

Valley Municipal Utility District No. 2

Service Policy

100 Hidalgo Avenue
Rancho Viejo, Texas
956-350-4136

This Service Policy was adopted By the Board of Valley
Municipal Utility District No. 2 based on the:



Texas Rural Water Association

SAMPLE DISTRICT SERVICE POLICY

Updated September 2011

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Important Notice

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**ORDER BY THE VALLEY MUNICIPAL UTILITY DISTRICT NO. 2 ADOPTING
A SERVICE POLICY AND ESTABLISHING RATES, FEES, AND
CHARGES, AND ADOPTING RULES RELATING TO THE
ADMINISTRATION OF ITS UTILITY SERVICES, AND PROVIDING
FOR ENFORCEMENT FOR VIOLATING THIS SERVICE POLICY**

WHEREAS, the Valley Municipal Utility District No. 2 (the “District”) operating under Chapter 54 and Chapter 49 of Texas Water Code has provided facilities for the production and distribution of potable water and sewer service to residential and business users within its authorized service areas;

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

WHEREAS, the Board of Directors has carefully considered the matter and is of the opinion that the following fees, charges, rates, rules, regulations, and enforcement procedures are necessary for the safe and efficient management of the District’s utility facilities and services;
NOW THEREFORE,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF VALLEY MUNICIPAL UTILITY DISTRICT NO. 2, IN CAMERON COUNTY, TEXAS, that the following Service Policy is adopted and establishes the fees, charges, rules and enforcement procedures for the District’s water/sewer services (“Service Policy”) and shall be effective on November 17, 2016.

Roger Nelson, President

Amendments:

July 18, 2017-Drought Contingency Plan Amended.

August 21, 2018-Resaca Pump Charge Increased.

April 21, 2020-Drought Contingency Plan Amended.

March 16, 2021-District Service Agreement Updated.

January 18, 2022-Section G.6.b Amended to Allow Gallonage Charges for RV’s

SECTION A: AUTHORITY

1. This Service Policy was adopted by resolution by the Board of Directors of the District on November 17, 2016. This Service Policy supersedes all utility service policies, adopted or passed by the Board of Directors previously, unless otherwise provided.

The adoption of this Service Policy shall not affect any violation or act committed or done, or any penalty or forfeiture incurred, or any contract or vested right established or accrued under any prior Service Policy.

2. 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.
3. Laws and regulations of state and federal agencies having applicable jurisdiction, promulgated under any applicable state or federal law, shall supersede all terms of the Service Policy that directly conflict with such state and federal laws or regulations. If any section, paragraph, sentence, clause, phrase, word or words of the Service Policy are declared unconstitutional or in violation of law, the remainder of the Service Policy shall not be affected thereby and shall remain in full force and effect.
4. This Service Policy is immediately effective upon the date of adoption unless otherwise specified.

SECTION B: STATEMENTS

1. **Organization.** The Valley Municipal Utility District No. 2 is a Political Subdivision of the State of Texas organized under Chapters 49 and 54 of the Texas Water Code for the purpose(s) of furnishing potable water and sewer utility service to The Town of Rancho Viejo, south to the Mexican Border, including a portion of the City of Brownsville. The management of the District is supervised by the Board of Directors which is responsible for adopting all District service policies, rates and regulations. The members of the Board of Directors are elected by the registered voters residing within the District's boundaries.
2. **Non-Discrimination Policy.** Service is provided to all Applicants who comply with the provisions of this Service Policy regardless of race, creed, color, national origin, gender, disability, or marital status.
3. **Policy and Rule Application.** These policies, rules, and regulations apply to the water and sewer services provided by the District. Failure on the part of the Customer or Applicant to observe these policies, rules and regulations gives the District the authority to deny or discontinue service and to take any other action deemed appropriate according to the terms of this Policy.
4. **Fire Protection Responsibility.** The District generally does not provide nor does it 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 Rancho Viejo, Texas. All information collected, assembled, or maintained by or for the District shall be disclosed to the public in accordance with the Texas Public Information Act. A reasonable charge as established pursuant to the Texas Public Information Act may be assessed to any person requesting copies of District records. An individual customer may request in writing that their address, telephone number, or account record of water use be kept confidential. Such confidentiality does not prohibit the District from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the District acting in connection with the employee's duties or as otherwise authorized by Section 182.054 of the Texas Utilities Code.
7. **Customer Notice Provision** -- The District will give written notice of a monthly water

(and/or sewer) rate change by publication, mail or hand delivery to all affected customers within thirty (30) days after the date on which the board authorizes the new rate. The notice shall contain the old rates, new rates, effective date of the new rates, date of Board authorization, and the location where additional information on rates can be obtained. Failure of the District to give the notice shall not invalidate the effective date of the change, the amount of the newly adopted rate nor any charge incurred based on the new rate.

