

AN ORDER OF MAXWELL SPECIAL UTILITY DISTRICT; PROVIDING FINDINGS OF FACT; PROVIDING A CONSOLIDATED RATE ORDER AND ADOPTING SERVICE POLICIES; PROVIDING PENALTIES UP TO \$20,000.00 PER VIOLATION; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING SEVERABILITY; PROVIDING FOR OPEN MEETING

WHEREAS, the Texas Legislature adopted and passed into law S.B. 1422, Acts 2019, 86th Leg., R.S., Ch. 559, eff. June 10, 2019, providing for Maxwell Water Supply Corporation to convert to Maxwell Special Utility District (“**District**”) upon a successful conversion election held within the District’s boundaries; and

WHEREAS, the District’s qualified voters affirmed the creation of the District and conversion from Maxwell Water Supply Corporation to Maxwell Special Utility District in an election held on January 23, 2020; and

WHEREAS, on May 28, 2020, the District’s Board of Directors (“**Board**”) adopted the District’s Rate Order, therein adopting consolidated rates and service policies; and

WHEREAS, the District holds Certificate of Convenience and Necessity No. 10293, to provide water utility service within its designated service area; and

WHEREAS, the Board, having reviewed recommendations provided by the Rate Order Committee (“**Committee**”), now wishes to adopt and implement revised rules, regulations, rates, and fees for service (“**Service Policy**”) within the District, as provided in the Service Policy attached hereto as Exhibit “A” and fully incorporated for all purposes;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF MAXWELL SPECIAL UTILITY DISTRICT THAT:

Section 1. Recitals. The preceding recitals are the true and correct legislative findings of the Board and they are adopted for all purposes.

Section 2. Service Policy Adopted. The Board adopts and directs the District’s General Manager and consultants to implement the Service Policy, as attached hereto, effective September 1, 2023, 2023.

Section 3. Repealer. Any provision of any prior order or resolution of the Board is repealed, to the extent such provision conflicts with this Order.

Section 4. Penalty. Any person or entity found to have violated this Order may be assessed a civil penalty, pursuant to Section 49.004, Texas Water Code. Such penalty shall not exceed \$20,000.00, per violation, which is within the jurisdiction of a justice court as provided by Section 27.031, Government Code.

Section 5. Open Meeting. The Board considered this Order during a duly noticed meeting that was open to the public, in compliance with Texas Government Code Chapter 551, the Texas Open Meetings Act.

[Execution page follows.]

PASSED AND APPROVED this 23rd day of March 2023.

/s/ Robert Karasch
President, Board of Directors
Maxwell Special Utility District

ATTEST:

/s/ Mabel Vaughn
Secretary, Board of Directors
Maxwell Special Utility District


[SEAL]



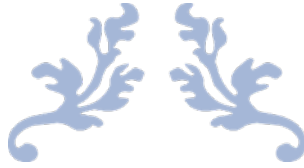
STATE OF TEXAS §
COUNTY OF HAYS & CALDWELL §

AN ORDER OF MAXWELL SPECIAL UTILITY DISTRICT; PROVIDING FINDINGS OF FACT; PROVIDING A CONSOLIDATED RATE ORDER; ADOPTING SERVICE POLICIES; ADOPTING DROUGHT CONTINGENCY PLAN; PROVIDING PENALTIES UP TO \$20,000.00 PER VIOLATION; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING SEVERABILITY; PROVIDING FOR OPEN MEETING.

A true, full, and correct copy of the aforesaid Order or Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; and that said Order or Resolution has been duly recorded in said Board's minutes of said meeting; that the persons named in the above and foregoing paragraph were duly chosen, qualified and acting officers and members of the Board as indicated therein, that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, to the holding of said meeting for such purpose; that said meeting was held in compliance with the advisory issued by the Office of the Governor; that said meeting was open to the public as required by law; that public notice of the time, place and subject of said meeting was given as required by the Texas Government Code, §551.043, as amended, and §49.063 of the Texas Water Code, as amended, and that the undersigned are the duly chosen, qualified and acting officers of the current Board of Directors.


President, Board of Directors

Maaila Vaughn
Secretary, Board of Directors



MAXWELL SPECIAL UTILITY DISTRICT RATE ORDER & SERVICE POLICY

(Effective September 1, 2023)



MAXWELL SPECIAL UTILITY DISTRICT
9270 HWY. 142, MAXWELL, TX 78656
(512) 357-6253

Maxwell Special Utility District Service Policy

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Maxwell Special Utility District Service Policy

Section A: Mission Statement and Authority

MISSION STATEMENT: Provide customers with a continuous, adequate supply of high quality, affordable potable water consistent with the Districts Objectives.

Prioritized Objectives:

1. Provide that all water delivered to customers meets state and federal quality requirements.
2. Provide customers with the quantity of water that is usual and customary during normal conditions, allowing for reduced water availability during drought or other water shortage conditions.
3. Provide water to customers at the lowest possible cost, compatible with objectives outlined in No. 1 and No. 2 above.
4. Provide water for new customers.
5. Be responsive to customers.
6. Provide a pleasant workplace environment for employees:
 - (a) safe and free of any health hazards;
 - (b) free of any kind of harassment; and
 - (c) encourages career development.

AUTHORITY

1. This Service Policy (hereinafter referred to as the “Service Policy”) was adopted by Order of the Board of Directors of the District on March 23, 2023. 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 Tarriff, Rate Order, or 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 this Service Policy which 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 reminder of the Service Policy shall not be affected thereby and shall remain in full force or effect.

5. This Service Policy is immediately effective upon the date of adoption unless otherwise specified.

District Service Policy

Section B: General

- 1. Organization.** The Maxwell Special Utility District was created and operates pursuant to Chapters 49 and 65, Texas Water Code, as amended, and Chapter 7222, Texas Special District Local Laws Code, to purchase, own, hold, lease and otherwise acquire sources of potable water supply; to build, operate and maintain facilities for the transportation of potable water; and to sell potable water and wastewater services to towns, cities and other political subdivisions of this state, to private business entities and to individuals. District operating policies, rates, and regulations are adopted by the Board of Directors elected by the customers of the District. 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, sex, disability, or marital status.
- 3. Policy and Rule Application.** These policies, rules, and regulations apply to the water (and/or sewer) services provided by the Maxwell Special Utility District, also referred to as "District", "Maxwell", or "MSUD". 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 imply that fire protection is available on any of the distribution system, except where expressly specified and agreed to by the District. All hydrants or flush valves are for the operation and maintenance of the system and may be used for refill only by authorized fire departments. Any hydrant, flush valve or similar fixture painted black is 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.
- 5. Liability.** The District is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures.
- 6. Information Disclosure.** The records of the District shall be kept in the District's office in Maxwell, 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 only when an exception applies. 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 Provisions.** The District shall give written notice of monthly rate changes by

publication, mail or hand delivery to all affected customers at least 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 rate, 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 and provided to the District 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.

9. Submetering Responsibility. Submetering and Non-Submetering by Master Metered Accounts may be allowed in the District's water distribution or sewer collection system provided the Master Metered Account Customer complies with Public Utility Commission of Texas ("PUC") rules provided under Title 16 Texas Administrative Code, Chapter 24, Subchapter I, pertaining to Submetering and Allocation billing. The District has no jurisdiction or responsibility to tenants described therein. 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 Texas Commission on Environmental Quality.

NOTE: The system will check with the Master Metered Account Customer to:

- a. Confirm if the Master Metered Account has registered with the PUC, (Texas Water Code Chapter 13 Subchapter M.).
- b. Confirm that Master Meter Customer does 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 PUC regulations.
- c. Should the Master Metered Account continue to violate these or other state regulations, the District will need to request a Cease and Desist Order from the PUC. (Texas Water Code Section 13.252 and PUC Rules, Chapter 24 Section 24.118).

10. Prohibition Against Resell of Water. The meter and/or sewer 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.

District Service Policy

Section C: Definitions

Active Connection. Water or sewer connection currently being used to provide retail water or sewer service, or wholesale service.

Active Service. Status of any Customer receiving authorized service under the provisions of this District Service Policy.

Applicant. Person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with the Maxwell SUD.

Board of Directors. The governing body elected by the customers of the Maxwell SUD.

Certificate of Convenience and Necessity (CCN). The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for Maxwell SUD to provide water and/or sewer utility service within a defined territory. Maxwell SUD has been issued Water Certificate of Convenience and Necessity (CCN) Number 10293. Territory defined in the CCN shall be the Certificated Service Area. (See Section D Certificated Service Area Map and CCN.)

Customer. Any person, partnership, cooperative corporation, corporation, agency or public or private organization that has qualified for service and has received an Account in accordance with the District Service Policy.

Customer Service Inspection (CSI). An inspection which ensures that there are no direct connections between the public water supply and a potential source of contamination, or a private water system not protected by an air gap or an appropriate backflow prevention assembly.

DCP. Drought contingency plan

Defined Service Area. That area within which water (and/or sewer) services are provided to customers and that includes the area within the District's boundaries (and/or the area described within Certificate of Convenience and Necessity CCN Number 10293).

Developer. Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who owns land located within the District or the District's service area (CCN) who has divided or proposes to divide the land into more than two 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. (See Texas Water Code 13.2502(e)(1) & 49.052(d)).

Disconnection of Service. The discontinuance of water service by the District to a Customer.

District. The Maxwell Special Utility District.

Easement. A private perpetual dedicated right-of-way for the installation of potable water pipelines, wastewater lines and necessary facilities which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable). 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.

Feasibility Study Fee. A fee paid by a potential Customer of the District for the purpose of determining the feasibility of a construction and/or expansion project. The Feasibility Study Fee may be converted to a Security Deposit upon determination that service to the Applicant is feasible and available. This also applies to applicants applying for or receiving Temporary Service.

Final Plat. A complete plan for a tract of land that has been subdivided and has been approved by all regulatory agencies having jurisdiction over approval of the design, planning and specifications of the facilities of such subdivision. (The Maxwell SUD shall determine if a plat submitted for the purpose of this District Service Policy shall qualify as a final plat.)

