date of the non-standard service application and the payment of all fees required by this section.
 - i. Upon payment of all required fees, the District shall review applicant developer's service request. If no additional information is required from applicant developer, the District will prepare a written report on applicant developer's service request, subject to any final approval by the District's governing body (if applicable) which must be completed within the ninety (90) days from the date of application and payment of the required fees. The District's written report will state whether the requested service will be provided, whether the requested service can be provided within the time frame specified by the applicant developer, and the costs for which the applicant developer will be responsible (including capital improvements, acquisition of any additional water supply capacity, easements and land acquisition costs, and professional fees).
 - ii. In the event the District's initial review of the applicant developer's service application shows that additional information is needed, the District will notify applicant developer of the need for such additional information. Notice of the need for additional information will be made in writing within 30 days of the date the District receives the applicant developer's payment of the required fees and completed application for non-standard service. Applicant developer should respond to the District's request for additional information within 15 days of receipt of the District's written request. In any case, the District will provide the written report, including any final approval by the District's Board (if applicable) within ninety (90) days from the date of the initial written application and payment of all required fees.
 - iii. By mutual written agreement, the District and the applicant developer may extend the time for review beyond the ninety (90) days provided for expedited petitions to the PUC. The applicant developer is advised that failure to timely provide the information required by this section, including this Subsection, may cause the PUC to reject any subsequent petition for decertification of applicant developer's property. The applicant developer is further advised that if the applicant developer makes any change in level or manner of service requested, the time frame for initiation of service, or the level or

- manner or time frame for any phase of service, the applicant developer's original application for non-standard service will be deemed withdrawn, and the change may be considered a new application for non-standard service for all purposes, including the times specified herein for processing.
- iv. Following ninety (90) days and final approval by the District and acceptance of the District's terms for service by the applicant, a non-standard service contract will be executed, and the District shall provide service according to the conditions contained in the non-standard service contract.

SECTION G

RATES AND SERVICE FEES

UNLESS SPECIFICALLY DEFINED IN THIS SERVICE POLICY, ALL FEES, RATES, AND CHARGES AS STATED HEREIN SHALL BE NON-REFUNDABLE.

1. ***Classes of Users*** -- All users of the District's water services shall be classified as either standard or non-standard service, as further defined in Section E and Section F of this Service Policy. Either class of users may be further classified into sub-classes according to the meter size by which service is provided. Charges will be assessed in such a manner that each class of users generally pays its share of debt service and operation and maintenance expenses for water service. The District may create additional classes of users in the future at its discretion.

2. ***Service Investigation Fee.*** The District shall conduct a service investigation for each service application submitted to the District. An initial determination shall be made by the District, 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 and an Engineer Feasibility Study performed by the District's Engineer prior to approval of each meter service. Each customer shall be charged a fee of \$200.00 for this Engineer Feasibility Study and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of receiving engineer approval. This fee may be adjusted from time to time by an official action of the Board of Directors
 - b. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees required by the District to:
 - i. provide cost estimates of the project,
 - ii. develop detailed plans and specifications as per final plat,
 - iii. advertise and accept bids for the project,
 - iv. prepare and execute a Non-Standard Service Contract with the Applicant, and
 - v. provide other services as required by the District for such investigation.

3. ***Deposit.***
 - a. At the time the application for service is approved, an Applicant shall pay an account Deposit which will be held by the District, without interest, until settlement of the customer's final bill. The Deposit will be used to offset final billing charges of the account. In the event that FIVE DOLLARS (\$5.00) or more of the Deposit remains after the final billing is settled, the balance will be paid to the customer within 45 days, provided the District is given a suitable address. All requests for refunds shall be made in writing and should be filed within 90 days of termination. In the event that an outstanding balance exists after the Deposit is applied, the District shall attempt to collect the outstanding balance by all lawful means available.
 - i. The Deposit for residential water service is \$300.00 for each service unit (LUE).
 - ii. The Deposit for commercial and nonresidential service, including Master Metered Accounts, will not exceed an amount equivalent to one-sixth of the estimated annual billings as determined by the District.

- b. If the District is not provided with a suitable address to send the balance of a deposit or if after sending the balance it is returned by the postal service, the District will hold the funds for the customer to claim for a period of three years. After the three year holding period has expired, the District will turn the money over to the Texas Comptroller's Office. The customer may still claim their deposit once deposited with the Comptroller's Office.