8. ***Customer Service Inspections.*** The District requires that a customer service inspection certification be completed prior to providing water service to new construction and for all new customers as part of the activation of standard and non-standard service. Customer service inspections are also required on any existing service when the District has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction or addition to the customer's water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contaminant hazards and illegal lead materials. (30 TAC 290.46(j))

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 the Texas Commission on Environmental Quality Chapter 291 Subchapter H rules pertaining to Submetering. The District has no jurisdiction over or responsibility to the tenants. Tenants receiving water under a master metered account are not considered customers of the District. Any interruption or impairment of water service to the tenants is the responsibility of the master metered account customer. Any complaints regarding submetering should be directed to the Texas Commission on Environmental Quality

10. ***Resaca Pumps.*** The District allows its residential customers to draw raw water from the Resaca via their own personal pump, for a monthly fee. This fee is charged whether the customer draws water from the resaca or not. The District does not guarantee the quality of the water in the resaca. The District also does not take any responsibility for damage caused to customers' pumps by aquatic weeds, algae, or any other objects that may exist in the resaca. The customer assumes all responsibility for his pump, including electricity, maintenance, or damages of any kind. This includes any kind of damage to the intake piping, even if it caused by District personnel during their routine maintenance of the resaca. **Any connection between a resaca pump and the District's water system is strictly prohibited and will result in immediate termination of service!**

11. ***Resaca Retaining Walls.*** The District allows its residential customers to construct retaining walls along the edge of the resaca at their own cost. These walls must be constructed of appropriate materials that have a useful life of at least 20 years. The customer assumes all responsibility for their own retaining wall, including maintenance or damages of any kind. This includes any kind of damage, even if it caused by District personnel during their routine maintenance of the resaca.

12. ***Drainage.*** The District provides stormwater drainage to its property owners through

maintenance of its underground drainage network and the Resaca del Rancho Viejo. The District does not accept maintenance responsibilities for any earthen channels located within street rights-of-way/easements, or for water bodies or ditches on private property, unless they are specifically dedicated to the District.

SECTION C: DEFINITIONS

Applicant - A person, corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, or any other legal entity applying for service with the District.

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

Base Rate - The monthly charge assessed each Member/Customer for the opportunity of receiving service. The Base Rate is a fixed rate based upon the meter size as set forth in the equivalency chart in Section G.

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

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

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 CCN Number 8267500).

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

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

Disconnection of Service - The discontinuance of water (or sewer) service to a customer of the District.

District - The Valley Municipal Utility District No. 2.

District's Sewer System - The sanitary sewer collection, disposal, and treatment facilities constructed and operated by the District and any sanitary sewer system or sewer extensions, which may be built within the District in the future.

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

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

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

Grinder Pump Station - The individual lift stations located at each commercial building or residence which are installed, owned, and maintained by the District as part of the District's low pressure sewer system. The grinder pump station includes a pump, tank, controls, control panel, valves, piping, electric wiring and related facilities.

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

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

Master Meter - A meter that serves two or more connections and is installed in accordance with the requirements set forth in Section E.2.d of this Service Policy.

Re-Service - Providing service to an Applicant at a location at which service previously existed and at which there is an existing setting for a meter. Costs of such re-servicing shall be as established in the District's Service Policy or based on justifiable expenses in connection with such re-servicing.

Revenues - Any funds received for water (or sanitary sewer) service, tap fees, service charge fees, disconnect fees, reconnection fees or any and all other charges except for service deposits, that may be charged and collected by the District from the ownership and operation of its water

(and/or sanitary sewer) systems.

Seasonal Reconnect Fee – The fee charged for resumption of service at a location where the customer has voluntarily suspended service, in a written request, for a period of time not exceeding nine months within a twelve month period. The fee is based on the total months for which service is suspended multiplied by the amount of the monthly minimum fee the District charges active customers.

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

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

Standby Fee - As authorized by Water Code Section 49.231, means a charge, other than a tax, imposed on undeveloped property for the availability of water, wastewater, or drainage facilities and services. Standby fee does not mean an impact fee, tap fee, or a connection fee.

Subdivide - To divide the surface area of land into lots or tracts (Local Government Code Section 232.021(11) Definitions).

Subdivider - An individual, firm, corporation, or other legal entity that owns any interest in land and that directly or indirectly subdivides land into lots as a part of a common promotional plan in the ordinary course of business (Local Government Code Section 232.021(12) Definitions).

Subdivision - An area of land that has been subdivided into lots or tracts (Local Government Code Section 232.021(13) Definitions).

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

Texas Commission on Environmental Quality (TCEQ) - State regulatory agency having jurisdiction of water and sewer service utilities and appellate jurisdiction over the rates and fees charged by the District.

SECTION D: GEOGRAPHIC AREA SERVED

This section should include an area map that shows all areas in which the District maintains facilities or proposes to construct facilities for the purpose of providing service, including but not limited to all areas within the District's boundaries. For those Districts holding a CCN, it is the responsibility of the District to properly record in the real property records of each county included in the District's CCN a current copy of the CCN map and a boundary description of the CCN area as per Section 13.257(r) Texas Water Code.

(Insert/Attach District map and CCN map if different, here)

SECTION E: DISTRICT SERVICE RULES

1. *Service Entitlement.*

An applicant requesting service within the boundaries of the District or the District's defined service area shall be considered qualified and entitled to water (and/or sewer) utility service when proper application has been made, terms and conditions of service have been met and continue to be met, and all fees have been paid as prescribed. An applicant requesting service outside the District's boundaries or defined service area shall be considered for service in accordance with current District policies on providing service outside the District boundaries or CCN service area.