Hazardous Condition. A condition which jeopardizes the health and welfare of the customers of the District as determined by the District or regulatory authority with jurisdiction.

Impact Fee. A charge or assessment imposed by a political subdivision against a new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development. Impact Fee is further defined under subsection 395.001(4), Texas Local Government Code. **By Order of the Board of the Directors dated January 26, 2023, the District's Impact Fee is \$12,940.00.**

Liquidated Security Deposit. An account which has been canceled due to delinquent charges exceeding the Security Deposit or for other reasons as specified in this District Service Policy.

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))

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.

MSUD. Maxwell Special Utility District

Multiple Connection. The connection to any portion of a customer's water or sewer system that is connected to a primary delivery point already servicing one residence, one commercial, or an industrial facility.

PUC. The Public Utility Commission of Texas.

Renter. A customer who rents or leases property from a homeowner or who may otherwise be termed a tenant.

Re-Service. Providing service to an Applicant at a location for which service previously existed. Costs of such re-servicing shall be based on justifiable expenses.

Reserved Service Charge. A charge to reserve potable water service for property that has been subdivided.

Security Deposit. A non-interest-bearing fee as set by the Board of Directors that is held by the District as security for service being rendered. The security deposit shall be refundable upon termination of service.

Service Availability Charge. (Also known as “minimum monthly charge”, “minimum”, or the “base rate”). The monthly charge assessed to each Customer for the opportunity of receiving service. The Service Availability Charge is a fixed rate based upon the meter, service size, or equivalent dwelling unit(s).

Service Application and Agreement. A written agreement between the Applicant and the District defining the specific type of service requirements requested on the current Service Application and Agreement Form, and the responsibilities of each party required before service is furnished. (See Standard Service Application or Non-Standard Service Application.)

Service Disconnection. The District has the option at its sole discretion to terminate potable water delivery to the Customer by either locking the Customer's water meter in place or completely removing the Customer's water meter.

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.

Subdivide. To divide the surface area of land into lots or tracts.

Subdivision. An area of land that has been subdivided into lots or tracts as approved by the governing authority.

Tampering. Meter tampering, bypassing, or diversion shall all be defined as tampering with the District's water, sewer, or service equipment causing damage or unnecessary expense to the utility, bypassing the same, or other instances of diversion.

Tap Fee. All current labor and materials necessary to provide individual metered water or wastewater service.

Temporary Service. The classification assigned to an applicant that is in the process of construction. This could also apply to service for uses other than permanent (agricultural, road construction, drilling, livestock, etc.). This classification will change to permanent service after certain requirements within

this Service Policy are met (See E.1, E.2, E.3, and E.5). Applicant must have paid a Feasibility Study Fee.

Tenant. A customer who rents or leases property from a homeowner or who may otherwise be termed a renter.

TCEQ. The Texas Commission on Environmental Quality.

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 twelve (12) months. (See 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.

District Service Policy

Section D: Geographic Area Served

See Exhibit “1” attached hereto and fully incorporated for all purposes.

CERTIFICATE OF CONVENIENCE AND NECESSITY

I. Certificate Holder.

Name: Maxwell Special Utility District (f.k.a., Maxwell Water Supply Corporation)

Address: 216 Main St, Maxwell, TX 78656

II. General Description and Location of Service Area.

The area covered by this certificate (CCN 10293) is bordered on the West by Post Rd, on the South by SH 80, on the East by SH 20, Caldwell County Rd. 114, and on the North by Misty Lane. This area is in Hays and Caldwell Counties, Texas.

The certificate holder (CCN 10293) is authorized to provide potable water service in the area identified on the Commission’s Official Service Area Map.

EXHIBIT 1
Official Service Area Map
CCN Map

Certificate of Convenience and Necessity
“CCN”

District Service Policy

Section E: Service Rules and Regulations

1. **Service Entitlement.** An Applicant shall be considered qualified and entitled to potable water service and/or wastewater 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.
2. **Application Procedures and Requirements.** For the purposes of this Service Policy, service requested by an Applicant shall be for real estate designated to receive the service provided by the District and shall be divided into the following two classes:
 - a. Standard Service is defined as service on a specific property designated to receive service from 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 5/8" x 3/4" or 3/4" sized potable water meter services set on existing pipelines, and a 4" connection for a wastewater line.
 - b. Non-Standard Service is defined as any service that is not a Standard Service, as defined in paragraph a. above. The service requirements as provided in Section F of this Service Policy shall be required of the Non-Standard Service Applicant prior to providing service. The District shall make a determination as to the appropriate size and type of meter to serve Non-Standard Service Applicants.
 - c. Requirements for Standard and Non-Standard Service.
 - i. The District's Service Application and Agreement Form shall be completed in full and signed by the Applicant.
 - ii. A Right-of-Way Easement Form, Sanitary Control Easement, or other such easement forms, required by the District, must be completed by the Applicant for the purposes of providing water service and/or wastewater service to the Applicant and to facilitate current and future system-wide service.
 - iii. For non-standard service, the Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the District. Proof of ownership shall consist of a warranty deed, deed of trust or other recordable documentation of fee simple title to the real estate designated to receive service.
 - iv. District may consider master metering and/or non-standard wastewater service to apartments, condos, trailer/RV parks, or business centers and other similar type enterprises upon an Applicant's request provided the total number of units to be served are all owned by the same person, partnership, cooperative, corporation, agency, public or private organization of any type; but not including a family unit; and

1. Considered a commercial enterprise (i.e. for business, rental, or lease purposes); or
 2. Not directly accessible to public right-of-way (such as but not limited to gated communities).
- v. 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.
 - vi. If the potable water main or wastewater has been located in the public right-of-way and is adjacent to Applicant's property due to the current or previous landowner's refusal to grant easement to the District for the purpose of installing the water main and/or wastewater main and appurtenances, and the District has documentation of such refusal recorded, the Applicant, prior to receiving the requested service, shall grant easement to the District. In addition to the normally required fees for service, the Applicant shall pay such sums as are necessary for the removal of the potable water main and/or wastewater main from the public right-of-way and for relocation onto the Applicant's property pursuant to such easement. (see Exhibit 3, Applications and Forms)

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

- a. **New Tap.** The District shall charge a non-refundable Service Investigation and Feasibility Study Fee 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 in advance of installation.
- b. **Re-Service.** On property where service previously existed, the District shall charge the Security Deposit, where the Security Deposit has been liquidated, and other costs necessary to restore service. When re-service is requested by an Applicant, any debt owed to the District by that Applicant must be paid before re-servicing procedures can begin.
- c. **Performance of Work.** After approval is granted by proper authorities, all potable water taps, wastewater connection points, 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 and/or service connection shall be completed within ten (10) working days after approval upon receipt of payment of quoted fees. This time may be extended for installation of equipment for Non-Standard Service request (See Section F).
- d. **Inspection of Customer Service Facilities.** The property of the Applicant 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. The customer must, at his or her expense, properly install and provide certification of maintenance on any backflow prevention device required by the District.

4. **Ownership of Equipment.** All water meters, equipment, and materials required to provide water or wastewater service to the point of customer connection; including water meter or service tap, are the property of the District upon installation, and shall be maintained by the District's representative only. The District's responsibility ends at the Customer's side of the water meter.
5. **Changes in Service Classification.** If at any time the District determines that the Customer's service demands have changed from what was originally requested to a different service classification; and, the District determines that additional or different facilities are necessary to provide adequate service, then District may 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 (See Section E.12.a.vii).
6. **Denial of Service.** The District may deny service for the following reasons:
 - a. Failure of the Applicant to complete all required forms and pay all required fees and charges;
 - b. Failure of the Applicant to comply with the Service Policy and Bylaws of the District;
 - c. Existence of a hazardous condition at or on the Applicant's property which would jeopardize the welfare of the Customers of the District upon connection; or
 - d. Failure of Applicant to provide representatives or employees of the District reasonable access to property, for which service has been requested.
7. **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.
8. **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 misapplication of rates more than six (6) months prior to the date of application; or
 - c. 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.
9. **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.

10. **Charge Distribution and Payment Application.**

- a. **Service Availability Charge.** The Service Availability Charge is for the billing period from approximately the 20th day of the previous month to the week of the 19th day of the current month.
- b. **Gallonge Charge.** Gallonge Charge shall be billed at the rate specified in Section G.8. Potable water charges are based on monthly meter readings and are calculated from the date a meter is read until the next month's reading of the meter. Readings used in all billing calculations shall be taken by the District's employees or designated representative.
- c. **Posting of Payments.** All payments will be posted against prior balances before posting to 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 or debit card. The District will not accept two party checks, paychecks, 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 will collect a reasonable fee to recoup the costs incurred by the District to process the credit card payment.

11. **Due Dates, Delinquent Bills, and Service Disconnection Date.**

- a. The District shall mail all bills on or about the thirtieth (30th) day of the month. All bills are due and payable upon receipt, but no later than the fifteenth (15th) day of the month after which time a penalty shall be applied as described in Section G.10. Final notices will be mailed allowing until the twenty-fifth (25th) day of the month for payment prior to disconnection. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposed will be the next business day that the District's office is open after said weekend or holiday. For all disputed payment deadlines, the date marked on each bill will determine the beginning of each billing cycle or final notice mailings.
- b. Upon written request to the District, any residential customer who occupies the entire premises of a dwelling receiving water utility service from the District shall receive an extension of the past due date, with a late payment fee applied to the account. The extension shall not exceed fifteen (15) days beyond the usual twenty-five (25) day payment period for a total of no more than forty (40) days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings.
- c. If the District's potable water service bill or wastewater service bill is not paid within ninety (90) days of the issuance of the bill, the District may terminate potable water service to the delinquent Customer's water meter. The term Service Disconnection shall mean that the District has the option at its sole discretion to terminate potable water delivery to the Customer by either locking the Customer's water meter in place or completely removing the Customer's water meter.