4. **Easement Fee.** When the District determines that dedicated 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 the necessary easements and/or sites in behalf of the District and/or pay all costs incurred by the District in validating, clearing, and retaining such easements or sites in addition to tap fees otherwise required pursuant to the provisions of this Service Policy. The costs may include all legal fees, filing fees and expenses necessary to attempt to secure such easements and/or facilities sites in behalf of the District.

5. **Installation Fee (Tap Fee).** The District shall charge an installation fee for service as follows:

- a. **Standard Service** shall include all current labor, materials, engineering, legal, customer service inspection, and administrative costs necessary to provide individual metered water (equivalent to a single family residence). Service shall be charged on a per tap basis as follows:

Meter Size 5/8" X 3/4"	\$ 1,875.00
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All other installation sizes are generally Non-Standard and shall be based on the ratio of meter equivalents.

- b. **Non-Standard Service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the District under the rules of Section F of this Service Policy.
- c. **Standard and Non-Standard Service Installations** shall include all costs of any pipeline relocations as per Section E.2. d. vii. of this Service Policy or other system improvements, road bores, street crossings, and line extensions.

6. **Re-Service Fee.** A Re-Service Fee shall be charged to any customer for re-service to any meter for which service has been disconnected. The Re-Service Fee shall be calculated by multiplying the monthly minimum charge by the number of months of inactivity up to a maximum amount of not more than the Impact Fee. In addition, the District's Service Trip Fee will be charged as well as any parts and labor required to restore service at the installation.

7. **Monthly Charges.**

- a. **Service Availability Charge**

- i. **Water Service** - The monthly charge for metered water service, 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 Miscellaneous) equivalent to the size indicated and is used as a base multiplier for the Service Availability Charge and any allowable gallonage. Rates and equivalents are as follows:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$ 74.50
3/4"	1.5	\$ 111.75
1"	2.5	\$ 186.25
1 1/2"	5.0	\$ 372.50
2"	8.0	\$ 596.00
3" DISP	9.0	\$ 670.50
3" CMPD	16.00	\$1,192.00
3" TURB	17.50	\$1,303.75
4" CMPD	25.00	\$1,862.50
4" TURB	30.00	\$2,235.00
6" CMPD	50.00	\$3,725.00
6" TURB	62.50	\$4,656.25

ii. Monthly charges for other standard meter sizes may be obtained upon request if and where available.

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

- i. Water – Up to 5,000 gallons \$ 8.00 per thousand
- 5,000 to 15,000 \$ 8.65 per thousand
- 15,001 to 25,000 \$ 9.80 per thousand
- 25,001 to 40,000 \$ 10.65 per thousand
- 40,001 & up \$ 11.50 per thousand

ii. The District shall, as required by Section 5.235, Water Code, 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.6. Monthly Charges of this Service Policy.

8. **Impact Fee.** The District's Impact Fee is \$3,750.00 per standard service (5/8 x 3/4 meter). Each Applicant shall be required to pay an impact fee if an impact fee has not previously been paid for the property at which service is requested. This fee shall be used to assist in funding capital improvements to the District's system capacity, including water supply. This fee shall be assessed immediately prior to providing 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.

9. **Late Payment Fee.** Once per billing period, a penalty of \$ 5.00 or 10%, which ever is larger, shall be applied to delinquent 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 during the current billing period.

10. **Returned Check Fee.** In the event a check, draft, or any other similar instrument is given by a person, firm, District, or partnership to the District for payment of services provided for in this Service Policy, 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 \$30.00.