2. *Application Procedures and Requirements.*

For the purposes of this service policy, service 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, service facility extensions, or taps 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 water meter services set on existing pipelines or connection to existing 4" gravity sewer taps, installed or connected to collection lines no more than five feet in depth.
- b. **Non-Standard Service** is defined as any service request which requires a larger meter service, service to a master metered account (see E.2.d.iv.) of this section), or an addition to the supply, storage and/or distribution/collection system. The service requirements as prescribed by Section F of this service policy shall be required of the Non-Standard Service applicant prior to providing service. The District shall make a determination as to the appropriate size and type of meter to serve non-standard applicants. Any sewer installation which requires the District to install a new sewer tap is considered Non-Standard.
- c. **Requirements for Mandatory Sewer Connection.**
Effective November 17, 2016, the installation of any private on-site wastewater treatment or holding facility on property within the District's certificated service area (or within the District's boundaries) which is less than 300 feet, (measured from boundary line of the property to the nearest point of the District's wastewater collection system along a public right-of-way or utility easement) is prohibited and service to any such property will be provided by the District. (**Note:** This does not apply to any person who has installed an on-site wastewater holding or treatment facility if that on-site facility was installed prior to construction and operation of the District's wastewater collection system within 300 feet of the property or prior to the effective date stated herein). Any costs for connection to the District's wastewater collection system in excess of the standard costs required under Section G must be paid by the wastewater service applicant. The District must review and approve plans and specifications for any connection prior to construction (Texas Water Code 49.234; 30 TAC 293.113).

d. 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 form, approved by the District, must be provided by the applicant (properly executed by the person or persons having legal authority to convey an easement) for the purposes of providing water and sewer service to the applicant and to facilitate current and future system-wide service (Texas Water Code 49.218(d),(f)).
- iii. As set forth in Section B.9 of this service policy, the District shall install individual meters owned by the District in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction begins after January 1, 2003, unless the District determines that installation of individual meters is not feasible. If the District determines that installation of meters is not feasible, the property owner or manager shall install a plumbing system that is compatible with the installation of submeters or individual meters. The District shall be entitled to the payment of costs, including the costs of individual meter installations, as provided in Section G.5. The cost of individual meter installation shall be prepaid by the property owner as well as the cost of any additional facilities or supply occasioned by the total water/sewer service demand represented by full occupancy of the property, as determined under applicable provisions of Section G.
- iv. The District may consider master metering of water service and/or non-standard sewer service to apartments, condos, trailer /RV parks, or business centers and other similar type enterprises installed prior to January 1, 2003, or at an applicant's request provided the total number of units to be served are:
 - a. owned by the same person, partnership, cooperative, corporation, agency, public or private organization of any type but not including a family unit, and considered a commercial enterprise; i.e. for business, rental, or lease purposes; or
 - b. not directly accessible to public right-of-way (such as but not limited to gated communities).
- v. Individual metering for multiple use facilities. On request by the property owner or manager, the district shall install individual meters owned by the District in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction began after January 1, 2003, unless the District determines that installation of meters is not feasible. If installation of meters is not feasible, the District shall have no obligation to install meters until the property owner or manager installs a plumbing system, at the property owner's or manager's expense, that is compatible with the installation and service of meters. Each individual meter will require a Service Application and Agreement pursuant to this service policy.
- vi. Notice of application approval and costs of service determined by the District shall be presented to the applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the applicant must re-apply

for service.

- vii. If the water main 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 an easement to the District for the purpose of installing the water main and appurtenances, and the District has documentation of such refusal, the applicant, prior to receiving the requested service, shall grant the easements required under this service policy and in addition to the normally required fees for new customer service, shall pay such sums as are reasonably necessary to cap the existing line in the ROW and construct the appropriate line or lines within that easement for the District's system-wide service (See Miscellaneous Transaction Forms).

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

- a. **New Meter or Sewer Connection to an Existing Tap** -- The District shall charge a non-refundable service installation fee and a refundable deposit for standard service as required under Section G of this service policy. Fees associated with non-standard installations will be in addition to the standard connection fees. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid or a deferred payment contract signed in advance of installation (30 TAC 291.86 (a)(1)(A)).
- b. **Re-Service** -- For re-service the District shall charge the deposit fee and other costs necessary to restore service. When re-service is requested by an applicant owing any delinquent charges on previous service at any location served by the District, any debt owed to the District must be paid before re-servicing procedures can begin. In no event will a capital improvement fee or capital impact fee be charged for a re-service event.
- c. **Performance of Work** -- After approval is granted by proper authorities, all tap and equipment installations specified by the District shall be completed by the District staff or designated representative. No person, other than the properly authorized agent of the District, shall be permitted to tap or make any connection to the mains or distribution pipes of the district's water system, or make any repairs or additions to or alterations in any tap, pipe, cock or other fixture connected with the water service pipe. The meter installation for a standard service request shall be completed within five (5) working days whenever practicable, but not later than ten (10) working days after approval and receipt of payment of quoted fees on the property designated to receive service. This time may be extended for installation of equipment for Non-Standard Service Request (see Section F., 30 TAC 291.85).
- d. **Inspection of Customer Service Facilities** -- The facilities at the service connection shall be inspected to insure compliance with state required Minimum Acceptable Operating Practices for Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. The customer must, at his or her expense, properly install and provide certification of maintenance on any backflow prevention device required by the District (30 TAC 290.46(j)).