12. **Rules for Disconnection of Service.** The following describes the rules and conditions for

disconnection of service. For the purposes of disconnecting wastewater service under these policies, potable water service will be terminated in lieu of disconnecting wastewater service. In instances of nonpayment of water service or other violations by a Customer who is not a potable water customer, the District has the option to disconnect the wastewater connection or take other appropriate actions.

- a. **Disconnection With Notice.** Potable water utility service may be disconnected for any of the following reasons after proper notification has been given:
 - i. The District shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned check within ten (10) days of the date of the notice to be made in the District office. Redemption of the returned check shall be made by cash, money order, or certified check. Failure to meet these terms will initiate disconnection of service. District has the right to disconnect service immediately for a returned check given to the District when service was disconnected due to nonpayment. Any such checks returned as insufficient or non-negotiable for any reason for any three (3) billing periods within a twelve (12) month period shall be considered evidence of bad credit risk by the District. The Customer in violation shall be placed on a “cash-only” basis. NOTE: “cash only” means certified check, money order, or cash;
 - ii. Failure to pay a delinquent account for utility service or failure to comply with the terms of a deferred payment agreement (see Section E.9);
 - iii. Violation of the District’s rules pertaining to the use of service in a manner that interferes with the service of others or the operation of nonstandard 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;
 - iv. Failure of the Customer to comply with the terms of the District’s Service Agreement, or District’s Service Policy, provided that the District has given notice of said failure to comply, and Customer has failed to comply with the aforementioned terms within a specified amount of time after the notification;
 - v. Failure to provide access to the water meter under the terms of this Service Policy or to the property at which potable water service or wastewater service is received if there is reason to believe that a hazardous condition or policy violation exists when access is necessary to verify said conditions;
 - vi. Misrepresentation by any Applicant of any fact on any form, document, or other agreement required by the District; or
 - vii. Failure of the Customer to re-apply for service upon notification by the District that the Customer no longer meets the terms of the service classification originally applied for under the original Service Application.

- b. **Disconnection Without Notice.** Potable water utility service and/or wastewater 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 Sections 341.011 or 343.011 of the Texas Health and Safety Code. (Section E.3.d., E.22, 23; 30 TAC 290.46 (j)). 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 (30 TAC 290.46(i) and 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 water meter is considered a potential hazardous condition (Section E.12.b.i). If the District conducts a Customer Service Investigation 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;
 - iii. Service is connected without authority by any person, including, but not limited to, a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment;
 - iv. In instances of tampering with the District's water meter or equipment, bypassing the water meter or equipment, or other diversion of service; or
 - v. The Customer writes a check when the service has been discontinued for non-payment to have service restored, and the check is returned for non-sufficient funds, account closed, or other banking reason.
- NOTE: Where reasonable, given the nature of the reason for disconnection, 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 as soon as possible after service has been disconnected, and the proper authorities will be notified.
- c. **Disconnection on Holidays and Weekends.** Unless a dangerous condition exists, 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 making collections and reconnecting service.
- d. **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.

- e. **Disconnection of Master Metered Accounts and Non-Standard Sewer Services.** When a bill for water utility service 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.
13. **Billing Cycle Changes.** The District reserves the right to change its billing cycle if the work load 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.
14. **Back-billing.** The District may back-bill a Customer for up to six (6) 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. The District may allow the Customer to repay on a payment plan within three (3) months as long as the current bill is paid on time.
15. **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.
16. **Inoperative Meters.** Potable water meters found inoperative will be repaired or replaced within a reasonable time. If a water meter is found not to register for any period, unless bypassed or tampered with, the District shall make a charge for units used, but not metered, for a period not to exceed six (6) months. This charge shall be based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years. If the water meter is operative due to bypassing or tampering, the District will proceed with disconnection.
17. **Bill Adjustment.**
- a. **Due to Meter Error.** The District shall test any Customer’s potable water 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 and other applicable fees as prescribed in Section G.18. 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, and the meter shall be calibrated or replaced. A billing adjustment may be made as far back as six (6) months. The Customer shall complete a Meter Test Request Form prior to the test.

- 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.

18. **Meter Tampering and Diversion**

- a. For purposes of these Sections, the term "Tampering" shall mean meter tampering, bypassing, or diversion of the District's water or sewer meter or equipment, and bypassing the same, or other instances of diversion, such as:
 - i. removing a locking or shut-off device used by the District to discontinue service;
 - ii. physically disorienting or altering the meter or sewer tap;
 - iii. attaching objects to the meter or sewer tap to divert service or to bypass service;
 - iv. inserting objects into the meter or sewer tap;
 - v. other electrical and mechanical means of tampering with, bypassing, or diverting service;
 - vi. connection or reconnection of service without District authorization;
 - vii. connection into the service line of adjacent customers of the District; or
 - viii. preventing the water supply or sewer discharge from being correctly registered by a water metering device or sewer tap due to adjusting the valve so that flow is reduced below metering capability.
- b. Unauthorized users of services of the District shall be prosecuted to the extent allowed by law.
- c. If the District determines under Subsection (a) that Tampering has occurred, the District shall disconnect service without notice as set forth in Subsection E.12.b.iv 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 the law. For purposes of this section, "offending party" means the person who committed the Tampering or damaged the property.

19. **Meter Relocation.** Relocation of services shall be allowed by the District provided that:

- a. An easement for the proposed location has been granted to the District, and the easement has been recorded in the appropriate county's records where the property is located;
- b. The Customer pays the actual cost of relocation, administrative fees, and any necessary engineering fees; and
- c. The meter relocation is limited to the front of the customer's existing property and easement.

20. **Prohibition of Multiple Connections to A Single Tap.** No more than one (1) residential, commercial, or industrial service connection is allowed per potable water meter or wastewater service connection. The District may consider allowing an apartment building, condo, mobile home/RV park, or business center(s) to apply as a "Master Metered Account" and have a single potable water meter. The District may consider allowing an apartment building, condo, mobile home/RV park or business center(s) to apply for and obtain permission to have one larger wastewater connection point. Any unauthorized submetering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. If the District has sufficient reason to believe a Multiple Connection exists, the District shall discontinue service under the Disconnection with Notice provisions of this District Service Policy (See Section E.12.a).

21. **Customer's Responsibility.**

- a. The Customer shall provide access to the potable Water Meter as per the Service Agreement. If access to the Water Meter is hindered or denied preventing the reading of the Water Meter, an estimated bill shall be rendered to the Customer for the month; and, a notice shall be sent to the effect 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 potable Water Meter removed with no further notice.
- b. The Customer shall be responsible for compliance with all utility, local and state codes, requirements, and regulations concerning on-site service and plumbing facilities:
 - i. All potable water connections shall be designed to ensure against backflow or siphonage into the District's potable 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.
 - 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 nonresidential facility providing water for human consumption and connected to the District's facilities. Customer service pipelines shall be installed by the applicant and shall be a minimum of SDR-26 PVC pipe.
- c. The District's ownership and maintenance responsibility of potable water supply and metering equipment shall end at the meter or other service equipment. Therefore, all potable water usage registering upon and/or damages occurring to the metering equipment owned and maintained by

the District shall be subject to charges as determined by the District's Service Policy as amended from time-to-

- d. time by the Board of Directors.
- e. The District shall require each Customer to have a cut-off valve on the Customer's side of the potable water meter for purposes of isolating the Customer's service pipeline and plumbing facilities from the District's water pressure. 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. (This additional cut-off valve may be installed as a part of the original meter installation by the District.)

22. **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 or 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.

23. **Excluded Flow and Waste.**

- a. No waste material, which is not biologically degradable, will be permitted to be discharged into the District's wastewater collection system, including mud and debris accumulated during service line installation or construction of private facilities.
- b. No industrial waste other than domestic sewage shall be discharged into the District's wastewater collection system unless approved in writing by the Board of Directors. No toxic waste, waste which would damage the collection and treatment facilities or waste which would interfere with the wastewater treatment process shall be discharged into the District's wastewater collection system.
- c. No downspouts, yard or street drains, or gutters will be permitted to be connected into the District's wastewater collection system.

- d. No ground water drains, foundation drains, or other subsurface drains shall be connected in the District's wastewater collection system.
- e. No effluent drains from existing and/or abandoned septic tanks or field lines will be permitted to remain in service.

24. Connection of Water Service.

- a. Applications for water service connections shall be filed with the District by completing all 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 Applicant shall install a customer service isolation valve at their expense.
- 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. 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 the 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. All serves must be approved by the District's Engineer. If the District elects to oversize the line, the District shall bear those costs.

25. 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 TCEQ and PUC. In the event of a conflict between this Service Policy and TCEQ or PUC Rules, the more stringent rule shall apply. **Note: check if PUC has been used before**
- b. Water pipe and fittings shall be of brass, copper, cast iron, galvanized malleable iron, galvanized wrought iron, galvanized steel, or other approved materials.
- c. Water service lines and wastewater 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 (1) side of the common trench and the two (2) lines shall be separated by a minimum of eighteen inches (18").
 - iii. The water service line shall be installed with watertight joints tested to a minimum of 150 psi.
- e. A minimum of four feet (4') of type "L" soft copper pipe shall be installed at the end of the water service line at the connection to the potable 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 potable 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 potable water system shall be protected from the water contained in the makeup tank for the swimming pool by means of an approved backflow preventer or an adequate air gap.
- k. 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.
- l. Back filling of service line trenches must be accomplished within twenty-four (24) hours of inspection and approval, and no debris will be permitted in any service line trench.

District Service Policy

Section F: 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.
2. **Purpose.** The purpose of this section is to define the process by which the specific terms and conditions are determined for all kinds of non-standard service; specifically for non-standard service to subdivisions and the respective developers and subdividers. This section also outlines the Non-Standard Service Application and Service Agreement, 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, developments, or whenever 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, extensions to the distribution system, meters larger than 5/8" x 3/4" water service lines exceeding 3/4" diameter and exceeding twenty (20) feet in length or sewer service or collection lines exceeding four inches (4") diameter and exceeding twenty feet (20') in length. For the purposes of this District Service Policy, applications subject to this section shall be defined as Non-Standard Service Applications. 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 Non Standard Service Application giving special attention and specifying any special service needs (see Exhibit C, Applications and Forms).
 - 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. A plat acceptable to the District must accompany the application showing the applicant's requested service area. The plat must be approved by all governmental authorities exercising

jurisdiction over lot sizes, sewage control, drainage, rights-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 be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.