11. **Reconnect Fee (Re-Service Fee).** The District shall charge a fee of \$75.00 for reconnecting service after the District has previously disconnected the service for any reason provided for in this Service Policy except for activation of service under Section E.3.b. Re-Service. If this service is requested after normal business hours, or on a weekend or holiday, the fee will be \$150.00.
12. **Service Trip Fee.** The District shall charge a trip fee of \$75.00 for any service call or trip to the Customer's tap as a result of a request by the Customer or resident (unless the service call is in response to damage of the District's or another Customer's facilities) or for the purpose of disconnecting or collecting payment for services. If this service is requested after normal business hours, or on a weekend or holiday, the fee will be \$150.00.
13. **Fee for Unauthorized Actions.** If the District'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, equipment, and all other actual costs necessary for repair or replacement of the District's facilities and shall be paid before service is re-established. The fee shall also include the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authorization. All components of this fee will be itemized, and a statement shall be provided to the Customer. If the District's facilities or equipment have been damaged due to unauthorized use of the District's equipment, easements, or meter shut-off valve, or due to other unauthorized acts by the Customer for which the District incurs losses or damages, the Customer shall be liable for all labor and material charges incurred as a result of said acts or negligence. In cases of meter tampering or service diversion, the District may disconnect the service of a customer refusing to pay damage charges. Note: Payment of this fee will not preclude the District from requesting appropriate criminal prosecution.
14. **Customer History Report Fee.** A fee of \$5.00 may be charged to provide a copy of the Customer's record of past water purchases in response to a Customer's request for such a record.
15. **Meter Test Fee.** The District shall test a Customer's meter upon written request of the Customer. Under the terms of Section E of this Service Policy, a charge of \$50.00 shall be imposed on the affected account. This fee is in addition to the Service Trip Fee or other applicable fees.
16. **Certified Meter Test Fee.** The District will contract with a certified tester to test a customer's meter upon written request of the customer and a Meter Test Fee of \$75.00, or, if greater, the actual cost as specified by the certified tester will be imposed on the affected account.
17. **Meter Relocation Fee** The fee for moving a meter from one location to another is the actual costs incurred by the District plus administrative charges or \$500.00, whichever is greater.
18. **Transfer Fee.** The District charges a \$50.00 Administrative Fee to all customers when transferring an existing account in the customer's name.
19. **Temporary Service Charges.** The District charges a tap fee of \$50.00 plus actual installation charges for temporary water service. In addition to the tap fee, and prior to receiving temporary service, contractors shall pay a deposit of \$1,000.00 and new property owners shall pay a deposit of \$300.00. Applicants shall also pay any other applicable fees or charges set forth in this rate order.

20. ***Non-Disclosure Fee.*** A fee of \$5.00 may be assessed any customer requesting in writing that personal information under the terms of this Service Policy not be disclosed to the public, to the extent such information is excepted from disclosure by law.
21. ***Information Disclosure Fee.*** All public information, except made confidential by law, will be available to a requestor to the extent required by the Texas Public Information Act, Chapter 552, Texas Government Code. The District will charge any requestor for such public information, as allowed by law.
22. ***Customer Service Inspection Fee.*** A fee of \$150.00 will be assessed each Applicant before permanent continuous service is provided to new construction if an additional inspection is required in addition to the initial inspection included with the installation or tap fee.
23. ***Regulatory Assessment.*** A fee of 0.5% of the amount billed for water service will be assessed each customer; as required under Texas law and TCEQ regulations.
24. ***Additional Assessments.*** In the event any federal, state or local government imposes on the District a "per meter" fee or an assessment based on a percent of water use or charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.
25. ***Accessibility Charge.*** If a Customer's meter is not readily accessible from a public road due to a fence, or other obstruction, or hindrance to access the Customer's meter, the District may assess the Customer the cost of providing a walk-over, other equipment, or assessment to offset the District's additional cost of accessing the Customer's meter.
26. ***Construction Inspection Fee.*** The District conducts an initial inspection of all non-standard service facilities. All non-standard service requests are subject to a Construction Inspection Fee in the amount of 2% of construction costs of total build out, payable in accordance with the terms set forth in Section F of this rate order. If any deficiency is identified requiring an additional inspection or inspections, the District will charge a fee of \$150 for each additional inspection.
27. ***Adjustments.*** When a leak is known to have caused an exorbitant water bill to a Customer, an adjustment may be made by the District's staff in accordance with established Board policy.
28. ***Plan Review and Resubmittal Fees.***
 - a. The District charges a Plan Review Fee of \$2500 for each set of plans submitted to the District for review and approval.
 - b. The District charges a Resubmittal Fee of \$1500 for each resubmittal of plans in response to comments or deficiencies noted by the District or the District's engineer
11. ***Other Fees.*** The actual and reasonable costs for any services outside the normal scope of utility operations that the District may be compelled to provide at the request of a Customer shall be charged to the Customer.

SECTION H
EMERGENCY WATER CONSERVATION
AND
DROUGHT CONTINGENCY PLAN

(See attached Plans)

SECTION I
SAMPLE APPLICATION PACKET

(See attached forms)

SECTION J
MISCELLANEOUS TRANSACTION FORMS

(See attached forms)