4. *Ownership of equipment.*

All water meters and equipment and materials required to provide water or wastewater service to the point of customer connection; water meter or service tap, is the property of the District upon installation, and shall be maintained by the water system only.

5. *Changes in Service Classification.*

If at any time the District determines that the customer service demands have changed from those originally applied for to a different service classification and the District determines that additional or different facilities are necessary to provide adequate service, the District shall require the customer to re-apply for service under the terms and conditions of this service policy. Customers failing to comply with this provision shall be subject to the disconnection with notice provisions of this service policy, Section E.12.a.

6. *Denial of Service.*

The District may deny service for the following reasons:

- a. Failure of the applicant to provide all required easements and forms and to pay all required fees and charges;
- b. Failure of the applicant to comply with rules, regulations, policies, and bylaws of the District;
- c. Existence of a hazardous condition at the Applicant's property which could jeopardize the welfare of other customers of the District upon connection;
- d. Failure of applicant to provide representatives or employees of the District reasonable access to property for which service has been requested;
- e. Applicant's service facilities are known to be inadequate or of such condition that satisfactory service cannot be provided.

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 underbilling due to meter error, misapplied meter multiplier, incorrect meter readings, or computation error more than six (6) months prior to the date of application;
- c. Violation of the District's rules pertaining to operation of non-standard equipment or unauthorized attachments which interfere with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;
- d. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill; or
- e. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations.

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 (See Miscellaneous Transaction Forms).

10. Charge Distribution and Payment Application.

- a. **The Base Rate** is billed on a monthly basis. Charges shall be prorated for meter installations and service terminations falling during the billing period.
- b. **Gallonge Charge** shall be billed at the rate specified in Section G and billing shall be calculated in one hundred (100) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the District's employees or designated representative.
- c. **Posting of Payments** -- All payments shall be posted against previous balances prior to posting against current billings.
- d. **Forms of Payment:** The District will accept the following forms of payment: cash, personal check, cashier's check, money order, credit card (when service is available), automatic debit on customer's bank account, or draft on bank. The District will not accept two-party checks, pay checks, or any other instrument of payment that is not made out to the District. The District reserves the right to require exact change and may refuse to accept payments made using more than \$1.00 in coins.

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

- a. The District shall mail all bills on or about the 8th day of the month. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in Section G. A bill is delinquent if not paid on or before the past due date. Payments made by mail will be considered late if postmarked after the past due date. A ten calendar day grace period may then be allowed for delayed payments prior to termination of service. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposes shall be the next day the District office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or termination of service dates.
- b. Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the District shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15 day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings (Reference: Utilities Code Section 182.001 - 182.005).

12. Rules for Disconnection of Service.

The following describes the rules and conditions for disconnection of service. Notwithstanding any language to the contrary in the Service Application and Agreement Form, the District may only discontinue service for the reasons set forth in this Section. For the purposes of disconnecting sewer service under these policies, water service will be terminated in lieu of disconnecting sewer service. In instances of nonpayment of sewer service or other violations by

a customer who is not a water customer, the District has the option to disconnect the sewer tap or take other appropriate actions.

- a. **Disconnection with Notice** -- Water utility service may be disconnected for any of the following reasons after proper notification has been given.
 - i. Returned Checks -- The District shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the District office. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service (Miscellaneous Transaction Forms). Any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period shall be considered evidence of bad credit risk by the District. The customer in violation shall be placed on a “cash-only” basis for a period of 12 months. **NOTE:** “cash only,” means certified check, money order, or cash. Customers who are placed on a “cash-only” basis may still use the available credit card service at their own expense.
 - ii. Failure to pay a delinquent account for utility service, failure to timely provide a deposit or failure to comply with the terms of a deferred payment agreement (Miscellaneous Transaction Forms).
 - iii. Violation of the District’s rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation.
 - iv. Failure of the customer to comply with the terms of the District’s service agreement, service policy, bylaws, or special contract provided that the District has given notice of said failure to comply, and customer has failed to comply within a specified amount of time after notification.
 - v. Failure to provide access to the meter under the terms of this service policy or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify.
 - vi. Misrepresentation by any applicant of any fact on any form, document, or other agreement required to be executed by the District.
 - vii. Failure of customer to re-apply for service upon notification by the District that customer no longer meets the terms of the service classification originally applied for under the original service application.
 - viii. Failure to pay a delinquent account billed by the District for sewer utility service provided by [Retail Public Utility] pursuant to the District’s agreement with the [Retail Public Utility] (Miscellaneous Transaction Forms).
 - ix. Violation of any applicable regulation or statute pertaining to on-site sewage disposal systems if the District has been requested in writing to disconnect service by the TCEQ or the TCEQ’s designated representative under Chapter 366 of the Texas Health and Safety Code.
 - x. Failure to pay charges arising from service trip fee as defined in Section G.12, meter re-read fee, or meter read fee when customer on self-read plan failed to submit their meter reading.