- d. A Feasibility Study Fee shall be paid to the District in accordance with the requirements of Section G.2. Service Investigation and Feasibility Study for purposes of paying initial administrative, legal, and engineering fees. The District shall refund any balance that remains after it has completed its Feasibility Study, 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.
 - e. If after the Feasibility Study 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 or within their Certificate of Convenience and Necessity (CCN); and
 - ii. The District's defined service area (CCN) 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 Agreement and Feasibility Study 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 Engineer shall 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 Engineer's fees shall be paid out of the Feasibility Study Fee under Section F.4.d. above.
 - c. The 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 and Agreement. The District reserves the right to upgrade the 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.
 - e. The Water System Extension must be sized to provide continuous and adequate water service and fire flow to the property based on plans for the development of the property. A minimum six-inch (6") line and fire hydrants within five hundred feet (500') of planned lots provided to MSUD by the Developer.
6. **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, and terms by which these costs are to be paid.
 - b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
 - c. 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).
 - d. 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 Application and Agreement;
 - iv. Selection of a qualified bidder for construction;
 - v. Dispensing funds advanced prior to initiation of construction;
 - vi. Inspecting facilities following construction; and

- vii. Testing facilities and closing the project.
- e. Terms by which the Applicant shall indemnify the District from all third party claims or lawsuits in connection with the project.
- f. Terms by which the Applicant shall convey 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.
- g. Terms by which the Applicant shall grant title or easements for use of property during construction and for ongoing service thereafter.
- h. Terms by which the Board of Directors shall review and approve the Non-Standard Service Contract pursuant to current rules, regulations, and bylaws.
- i. Agreement to enforceable remedies in the event Applicant fails to comply with all contract obligations, including specific performance.

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.

- 7. **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 the required easements or facility sites are 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.
 - 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 as appropriate for the level and manner of service requested by the Applicant and system-wide service by the District. 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 Applicant's property required for on-site facilities will be provided and exclusive to the District.

- d. Easements and facility 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.

8. **Dedication of Water System Extension/Improvements to District.**

- a. Upon proper completion of construction of all on-site service facilities (the "Facilities") to meet the level and manner of service requested by the Applicant, the facilities shall become the property of the District. The facilities shall thereafter be owned and maintained by District subject to the warranties required of the Applicant under Subsection (b). Any connection of individual customers to the Facilities shall be made by the District.
- b. Upon the transfer of ownership of the facilities, Applicant shall warrant materials and performance of the facilities constructed by applicant for twelve (12) months following the date of the transfer.

9. **Bids For Construction.** The District's Consulting Engineer will 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 will be made available, with or without charge, to prospective bidders. Although the District reserves the right to reject any bid or contractor, the District shall generally award the contract to the best value bid in accordance with the following criteria:

- a. The Applicant shall execute the Non-Standard Retail 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.

10. **Pre-Payment for Construction and Other Costs.** As a general rule, the Applicant will 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. The 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 the District.

11. **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 rights-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.
- 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.

12. **Service within Subdivisions less than Four (4) LUE's.** 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 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. the 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.

13. **Service to Subdivisions of more than Four (4) LUE's.**

- a. For service to subdivisions, 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 additional water supplies and 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 description of the area to be served complying with the map requirements of 30 Texas Administrative Code Section 291.1 *05(a)(2)(A)-(G)* of the TCEQ's Rules;
- ii. Time frame for;
 1. Initiation of service; and
 2. Service to each additional phase following the initial service.
- iii. Level of service (quantity and quality) for;
 1. Initial service; and
 2. If the Applicant/Developer proposes development in phases, the level of service that must be provided for each phase, and the estimated location of each phase depicted on the maps required under Section 13.a.i of this policy.
- iv. Manner of service for;
 1. Initial needs; and
 2. Phased and final needs and the projected land uses that support the requested level of service for each phase.
- v. Copies of all required approvals, reports and studies done by or for the Applicant/Developer to support the viability of the proposed subdivision;
- vi. The proposed improvements to be constructed by the Applicant/Developer including time lines for the construction of these improvements;
- vii. A map or plat of the subdivision depicting each phase and signed and sealed by a licensed surveyor or registered professional engineer;
- viii. Intended land use of the development, including detailed information concerning types of land use proposed;
- ix. 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;
- x. A schedule of events leading up to the anticipated date upon which service from the District will first be needed;
- xi. A proposed calendar of events, including design, plat approval, construction phasing and initial occupancy; and

- xii. Any additional information requested by the District necessary to determine the capacity and the costs for providing the requested service.
- b. Applicant/Developer must establish that current and projected service demands justify the level and manner of service being requested.
- c. If the Applicant/Developer intends to request expedited decertification from the PUC, it must advise the District.
- d. 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 Agreement 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/sewer treatment 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 thirty (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 fifteen (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 of Directors (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.

14. **Reservation of Capacity.** A determination that providing water service to a proposed Subdivision is feasible does not reserve capacity for use by the Subdivision. Uncommitted water supply that exists in the District's system is available on a first come, first served basis. Developer shall not have any rights to the District's water supply capacity until after a Non-Standard Service Contract is fully executed and capacity reservation fees have been paid.

15. **Connection of Water Service.** No person, other than District employees or designated representatives, shall be permitted to tap or make any connection with the mains or service lines of the District's water system, or make any repairs or additions to or alterations in any tap, pipe, valve or other fixture connected to a water service line.

District Service Policy

Section G: Service Rates and Fees

Unless specifically defined in this Service Policy, all fees, rates, and charges as stated shall be non-refundable.

1. **Classes of Users.** All users of the District's water and/or wastewater shall be classified as either standard or non-standard service, as further defined in Section E: Service Rules and Regulations and Section F: Developer, Subdivision and Non-Standard Service Requirements of the Service Policy. Either class of users may be further classified into sub-classes according to the potable water meter size by which service is provided or diameter/size of the requested wastewater connection.
2. **Service Investigation and Feasibility Study.** Upon receipt of a Standard Service Application and Agreement, the District shall conduct a service investigation for each 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 without charge and all applicable costs for providing standard service shall be quoted in writing by the District to the Applicant within ten (10) working days of receipt of the application for standard service.
 - b. All Non-Standard Service requests shall be subject to charges, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees required by the District to:
 - i. conduct a feasibility study;
 - ii. provide cost estimates of the project;
 - iii. develop detailed plans and specifications as per the Developer's plat and/or review and approve plans prepared by Developer's engineer;
 - iv. advertise and accept bids for the project;
 - v. prepare and execute a Non-Standard Service Contract with the Applicant;
 - vi. prepare and execute an impact evaluation funding agreement, if determined to be appropriate, in the discretion of the Board of Directors; and
 - vii. provide other services as required by the District for such investigation.
 - c. The Developer of any property that is to be subdivided, or otherwise requires non-standard service, shall submit a plat to the District for approval. The Developer shall pay for the District

to perform a feasibility study and plan review including all engineering, legal, and administrative costs.

If the District's costs to perform the feasibility study exceed the Developer's Feasibility Study Fee deposit, additional deposits will be required until the study is complete. Failure to provide such deposit could result in delays in processing the application. If the Feasibility Study Fee deposit is in excess of the District's cost to perform the Feasibility Study, the excess amount shall be refunded or credited toward the Developer's costs under the Non Standard Service Contract.

3. **Security Deposit.** A refundable Security Deposit must be paid before service shall be provided for the Applicant by the District. The Security Deposit for potable water service is charged for each account (see Exhibit B Rates and Fees).
4. **Easement Costs.** When the District determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements and/or sites on 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 and expenses necessary to attempt and secure such easements and/or facilities sites on behalf of the District.
5. **Fee Calculations.** The water and wastewater fees described in the following sections shall be calculated based on the number of Living Unit Equivalents (LUEs) for a given property or development. An LUE is defined as the typical flow that would be produced by a single-family residence located in a typical subdivision.
 - a. **Standard Service.** A standard service shall be defined as one (1) LUE.
 - b. **Non-Standard Service.** The following table shall be used to calculate the number of water and wastewater LUEs for non-standard service applications. For developments that are not described below, the District's Engineer and Manager shall determine the most appropriate LUE conversion.

<u>Land Use</u>	<u>Type of Development</u>	<u>LUE Conversion</u>
Residential - Single Family	Single Family Home or Mobile Home*	1 LUE per home
Residential - Other	Duplex	2 LUEs per structure
	Triplex, Fourplex, Condo, or Apartment (<24 units/acre)	0.7 LUE per unit
	Condo or Apartment (24+ units/acre)	0.5 LUE per unit

<u>Land Use</u>	<u>Type of Development</u>	<u>LUE Conversion</u>		
Commercial - Business	Hotel or Motel	2	rooms	per LUE
	RV Park	5	spaces	per LUE
	Office Building	3,000	square feet	per LUE
	Retail/Shopping Center	1,660	square feet	per LUE
	Restaurant/Cafeteria	200	square feet	per LUE
	Hospital	1	bed	per LUE
	Rest Home	2	beds	per LUE
	Church	70	seats	per LUE
Commercial - School	High School	13	students	per LUE
	Elementary School	15	students	per LUE
Industrial	Warehouse	4,000	square feet	per LUE

*Note: The LUE Conversion for Mobile Homes that are part of a Mobile Home Park which is served by a master water meter may be reduced to 0.7 LUE per home for water service only.

- c. **Special Scenarios.** If deemed appropriate by the District Engineer and General Manager, the number of LUEs may be calculated based on the size and type of the water meter installed according to the following table. This calculation would apply to irrigation meters and other special scenarios encountered on a case-by-case basis.

<u>Meter Size</u>	<u>LUEs</u>
5/8"x3/4"	1.0
3/4"	1.5
1"	2.5
1 1/2"	5.0
2" PD	8.0
2" ULTRA	11.0
3" CMPD	17.5
3" TURB	17.5
3" ULTRA	25.0
4" CMPD	30.0
4" TURB	31.5
4" ULTRA	44.0
6" CMPD	67.5
6" TURB	65.0
6" ULTRA	70.0
8" CMPD	80.0

6. **Reservation Fees.**

- a. **Standard Service.** Reservation fees are not required for Standard Service.
- b. **Non-Standard Service.** System Capacity and Potable Water Reservations fees are due upon plat approval to secure water service commitment. Each fee is on a per LUE basis.
 - i. Potable Water System Capacity Reservation; and
 - ii. Water Reservation Fee. (see Exhibit B Rates and Fees)

The monthly Water Reservation Fee is a monthly charge for each lot of a new subdivision or other property for which a water meter has not been installed which the District and Developer or other person have entered into an agreement or contract which reserves potable water service. The Water Reservation Fee shall continue for each lot until such lot becomes an active water service connection for which all connection fees have been paid and which lot is receiving monthly water service.

7. **Connection Fees.**

- a. **Standard Potable Water Service.** Standard service is considered to be one 5/8" x 3/4" water meter. Total fees due prior to meter installation are allocated as follows:
 - i. **Impact Fee:** share of system infrastructure needed to serve the connection;
 - ii. **Connection Fee:** includes all labor, materials, engineering, legal, water acquisition, easement, and administrative costs necessary to provide individual metered water service (Larger meters are subject to a higher fee and will be billed for the actual costs incurred by MSUD to purchase and install the larger meter);
 - iii. **Security Deposit;** and
 - iv. Any additional site-specific equipment or appurtenances necessary to provide water or wastewater service (see Exhibit B Rates and Fees).
- b. **Non Standard Potable Water Service.** Total fees due prior to meter installation are:
 - i. **Impact Fee:** share of system infrastructure needed to serve the connection;
 - ii. **Connection Fee:** includes all labor, materials, engineering, legal, water acquisition, easement, and administrative costs necessary to provide individual metered potable water service) (Larger meters are subject to a higher fee and will be billed for the actual costs incurred by MSUD to purchase and install the larger meter);

iii. Security Deposit; and

iv. Any additional site-specific equipment or appurtenances necessary to provide water or wastewater service (see Exhibit B Rates and Fees).

8. **Monthly Charges for Potable Water Service.**

a. **Potable Water Service Availability Charge.** The monthly charge for potable metered water service is a flat rate per LUE, as defined in Section G.5. Properties with water meters installed prior to the adoption of the LUE conversion table in Section G.5.b. shall have a monthly charge based on their meter type and size as defined in Table G.5.c.
(see Exhibit B Rates and Fees).

b. **Potable Water Gallonage Charge.** In addition to the Potable Water Service Availability Charge, a Potable Water Gallonage Charge shall be added at the following rates for water usage during any one (1) billing period:

Water:

- \$ 8.05 per 1,000 gallons for 0 to 5,000 gallons
- \$ 8.55 per 1,000 gallons for 5,001 gallons to 10,000 gallons
- \$ 9.05 per 1,000 gallons for 10,001 gallons to 15,000 gallons
- \$ 9.60 per 1,000 gallons for 15,001 gallons and over

9. **Construction Rate.** A fee is charged for this type of temporary water service, and such fee must be paid in full before the District will set a construction water meter.. The security deposit will only be reimbursed if the meter is returned in working condition and there is no unpaid account balance. All water for construction projects is billed at the rates in G.8.b. (see Exhibit B Rates and Fees).

10. **Late Payment Fee.** Once per billing period, a penalty shall be applied to each delinquent bill. 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 (see Exhibit B Rates and Fees).

11. **Maxwell SUD will not notify a lien-holder.** Maxwell SUD will not notify a lienholder of past due bills for potable water service.

12. **Returned Check Fee.** In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the 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 (see Exhibit B Rates and Fees).

13. **Reconnect Fee.** The District shall charge a fee for reconnecting water 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 (see Exhibit B Rates and Fees).

14. **Service Trip Fee.** The District shall charge a trip fee 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 (see Exhibit B Rates and Fees).
15. **Meter Tampering and Damage to Property Penalty.** In addition to the Equipment Damage Fee, the District may charge a penalty for Tampering in the amount. The penalty may only be assessed against the person who committed the Tampering. An owner cannot be assessed for the Tampering committed by their tenant (see Exhibit B Rates and Fees).
16. **Equipment Damage Fee.** 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, and equipment necessary for repair, replacement, and other District actions. This fee shall be charged and paid before service is re-established. If the District's equipment has been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Customer. If the District's facilities or equipment have been damaged due to negligence or unauthorized use of the District's equipment, right-of-way, or meter shut off valve, or due to other acts 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. Note: Payment of this fee will not preclude the District from requesting appropriate criminal prosecution.
17. **Customer History Report Fee.** A per page fee shall be charged to provide a copy, either physical or electronic, of the customer's record of past water (or sewer service) purchases in response to a customer's request for such a record (see Exhibit B Rates and Fees).
18. **Meter Test Fee.** The District shall test a Customer's meter upon written request of the Customer. Under the terms of Section E.16. of this Service Policy, a Service Trip Fee, Meter Test Fee, and a Replacement Meter Fee shall be imposed on the affected account for such meter test (see Exhibit B Rates and Fees).
19. **Information Disclosure Fee.** All public information except that which has been individually requested as confidential shall be available to the public for a fee to be determined by the District based on the level of service and costs to provide such information, but not to be inconsistent with the terms of the Texas Public Information Act: Chapter 552, Texas Government Code.
20. **Customer Service Inspection Fee.** A fee will be assessed to 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 (see Exhibit B Rates and Fees).
21. **Transfer Fee.** All applications for the transfer of an existing service to a new responsible party shall

complete all required application forms, etc. and pay a fee (see Exhibit B Rates and Fees) .

22. **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/sewer use or charges, then this fee or assessment will be billed and collected as a “pass through” charge to the Customer.
23. **Backflow Prevention Expenses.** It shall be the responsibility of the Customer at any premises where backflow prevention assemblies are installed to have certified inspections and operational tests made at least once per year. In those instances where the General Manager deems the hazard to be great enough, certified inspections may be required at more frequent intervals. These inspections and tests shall be at the expense of the Customer and shall be performed by the assembly manufacturer’s representative, District personnel, or by a certified tester approved by the General Manager. The Customer may contract directly with a qualified inspector and provide the results of such tests to the District, or the Customer may request that the District perform the required testing. If the latter option is chosen, the General Manager shall notify the Customer in advance when the tests are to be undertaken so that the Customer may witness the tests if so desired. These assemblies shall be repaired, overhauled, or replaced at the expense of the customer whenever said assemblies are found to be defective. Records of such tests, repairs, and overhaul shall be kept by the District and made available to the Customer at the District’s office during regular business hours. If the testing and/or repairs are performed by the District, the Customer will be billed for this expense on their next monthly water bill.
24. **Other Fees.** All 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 recipient based on the cost of providing such service.
25. **Fees Subject to Change.** All rates and fees contained in this document are subject to review and modification by the Board of Directors, as they deem appropriate. All approved updates will subsequently be reflected in this document.

District Service Policy

Section H: Drought Contingency Plan

1. **Introduction.**

- a. Maxwell Special Utility District (“District”) is a political subdivision of the State of Texas, created and operating under Chapters 49 and Chapter 65, Texas ‘Water Code. The District converted from being a water supply corporation (“WSC”) operating under Chapter 67, Texas Water Code, to a special utility district under authority granted by S.B. 1422, Acts 2019, 86th Leg., R.S., Ch. 559, eff. June 10,2019. The District’s qualified voters affirmed the creation of the District and conversion from a WSC to a special utility district in an election held on January 23,2020. The District holds a Certificate of Convenience and Necessity, Number 10293, to provide water utility service within its designated service area.
- b. The District is a member of Canyon Regional Water Authority (“CRWA”), and as such the CRWA Water Conservation Plan and Drought Contingency Plan (“DCP”) applies to the District. The District has adopted the use of the “Triggering Conditions” from CRWA, as detailed in Section IX.

2. **Declaration of Policy, Purpose, and Intent.**

- a. In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the District hereby adopts the following regulations and restrictions on the delivery and consumption of water.
- b. Water uses regulated or prohibited under this DCP are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply conditions are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section XII of this DCP.

3. **Public Involvement.** Opportunity for the public to provide input into the preparation of the DCP is provided by the District by means of scheduling and providing public notice of a public meeting to accept input on the DCP.

4. **Public Education.** The District will periodically provide the public with information about the DCP, including information about the conditions under which each stage of the DCP is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of press releases, utility bill inserts and signs.

5. **Coordination with Regional Water Planning Groups.** The District's service area is located within the South Central Texas Regional Water Planning Area Region "L". The District has provided a copy of this DCP to the South Central Texas Regional Water Planning Group.