- xi. Failure by a customer to pay for all repair or replacement costs resulting from the customer damaging system facilities including, but not limited to water or sewer lines, service taps, meter boxes, valves, or meters by engaging in activities such as property excavations, installment of a driveway or roadway requiring encasements, lowering or re-routing of lines or system components, or by any other action. The notice will detail the extent of the damage, the location of the damage, the cost of repair, and whether the damage occurred on private property or on a public right-of-way. Failure to pay the cost of repair or replacement will result in the customer's service being disconnected. Service will remain disconnected until payment is received or an acceptable payment plan is approved.
 - xii. Failure to disconnect or secure additional service tap(s) for an RV or other service connection (See E.20. of this Section) after notification by the District of violation of the prohibition of multiple connections.
- b. Disconnection Without Notice** -- Water utility service may be disconnected without notice for any of the following conditions:
- i. A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a violation under Chapter 341.011 of the Health and Safety Code. (Section E.3.d., E.21, 22; 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(j)). Service will be restored when a CSI confirms no health hazard exists, the health hazard has been removed or repaired, or the health hazard has been isolated from the District's water system by the installation of a backflow prevention device.
 - ii. A line leak on the customer's side of the meter is considered a potential hazardous condition under b(i). If the District conducts a CSI and discovers that the line leak has created a hazardous condition, the District will provide the customer up to five (5) business days, or another time period determined reasonable under the circumstances, to repair the line prior to disconnection of service.
 - iii. Service is connected without authorization or has been reconnected without authorization following termination of service for nonpayment; and
 - iv. Tampering with the District's meter or equipment, by-passing the meter or equipment, or other unauthorized diversion of service as set forth in Section E.18.
 - v. When a returned check is received on an account that was scheduled for disconnection, service shall be immediately disconnected.
 - vi. Where reasonable under the circumstances of the disconnection without notice, a written statement providing notice of disconnection and the reason

therefore shall be posted at the place of common entry or upon the front door of each affected residential unit after service has been disconnected.

- c. **Disconnection Prohibited** -- Utility service may not be disconnected for any of the following reasons:
- i. Failure of the customer to pay for merchandise or charges for non-utility service provided by the District, unless an agreement exists between the applicant and the District whereby the customer guarantees payment of non-utility service as a condition of service;
 - ii. Failure of the customer to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
 - iii. Failure of the customer to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billing;
 - iv. Failure of the customer to pay the account of another customer as guarantor thereof, unless the District has in writing the guarantee as a condition precedent to service;
 - v. Failure of the customer to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the inoperative meters subsection E.16. of this service policy.
 - vi. Failure of the customer to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the District is unable to read the meter due to circumstances beyond its control.
- d. **Disconnection on Holidays and Weekends** -- Unless a dangerous condition exists or the customer requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the District are not available to the public for the purpose of taking collections and reconnecting service.
- e. **Disconnection Due to Utility Abandonment** -- The District may not abandon a customer or a certificated service area without written notice to its customers and all similar neighboring utilities and approval from the Texas Commission on Environmental Quality.
- f. **Disconnection for Ill Customers** -- The District may not discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. To avoid disconnection under these circumstances, the customer must provide a written statement from a physician to the District prior to the stated date of disconnection. Service may be disconnected in accordance with Subsection (a) of this Section if the next month's bill and the past due bill are not paid by the due date of the next month's bill, unless the customer enters into a deferred payment agreement. (See Miscellaneous Transaction Forms).
- g. **Disconnection of Master-Metered Accounts and Non-Standard Sewer Services** -- When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the following shall apply:
- i. The District shall send a notice to the customer as required. This notice shall also

inform the customer that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.

- ii. At least five (5) days after providing notice to the customer and at least five (5) days prior to disconnection, the District shall post notices stating “Termination Notice” in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.
- iii. The tenants may pay the District for any delinquent bill on behalf of the owner to avert disconnection or to reconnect service to the complex.
- h. **Disconnection of Temporary Service** -- When an applicant with a temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this service policy service may be terminated with notice.

13. Billing Cycle Changes.

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

14. Back-billing.

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

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.

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

17. Bill Adjustments.

- a. **Due to a Determined or Undetermined Reason**-The District will allow for a customer bill adjustment for a usage spike once every two years. In order to qualify for this option, the customer must sign the latest Service Agreement Application, and must agree to a complimentary Customer Service Inspection. Upon compliance with any issues discovered during the CSI, the bill will be adjusted as follows:
 - 1. The customer’s average usage for the specific month will be determined, and the customer’s bill will be adjusted on that basis using the

District's tiered billing system.

2. Usage in excess of the average will be billed on a per 1,000 gallon basis using a rate which is equal to the latest annual overall cost of water from the Southmost Regional Water Authority.