6. **Authorization.** The General Manager of the District or designee is hereby authorized and directed to implement the applicable provisions of this DCP upon determination that such implementation is necessary to protect public health, safety, and welfare. The General Manager, or designee, shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this DCP.
7. **Application.** The provisions of this DCP shall apply to all persons, customers, and property utilizing water provided by the District. The terms "person" and "customer" as used in the DCP include individuals, corporations, partnerships, associations, and all other legal entities.
8. **Definitions.** For the purposes of this DCP, the following definitions shall apply:
 - a. **Aesthetic Water Use:** Water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.
 - b. **Commercial and Institutional Water Use:** Water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.
 - c. **Conservation:** Those practices, techniques; and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.
 - d. **Customer:** Any person, company, or organization using water supplied by the District. Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.
 - e. **DCP:** Drought contingency plan
 - f. **Even Number Address:** Street addresses, box numbers, or rural postal route numbers ending in 0,2,4,6, or 8 and locations without addresses.
 - g. **Industrial Water Use:** The use of water in processes designed to convert materials of lower value into forms having greater usability and value
 - h. **Landscape Irrigation Use:** The use of water for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.
 - i. **Non-essential Water Use:** Water uses that are neither essential nor required for the protection of public, health, safety, and welfare, including:
 - i. irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this DCP;

- ii. use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
 - iii. use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - iv. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - v. flushing gutters or permitting water to run or accumulate in any gutter or street;
 - vi. use of water to fill; refill, or add to any indoor or outdoor swimming pools or hot tubs;
 - vii. use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
 - viii. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
 - ix. use of water from hydrants for construction purposes or any other purposes other than firefighting.
- j. **Odd Numbered Address:** Street addresses, box numbers, or rural postal route numbers ending in 1 3, 5,7, or 9

9. **Triggering Criteria for Initiation and Termination of Drought Response Stages.**

- a. The General Manager, or designee, shall monitor water supply and/or demand conditions on a weekly basis and shall determine when conditions warrant initiation or termination of each stage of the DCP. Public notification of the initiation or termination of drought response stages shall be by means of publication in a newspaper of general circulation, the District website, and signs posted in public places.
- b. The District, as a member entity of Canyon Regional Water Authority, shall follow the trigger condition for the drought stages for areas served by the Edwards, related aquifers and Surface Water Systems as identified on Page 5 of the August 2005 Canyon Regional Water Authority Drought Management Plan, as amended. Said trigger conditions and stages are described below.
- c. Trigger Conditions and Water Conservation Measures for Areas Served by the Edwards and Related Aquifers
 - i. Stage 1 - Mild Water Shortage Conditions
 - 1. Trigger Conditions: Water level in Index Well AY-68-37 -203 (-17) in Bexar County declines to six hundred fifty (650) feet,

2. Requirements for Termination: Stage I of the DCP may be rescinded when the triggering condition cease to exist for a period of five (5) consecutive days.
- ii. Stage 2 - Moderate Water Shortage Conditions
 1. Trigger Conditions: Water level in Index Well AY-68-3'7-203 (J-17) in Bexar County declines six hundred forty (640) feet.
 2. Requirements for Termination: Stage 2 of the DCP may be rescinded when the triggering condition cease to exist for a period of five (5) consecutive days.
- iii. Stage 3 - Severe Water Shortage Conditions
 1. Trigger Conditions: Water level in Index Well AY-68-31-203 (J-17) in Bexar County declines to six hundred thirty (630) feet.
 2. Requirements for Termination: Stage 3 of the DCP may be rescinded when the triggering condition cease to exist for a period of five (5) consecutive days.
- iv. Stage 4 -Emergency Water Shortage Conditions
 1. Requirements for Initiation: Customers shall be required to comply with the requirements and restrictions for Stage 4 of this DCP when the General Manager or designee determines that a water supply emergency exists based on:
 - i. Major water line breaks, or pump or system failures occur, loss of a storage tank, which cause unprecedented loss of capability to provide water service; or
 - ii. Natural or man-made contamination of the water supplies, including floods or other natural disasters.
 2. Requirements for Termination: Stage 4 of the DCP maybe rescinded when all of the triggering conditions have ceased to exist for a period of five (5) consecutive days.
- d. Trigger Conditions and Drought Contingency Measures for Areas Served by Surface Water Systems
 - i. Stage 1 - Mild Water Shortage Conditions
 1. Requirements for initiation: Guadalupe Blanco River Authority (GBRA) will recognize that a mild water shortage condition exists when water in storage in Canyon Reservoir is equal to or less than elevation eight hundred ninety-five (895) feet mean sea level (msl) (274,800 acre-feet or approximately 72.5% full).
 2. Requirements for termination: Stage I of the DCP may be rescinded when Canyon Reservoir returns to elevation eight hundred ninety-five (895) feet msl or greater for a

period of thirty (30) consecutive days. GBRA will notify its wholesale customers and the media of the termination of Stage I in the same manner as the notification of initiation of Stage 1 of the DCP.

ii. Stage 2- Moderate Water Shortage Conditions

1. Requirements for initiation: Guadalupe Blanco River Authority (GBRA) will recognize that a moderate water shortage condition exists when water in storage in Canyon Reservoir is equal to or less than eight hundred ninety (890) feet mean sea level (msl) (242,872 acre-feet or approximately 64% full).
2. Requirements for termination: Stage 2 of the DCP may be rescinded when Canyon Reservoir returns to elevation eight hundred ninety (890) feet msl or greater for a period of thirty (30) consecutive days. Upon termination of Stage 2, Stage 1 becomes operative. GBRA will notify its wholesale customers and the media of the termination of Stage 2 in the same manner as the notification of initiation of Stage 2 of the DCP.

iii. Stage 3 - Severe Water Shortage Conditions

1. Requirements for initiation: Guadalupe Blanco River Authority will recognize that a severe water shortage condition exists when water in storage in Canyon Reservoir is equal to or less than eight hundred eighty-five (885) feet mean sea level (msl) (213,386 acre-feet or approximately 56% full).
2. Requirements for termination: Stage 3 of the DCP may be rescinded when Canyon Reservoir returns to elevation eight hundred eighty-five (885) feet msl or greater for a period of thirty (30) consecutive days. Upon termination of Stage 3, Stage 2 becomes operative. GBRA will notify its wholesale customers and the media of the termination of Stage 3 in the same manner as the notification of initiation of Stage 3 of the DCP.

iv. Stage 4 - Emergency Water Shortage Conditions

1. Requirements for initiation: GBRA will recognize that an emergency water shortage condition exists when:
 - i. Mechanical or system failures occur, which cause unprecedented loss of capability to provide water service.
 - ii. Natural or man-made contamination of the water supply source(s).
 - iii. A drought of greater severity than the Drought of Record occurs,
2. Requirements for termination: Stage 4 of the DCP may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of thirty (30) consecutive days. GBRA will notify its wholesale customers and the media of the termination of Stage 4.

- e. Information and Education: Once trigger conditions and emergency measures have been approached, the public will be informed of the conditions, and measures to be taken. The process for notifying the public includes:
 - i. Posting the Notice of Drought Conditions at City Halls, County Courthouses, Post Offices, Public Libraries, Senior Citizens Centers, and Major Supermarkets,
 - ii. General Circulation to newspapers,
 - iii. Notifying local radio and television stations,
- f. Termination Notification: Termination of the drought measures will take place when the trigger conditions which initiated the drought measures have subsided, and an emergency situation no longer exists. The public will be informed of the termination of the drought measures in the same manner that they were informed of the initiation of the drought measures through the officials in charge

10. **Drought Stages Responses Measures.**

- a. The General Manager or designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section 9 of the DCP, shall determine that a mild, moderate, severe or emergency condition exists and shall implement the following actions upon publication of notice in a newspaper of general circulation.
 - i. Stage I - Mild Water Shortage Conditions
 - Goal: Achieve a voluntary five percent (5%) reduction in total water use.
 - Supply Management Measures: The District shall reduce or discontinue flushing of water mains as far as is practical and prudent.
1. Water Use Restrictions:
 - Landscape watering with an irrigation system or sprinklers permitted only one day/week. Based on last digit of street address, the following schedule applies:
 - 0,1- Monday
 - 2,3 – Tuesday
 - 4,5 -Wednesday
 - 6,7 -Thursday
 - 8,9 – Friday
 2. Watering with a hand-held hose, soaker hose or drip irrigation is permitted.
 3. Charity car washes permitted at commercial car washes that use recycled water or are certified as a conservation car wash.

4. Washing impervious cover such as parking lot, driveway, street or sidewalk prohibited.
 5. Restaurants may serve water only upon request.
 6. Pools must be covered at least twenty-five percent (25%) when not in use.
 7. Vehicle washing at home permitted only during designated days and times.
 8. Golf courses achieve a ten percent (10%) reduction in replacement of daily evapotranspiration (ET) rate or 1.8 times the base usage irrigation between hours of 8:00 p.m. and 10 a.m.
 9. Installation of new landscapes permitted only if more than fifty percent (50%) is drought tolerant turf and if proper horticultural practices are used. Variances may be granted.
 10. Athletic fields - watering permitted only between midnight and 9 a.m. for health and safety reasons, unless conservation plan approved by Maxwell.
- ii. Stage 2 - Moderate Water Shortage Conditions
- Goal: Achieve a 10 percent (10%) reduction in total water use.
- Supply Management Measures: Continuing steps in Stage 1. The District will closely monitor the system for leaks and provide rapid repairs.
1. Water Use Restrictions:
All restrictions from Stage 1 are still in effect.
 2. Landscape watering with an irrigation system or sprinkler permitted on one (1) day/week on same schedule as Stage 1 during the hours of 3 a.m. to 8 a.m. and 8 p.m. to 10 p.m.
 3. Watering with a hand-held hose, soaker hose or drip irrigation is permitted to maintain trees, shrubs and other ornamental plants on any day between 3 a.m. to 8 a.m. and 8 p.m. to 10 p.m.
 4. Filling all new and existing swimming pools is prohibited. Draining permitted onto pervious surface and only if necessary to repair leaks or remove excess water in order to have water level to maintenance level.
 5. Golf courses achieve a thirty percent (30%) reduction in replacement of ET rate or twenty percent (20%) reduction if a participant in ISP or not more than 1.4 times base

usage. Forty percent (40%) reduction of ET rate or not more than 1.4 times base usage if not participant irrigation between 8 p.m. and 10 a.m. only.

6. Pools must be covered at least fifty percent (50%) when not in use.
7. Installation of non-drought turf is prohibited.
8. In public playing fields watering permitted only between midnight and 9:00 a.m. to the extent necessary to protect health and safety, unless conservation plan approved by the District.

iii. Stage 3 - Severe Water Shortage Conditions

Goal: Achieve a fifteen percent (15%) reduction in daily water demand.

Supply Management Measures: Continuing steps in Stages 1 & 2. The District will patrol the system for any waste of water and will issue citations as required.

Reduce system pressures where feasible.