3. Any cross-contamination hazards discovered on the customer's premises during the CSI shall be immediately remedied, or their service will be disconnected!

- b. **Due to Meter Error-**The District shall test any customer's meter upon written request of the customer. In the event the meter tests within the accuracy standards of The American Water Works Association, a test fee as prescribed in Section G of this service policy shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The customer shall complete a meter test request form prior to the test. (See Misc. Transaction Forms).

18. Meter Tampering and Diversion.

- a. For purposes of this Section, the term "Tampering" shall mean meter-tampering, by-passing, or diversion of the District's meter or equipment causing damage or unnecessary expense to the utility, bypassing the same, or other instances of diversion, including:
1. removing a locking or shut-off device used by the District to discontinue service;
 2. physically disorienting the meter;
 3. attaching objects to the meter to divert service or to by-pass;
 4. inserting objects into the meter;
 5. other electrical or mechanical means of tampering with, by-passing, or diverting service;
 6. connection or reconnection of service without District authorization;
 7. connection into the service line of adjacent customers of the District; and
 8. preventing the supply from being correctly registered by a metering device due to adjusting the valve so that flow is reduced below metering capability.

The burden of proof of Tampering is on the District. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the District's staff when any action regarding Tampering is initiated. A court finding of Tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the District shall be prosecuted to the extent allowed by law under the Texas Penal Code Section 28.03.

- b. If the District determines under subsection (a) that Tampering has occurred, the District shall disconnect service without notice as set forth in E.12.b.; 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
- c. In addition to actual damages charged under subsection (b), the District may assess a penalty against the person who committed the Tampering. The penalty must be reasonable and not exceed \$10,000.

NOTE: See Section 65.207, Water Code, regarding requirements for publication of new penalty provision and Section 49.004, Water Code, for penalty limits for districts.

19. Service Facility Relocation.

Relocation of service facilities on the same property shall be allowed by the District provided that:

- a. An easement for the proposed location has been granted to the District; and
- b. The customer pays the actual cost of relocation plus administrative fees.

20. Prohibition of Multiple Connections

To A Single Tap. No more than one (1) residential, commercial, or industrial service connection is allowed per meter or sewer connection. The District may consider allowing an apartment building or mobile home/RV park to apply as a “master metered account” and have a single meter (Referring to Section E.2.d.iv.). 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 without notice provisions of this service policy.

21. Customer’s Responsibility.

- a. The customer shall provide access to the meter as per the easement and service agreement. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the customer for the month; and a notice shall be 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 meter removed with no further notice. (Section E.3.d.)
- 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.
 - 1) All water service connections shall be designed to ensure against back-flow or siphonage into the District’s water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC 290.46)
 - 2) The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the District’s facilities. customer service pipelines shall be installed by the applicant. (30 TAC 290.46)
 - 3) All pipe and fittings used by the customer to convey sewage from its source to the

sewer line must be a minimum of D-3034, SDR-35 or equivalent, 4-inch diameter pipe. No DWV (drain waste and vent) pipe or fittings will be allowed. All joints must be watertight and pipe must be installed to recommended grade. All non-household sewer customers who have potential for dirt, grit, sand, grease, oil, or similar substances must install and maintain a trap ahead of their entrance to the District's sewer collection piping. A double cleanout is required at the property line and recommended at the house. The District may impose other site-specific requirements. All sewer and potable water service pipeline installations must be a minimum of nine feet apart and meet all applicable plumbing standards for crossings, etc.

Requirements for Traps:

- A. Discharges to the District's sewer system requiring a trap include but are not limited to:
 - i. grease or waste containing grease in amounts that will impede or stop the flow in the public sewers;
 - ii. oil, flammable wastes;
 - iii. sand, and other harmful ingredients.
- B. Any person responsible for discharges requiring a trap shall, at his own expense, and as required by the District:
 - i. Provide equipment and facilities of a type and capacity approved by the District;
 - ii. locate the trap in a manner that provides ready and easy accessibility for cleaning and inspection; and
 - iii. maintain the trap in effective operating condition.
- C. Approving Authority Review and Approval (by board or agency):
 - i. If pretreatment or control is required, the District shall review and approve design and installation of equipment and processes.
 - ii. The design and installation of equipment and processes must conform to all applicable statutes, codes, ordinances and other laws.
 - iii. Any person responsible for discharges requiring pretreatment, flow equalizing or other facilities shall provide and maintain the facilities in effective operating condition at their own expense.

Service shall be discontinued without further notice when installations of new facilities or repairs of existing facilities are found to be in violation of this Section 23.b until such time as the violation is corrected.

- c. The District's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the District shall be subject to charges as determined by this service policy.
- d. The District shall require each customer to have a cut-off valve on the customer's side of the meter for purposes of isolating the customer's service pipeline and plumbing facilities from the District's water pressure. This cut-off valve may be installed as a part of the original meter installation by the District. The valve shall meet AWWA standards (a ball valve is preferred). The customer's use of the District's curb stop or other similar valve for such purposes is prohibited. Any damage to the District's equipment shall be subject

to service charges.

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 facilities, including mud and debris accumulated during service line installation or construction of private facilities.
- b. No industrial wastes other than domestic sewage shall be discharged into the District's sewer system unless approved in writing by the board of directors. No toxic wastes, wastes which would damage the collection and treatment facilities or wastes which would interfere with the waste treatment process shall be discharged into the District's sewer system.
- c. Industrial wastes shall not be diluted by unnecessary use of process water, or by adding unpolluted water, before discharging into the District's sewer system. No unpolluted cooling water shall be discharged into the District's sewer system.
- d. No downspouts, yard or street drains, or gutters will be permitted to be connected into the District's sewer system.
- e. No ground water drains, foundation drains, or other subsurface drains shall be connected in the District's sewer system.
- f. 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 upon application forms made available from the District. Applicants for water service shall meet all District requirements for service including the granting of any necessary water easements (as determined by the District) to serve the connection and to enable

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

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 Texas Commission on Environmental Quality set forth in 30 TAC 290. In the event of a conflict between this service policy and TCEQ Rules, the more stringent rule shall apply.
- b. Water pipe and fittings shall be of brass, copper, cast iron, galvanized malleable iron, galvanized wrought iron, galvanized steel, 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 side of the common trench and the two lines shall be separated by a minimum of eighteen inches (18").
 - iii. The water service line shall be installed with water tight joints tested to a minimum of 150 PSI.
- e. A minimum of four feet (4') of type "L" soft copper pipe shall be installed at the end of the water service line at the connection to the water meter.
- f. Water service lines shall be bedded in washed sand to provide six inches (6") of cushion below the line. The trench bottom and walls shall be cleared of all protruding rocks which could damage the pipe before the sand bedding is placed.
- g. A District-owned water meter and a District approved meter box shall be installed by a District representative.

- h. Potable water supply piping, water discharge outlets, backflow prevention devices, or similar equipment shall not be located so as to make possible the submergence of such equipment in any contaminated or polluted substance.
- i. Lawn sprinkling systems shall be equipped with an approved vacuum breaker installed in the discharge side of each of the last valves. The vacuum breaker shall be installed at least six inches (6") above the surrounding ground and above a sufficient number of heads so at no time will the vacuum breaker be subjected to back pressure or drainage.
- j. The District's water system shall be protected from swimming pool makeup water by means of an approved backflow preventer or an adequate air gap.
- k. 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.

26. Connection of Sewer Service

- a. Applications for sewer service connections shall be filed with the District upon application forms made available from the District. Applicants for sewer service shall meet all District requirements for service including the granting of any necessary sewer easements (as determined by the District) to serve the connection and to enable the District to provide systemwide service. In areas where gravity sewer is not available, the District may allow the use of grinder pump stations under the following terms:

Low Pressure Grinder Pump Systems:

- i. The District shall own, install and maintain the grinder pump station and discharge piping from the pump station to the main sewer line. The property owner shall be required to construct the service line from the foundation of the residence or commercial building to the grinder pump station.
- ii. The District shall construct all sanitary sewer service facilities from the grinder pump station of a residence or commercial building to the District's sanitary sewer line which installation shall include the low pressure sewer system, all sanitary sewer piping and all electrical services requirements.
- iii. The location of the low pressure sewer system and concurrently the location of the easement shall be with the consent and approval of the District. The placement of each grinder pump station shall be within fifty (50) feet from the foundation of the residence or commercial building. In so much as possible, each property owner shall be consulted as to the final location of the grinder pump station. The final location of each grinder pump station shall be made solely by the District; its agents or employees based on the practical limitations of construction.

- b. A property owner shall provide the easement required by the District and such access to their property as may be reasonably necessary by the District in order to install and maintain any portion of the sewer system which is determined to be owned by the District in order to serve the residence or commercial building.
- c. The installation of a sewer system by the District's personnel or by the duly authorized agents or employees may result in the removal of grass, bushes, shrubs, soil or other fixtures. The removal of any soil to the extent necessary may be used to backfill over existing sewer lines and facilities, and the balance of such fill material may be utilized by the property owner for other requirements. The District shall not be obligated to remove or dispose of any fill material removed and not used for backfill in the installation of a sewer system or otherwise used by the owner. Further, the District nor its personnel, authorized agents or employees will be responsible for the replacement or replanting of any removed grass, bushes, trees, shrubs or other vegetation.
- d. The District shall inspect all physical connections of a residence or commercial building to the District's sanitary sewer system. The materials used in the connection must be pre-approved by the District.
- e. After the effective date of this service policy, the property owner shall be responsible for the payment required to make and have inspected, the connection to an existing sewer tap. For a non-standard gravity service, they will also be required to pay for any upsizing or installation costs for a new service connection to the main. Fees for Low Pressure Grinder Pump Systems are as follows:

Low Pressure Grinder Pump Stations:

- i. All costs for the acquisition or installation of a low pressure sewer system from the grinder pump station located at each property to the District's main sewer line located within the easement granted by the property owner to the District including but not limited to sewer pumps, tanks, fittings, valves, piping and electrical service;
- ii. The monthly electrical service costs to provide electrical service to the grinder pump station located at the residence or commercial building of a property;
- iii. A tap fee for connection of the low pressure sewer system to the main sewer line of the District which connection shall be made solely by the District, its agents or employees and at such costs as may be assessed from time to time by the District.
- f. The cost of the installation of additional sanitary sewer lines beyond the existing service lines of the District to newly developed areas within the District shall be the responsibility of the property owner and/or developer of property requesting service from the District.