1. Water Use Restrictions: All restrictions from Stage 1 & 2 are still in effect.
2. Landscape watering with an irrigation system or sprinkler is prohibited.
3. Watering with a hand-held hose, soaker hose or drip irrigation is permitted to maintain trees, shrubs and other ornamental plants only one (1) day/week between 3 a.m. to 8 a.m. and 8 p.m. to 10 p.m. Based on last digit of street address, the following schedule applies:

0,1- Monday
2,3 – Tuesday
4,5 -Wednesday
6,7-Thursday
8,9 – Friday
4. Filling all new and existing swimming pools is prohibited. Draining permitted onto pervious surface and only if necessary to repair leaks or remove excess water in order to have water level to maintenance level.
5. Golf courses achieve a forty percent (40%) reduction in replacement of ET rate or thirty percent (30%) reduction if a participant in ISP or not more than 1.2 times base usage . Forty percent (40%) reduction of ET rate or not more than 1.2 times base usage if not participant irrigation between 8 p.m. and 10 a.m. only.
6. Pools must be covered at least seventy-five percent (75%) when not in use.
7. Installation of non-drought turf is prohibited.

8. In public playing fields watering permitted only between midnight and 7:00 a.m. to extent necessary to protect health and safety, unless conservation plan approved by the District.
- iv. Stage 4 – Emergency Water Shortage Conditions
 - Goal: Return System to Non-Emergency Conditions as soon as possible.
 - Supply Management Measures: Continuing steps in Stages 1, 2, & 3. The supplier will reduce the system operating pressure.
 - 1. Water Use Restrictions: All restrictions in Stage 1, 2, & 3 remain applicable and emergency conditions exits.
 - 2. The District Board shall meet within forty-eight (48) hours of the initiation of stage 4 to consider and adopt rules restricting non-discretionary and discretionary uses and to prevent danger to the public health, safety or welfare posed by said emergency conditions.

11. **Water Rationing.**

- a. In the event that water shortage conditions threaten public health, safety, and welfare, the General Manager is hereby authorized to ration water according to the following water allocation plan.
- b. A customer's monthly allocation for water shall be based on a system-wide ratio multiplied times customer's winter average water use. The District's Board of Directors will set the system wide ratio by resolution as conditions warrant.
- c. The District Board of Directors will also set a surcharge rate for excessive water use by resolution as conditions warrant.
- d. The General Manager, or designee, shall provide notice by mail to each customer informing them of their water use allocations and shall notify the news media and the Executive Director of Texas Commission on Environmental Quality upon initiation of pro rata water allocation.

12. **Enforcement and Penalties.** Pursuant to 30 TAC 288.20(aX1XK), the following penalties and procedures apply to the enforcement of any mandatory water use restrictions.

- a. First Violation: Written warning provided to the person or entity in violation of this DCP
- b. Second Violation: A fine will be assessed in the amount equal to the average monthly bill for the prior year of the person or entity charged with the violation.
- c. Third Violation: A fine will be assessed in an amount equal to twice the average monthly bill for the prior year of the person or entity charged with the violation.

- d. Fourth Violation: Service will be disconnected. Service will resume only after payment of all fees required to resume service after disconnection as defined in the District's Rate Order and all fines assessed pursuant to this DCP.

13. **Variances.**

- a. The General Manager, or designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this DCP if it determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:
 - i. Compliance with this DCP cannot be technically accomplished during the duration of the water supply shortage or other condition for which the DCP is in effect.
 - ii. Alternative methods can be implemented which will achieve the same level of reduction in water use
- b. Persons requesting an exemption from the provisions of this DCP shall file a petition for variance with the District within five (5) days after the DCP or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the General Manager, or designee, and shall include the following:
 - i. Name and address of the petitioner(s);
 - ii. Purpose of water use;
 - iii. Specific provision(s) of the DCP from which the petitioner is requesting relief;
 - iv. Detailed statement as to how the specific provision of the DCP adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this DCP;
 - v. Description, of the relief requested;
 - vi. Period of time for which the variance is sought;
 - vii. Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this DCP and the compliance date; and
 - viii. Other pertinent information.
- c. Variances granted by the District shall subject to the following conditions, unless waived or modified by the General Manager or designee
 - i. Variances granted shall include a timetable for compliance.

- ii. Variances granted shall expire when the DCP is no longer in effect, unless the petitioner has failed to meet specified requirements.
 - d. No variance will be retroactive or otherwise justify any violation of this DCP occurring prior to the issuance of the variance.
14. **Severability.** The sections, paragraphs, sentences, clauses, and phrases of this DCP are severable and, if any phrase, clause, sentence, paragraph, or section of this DCP is declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections.

Exhibit A: Certificate of Convenience and Necessity



Public Utility Commission of Texas

By These Presents Be It Known To All That

Maxwell Special Utility District

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Maxwell Special Utility District is entitled to this

Certificate of Convenience and Necessity No. 10293

to provide continuous and adequate water utility service to that service area or those service areas Caldwell and Hays Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53313 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Maxwell Special Utility District to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

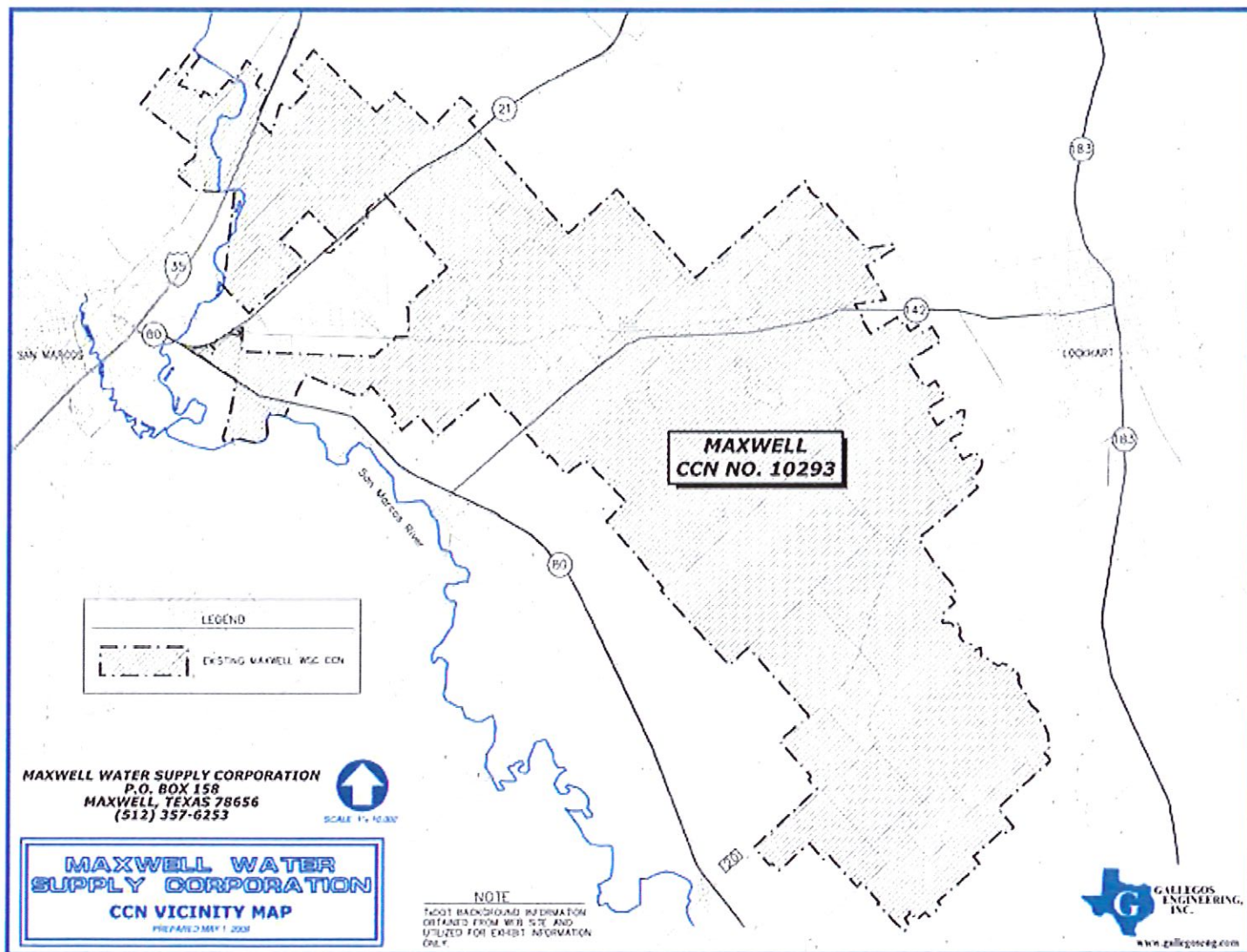


Exhibit B: Rates and Fees

Additional Assessments (G.22)	actual costs incurred
Construction Rate (G.9)	\$2,500.00
Customer History Report Fee (G.17)	\$2.00/page
Customer Service Inspection Fee (G.20)	\$100.00
Easements Costs (G.4)	actual costs incurred
Equipment Damage Fee (G.16)	actual costs incurred
Information Disclosure Fee (G.19)	actual costs incurred
Late Payment Fee (G.10)	\$20.00
Meter Tampering and Damage to Property Penalty (G.15)	\$250.00
Meter Test Fee (G.18)	actual costs incurred
Non-Standard Service (G.7.b)	based on Contract
Monthly Charges (G.8)	
Service Availability Charge	\$33.00
Potable Water Gallonage Charge	
- \$ 8.05 per 1,000 gallons for 0 to 5,000 gallons	
- \$ 8.55 per 1,000 gallons for 5,001 gallons to 10,000 gallons	
- \$ 9.05 per 1,000 gallons for 10,001 gallons to 15,000 gallons	
- \$ 9.60 per 1,000 gallons for 15,001 gallons and over	
Reconnect Fee (G.13)	\$100.00
Replacement Meter Fee	actual cost based on meter size
Reservation Fee (G.6)	\$0.00
Returned Check Fee (G.12)	\$35.00
Security Deposit (G.3)	\$200.00
Service Investigation and Feasibility Study (G.2)	actual costs incurred
Service Trip Fee (G.14)	\$50.00/\$100.00 after hours

Special Scenarios (G.5.c)

case by case basis

Standard Service (G.7.a)

< 8" PVC

12" PVC

1. Deposit	\$200.00	\$200.00
2. Labor & Materials	\$1,100.00	\$1,500.00
3. Engineering/Admin Fees	\$200.00	\$200.00
4. Impact Fee	\$12,940.00	\$12,940.00
5. Water Acquisition Fee	\$1,750.00	\$1,750.00
6. Single Meter Application	\$50.00	\$50.00
7. Easement Fee	\$26.00	\$26.00
8. Customer Service Inspection	\$75.00	\$75.00

Transfer Fee (G.21)

\$50.00

Whisper Charges

- a. Installation fee per LUE: \$815.00, sometimes referred to as tap in fee and/or connection fee, which is based on the actual cost of the connection plus 10%, unless the Developer bears such responsibility and cost;
- b. Front-end capital contribution fee, sometimes referred to as impact fee, capital recovery fee, living unit equivalent fee, currently in the amount of \$2,285.00/LUE (payable upon plat approval);
- c. Membership fee of \$150.00/meter (for which there is no equivalent City fee);
- d. Permit application or review fee of \$50.00/connection; and
- e. Deposit of \$150.00/connection,
- f. Reconnect Charge – Normal hours- \$40.00.
- g. Reconnect Charge – After hours - \$170.00
- h. Customer Requested Outage – Normal hours - \$50.00
- i. Customer Requested Outage - After hours - \$100.00
- j. Meter Test Charge - \$35.00
- k. Returned Check Fee (NSF) - \$30.00

Exhibit C: Applications and Forms



FOR OFFICE USE ONLY:

Acct # _____

Location # _____

Meter # _____

MAXWELL SPECIAL UTILITY DISTRICT SERVICE APPLICATION AND SERVICE AGREEMENT

Date: _____

☐ Tenant

☐ Owner

Applicant or Company Name: _____

Co-Applicant/Spouse Name: _____

Current Address: _____

Billing Address: _____

Driver's License # or Tax ID #: _____

Phone/Home: _____ Cell: _____ Work: _____

Email: _____

Service Location/Address: _____

What will be the primary usage of water?

Closing/Effective Date: _____

- ☐ Residential
- ☐ Commercial
- ☐ Irrigation
- ☐ Other _____

MAXWELL SPECIAL UTILITY DISTRICT
PO BOX 158
MAXWELL, TEXAS 78656-0158
(512) 357-6253 FAX (512) 357-0152

RE: INDIVIDUAL SERVICE AGREEMENT

1. This Individual Service Agreement ("Service Agreement") is made this ____ day of _____, 20__ between MAXWELL SPECIAL UTILITY DISTRICT ("District"), a political subdivision of the State of Texas, created and operating pursuant to Chapter 49 and 65, Texas Water Code, and _____ ("Applicant") located at _____.
2. The District shall sell and deliver metered water to the Applicant and the Applicant shall purchase metered water from the District in accordance with the District's rules and rate order (collectively the "Service Policy") as amended from time to time by the Board of Directors of the District. Upon compliance with said policies and payment of all fees, including payment of a Application Fee, the Applicant qualifies for service.
3. The Applicant shall pay the District for service hereunder as determined by the District's Service Policy upon the terms and conditions set forth therein. A copy of this Service Agreement shall be executed before service may be provided to the Applicant.
4. The District may discontinue service to any customer who fails to comply with any applicable District policy.
5. As a condition of service, Applicant shall grant to the District, now or in the future, any easements of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other equipment which may be deemed necessary by the District to extend or improve service for existing or future Applicants, or such forms as are required by the District.
6. Fees to be paid to the District prior to initiation of service are listed below and subject to change.

	< 8" PVC	12" PVC
1. Deposit	\$ 200.00	\$ 200.00
2. Labor & Materials:	\$ 1,100.00	\$ 1,500.00
3. Engineering/Admin Fees:	\$ 200.00	\$ 200.00
4. Impact Fee:	\$ 12,940.00	\$ 12,940.00
5. Water Acquisition Fee:	\$ 1,750.00	\$ 1,750.00
6. Single Meter Application:	\$ 50.00	\$ 50.00
7. Easement Fee:	<u>\$ 26.00</u>	<u>\$ 26.00</u>
	\$ 16,266.00	\$ 16,666.00

7. Applicant agrees to pay monthly minimum charges of: \$36.75 (0 gallons)

Tiered Rate:

\$8.90 per 1,000 gallons (0 gallons to 5,000 gallons)

\$9.90 per 1,000 gallons (5,001 gallons to 10,000 gallons)

\$11.00 per 1,000 gallons (10,001 gallons to 15,000 gallons)

\$12.25 per 1,000 gallons (over 15,001 gallons).

Payment must be received on or before the close of business the 15th day of each month.

A late charge of \$20.00 will be assessed after the 15th of each month.

8. Applicants with more than one account with the District will keep all accounts current. Failure to maintain a current status on any one account will result in discontinued service of all accounts owned.
9. Non-payment of the water bill will result in the termination of service thirty (30) days after the due date of the bill.
10. Multiple connections to a single tap are prohibited. Sub-metering or charging a fee to another person shall be considered as a multiple connection and result in discontinuance of service. Service will also be discontinued for tampering with a water meter, bypassing a meter, or in any other way receiving non-metered water.
11. All water shall be metered by meters to be furnished and installed by the District. The meter/connection is for the sole use of the Applicant or Customer and is to provide service to only one (1) dwelling or only one (1) business and does not permit the extension of pipe or pipes to transfer water from one property to another, nor share, resell, or sub-meter water to any other person, dwellings, business, or property, etc.
12. The District shall have the right to locate a water meter and the pipe necessary to connect the meter on the Applicant's property at a point to be chosen by the District and shall have access to its property and equipment located upon Applicant's premises at all reasonable and necessary times for any purpose connected with or in the furtherance of its business operation, and upon discontinuance of service, the District shall have the right to remove any of its equipment from the Applicant's property. The Applicant shall provide access to the meter at all times for the purpose of reading, installing, checking, repairing, or replacing the meter. Applicant shall allow the District to place a District lock on gates where the meter is located inside the Applicant's fenced property and gates are kept locked. The Applicant shall install at their own expense any necessary service lines from the District's meter to the point of use, including any customer service isolation valves, back-flow prevention devices, clean-outs, and other equipment as may be specified by the District. The District shall also have access to the Applicant's property for the purpose of inspecting for possible cross-connections and other undesirable plumbing practices.
13. The District is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The Applicant shall see that all plumbing connections shall be made to comply with the Texas Department of Health and the Texas Commission on Environmental quality. All connections shall be designed to ensure against back-flow or siphonage into the District's water supply. This Service Agreement serves as notice to each customer of the plumbing restrictions which are in place to provide this protection. The District shall enforce these restrictions to ensure the public's health and welfare. The following undesirable plumbing practices are prohibited by State regulations:
 - a. No direct connection between the public drinking water supply and potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate back-flow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices must be in compliance with State plumbing codes.
 - b. No cross-connections between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an air-gap or a reduced pressure-zone back-flow prevention assembly, and a service agreement must exist for annual inspection and testing by a certified back-flow prevention device tester.
 - c. No connection which allows condensing, cooling, or industrial process water to be returned to the public drinking water supply is permitted.

- d. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing on or after July 1, 1988 through December 31, 2013 at any connection which provides water for human consumption.
 - e. No pipe or pipe fitting which contains more than 0.25% lead may be used for the installation or repair of plumbing on or after January 1, 2014 at any connection which provides water for human consumption.
 - f. No solder or flux which contains more than 0.2% lead may be used for installation or repair of plumbing on or after July 1, 1988 at any connection which provides water for human consumption.
 - g. No plumbing fixture is installed which is not in compliance with a state-approved plumbing code.
14. The District shall maintain a copy of this Service Agreement as long as the Applicant and/or the premises is connected to the public water system. The Applicant shall allow his property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections shall be conducted by the District or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the District's normal business hours.
15. The District shall notify the Applicant in writing of any cross-connections or other undesirable plumbing practices which have been identified during the initial or subsequent inspection. The Applicant shall immediately correct any undesirable plumbing practice on their premises. The Applicant shall, at his expense, properly install, test, and maintain any back-flow prevention device required by the District. Copies of all testing and maintenance records shall be provided to the District as required. Failure to comply with the terms of this Service Agreement shall cause the District to either terminate service or properly install, test, and maintain an appropriate back-flow prevention device at the service connection. Any expense associated with the enforcement of this Service Agreement shall be billed to the Applicant.
16. The District ownership, maintenance responsibility, and liability ends at the District meter. If the District is called out to check on a leak in the meter box and the leak is found to be on the Applicant's side of the meter, a \$30.00 Service Call will be added to the Applicant's water bill.
17. The Applicant is required to provide a working cut off valve on the Applicant's side of the meter. The Applicant **will not use** the District's angle stop. The cost of repair for damages to District equipment by the Applicant will be paid by the Applicant.
18. Applicant acknowledges the Texas Commission on Environmental Quality requires that the District charge a 0.5 percent (0.5%) tax on water consumed.
19. In the event the total water supply is insufficient to meet all of the Applicants, or in the event there is a shortage of water, the District may initiate the Drought Contingency Plan/Emergency Rationing Program as specified in the District's Tariff. By execution of this Service Agreement, the Applicant hereby shall comply with the terms of said program.
20. By the execution hereof, the Applicant shall hold the District harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Applicant/Users of the District, normal failures of the system, or other events beyond the District's control.
21. By execution hereof, the Applicant agrees that non-compliance with the terms of this Service Agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the District.
22. Any misrepresentation of the facts by the Applicant on this Service Agreement shall result in discontinuance of service pursuant to the terms and conditions of the District's tariff.

Applicant's Signature