27. Standards for Sewer Service Lines

The following regulations govern the installation of service lines to residences or commercial buildings within the District:

- a. After the effective date of this service policy, all new residential or commercial connections to the District's sewer system shall be made in accordance with Section (27) of this service policy.
- b. The following types of piping and fitting material are approved for constructing service lines from the foundation of a residence or commercial building to the District service connection or a grinder pump station:
 - i. Service pipe extending from the foundation of a residence or commercial building to the grinder pump station shall be Polyvinyl Chloride (PVC) Pipe, SDR 35, as defined in ASTM D-3034, push-on type with factory pre-molded gasketed joints. All fittings shall be PVC scheduled 40 solvent weld joints.
 - ii. Minimum size of service lines should be as follows:
Residential – 3 inches minimum diameter
Commercial – 6 inches in diameter
 - iii. Minimum grades for services lines shall be as follows:
3" or 4" pipe – one foot drop per hundred feet (1%)
6" pipe – six inches drop per hundred feet (0.5%)
8" pipe – four inches drop per hundred feet (0.33%)
 - iv. Maximum grades for service lines shall be as follows:
3" or 4" pipe – two and one-half feet drop per hundred feet (2.5%)
6" pipe – one and one-half feet drop per hundred feet (1.5%)
8" pipe – one foot droop per hundred feet (1%)
 - v. Service lines shall be constructed to true alignment and grade, and warped and sagging lines will not be permitted.
- c. Water-tight adapters of a type compatible with the materials being joined shall be used at the point of connection of the service line to the residence or commercial building plumbing. No cement grout materials shall be permitted.
- d. Fittings and cleanouts for service lines shall be as follows:
 - i. No bends or turns at any point shall be greater than 45 degrees.
 - ii. Each horizontal service line shall be provided with a cleanout at its upper terminal and at the point that the line crosses into the public street right of way or utility easement; and each such run of piping which is more than ninety (90) feet in length shall be provided with a cleanout for each ninety (90) feet or fraction thereof, in length of such piping.
 - iii. Each cleanout shall be installed so that it opens in a direction opposite to the flow of the waste and, except in case of "wye" branch and end-of-the-line cleanouts, cleanouts shall be installed vertically above the flow line of the pipe.
 - iv. Each cleanout shall be made with an airtight mechanical plug.
- e. All residential or commercial building drains and sewers leading to the District's sewer system shall be maintained so as to exclude any ground or surface water from entering the sewer system. The District shall require the owner of these facilities to immediately correct at his own cost and expense any leaks or other conditions allowing the entry of ground water into the sewer system. This provision shall apply

- whether such leaks or conditions existed prior to the effective date of this Ordinance or occur at a later date.
- f. 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.
 - g. 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.
 - h. As herein above stated, the physical connection to the District's sewer main line will be made by the District, its agents or employees.

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.

It is the purpose of this section to define the process by which the specific terms and conditions for all kinds of non-standard service, including specifically for non-standard service to subdivisions and the respective developers and subdividers, are determined, including the non-standard service application and the District's respective costs.

3. Application of Rules.

This section sets forth the terms and conditions pursuant to which the District will process non-standard service requests. This section is applicable to subdivisions, additions to subdivisions, 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", or the installation of new taps onto District mains. For the purposes of this service policy, applications subject to this section shall be defined as non-standard. 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 is governed by this section.

4. Non-Standard Service Application.

The applicant shall meet the following requirements prior to the initiation of non-standard service or the execution of a non-standard service contract by the District:

- a. The applicant shall provide the District a completed Service Application and Agreement. The applicant shall specify any special service needs, such as large meter size, size of subdivision or multi-use facility, or the required level of fire protection requested, including the flow and pressure requirements and specific infrastructure needs such as line size and system capacity.
- 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, right-of-way, and other service facilities. Plans, specifications, and special requirements of such

- governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
- d. A non-standard service Investigation Fee shall be paid to the District in accordance with the requirements of section G for purposes of paying initial administrative, legal, and engineering fees. The District shall refund any balance that remains after it has completed its service investigation, and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all reasonable expenses incurred by the District, the applicant shall pay to the District all remaining expenses that have been, or will be incurred by the District and District shall have no obligation to complete processing of the request until all remaining expenses have been paid.
 - e. If after the service investigation has been completed, the District determines that the applicant's service request is for property located, in whole or in part, outside the area described in the District's defined service area, service may be extended provided that:
 - i. The applicant provides written permission from the adjacent CCN holder for this District to serve their property.
 - ii. The District's defined service area shall be amended to include the entirety of applicant's property for which service is requested. Applicant shall pay all reasonable costs incurred by District for annexation or for amending its CCN, including but not limited to engineering and professional fees. The District may extend service prior to completing the amendment to its CCN, but will do so only upon applicant's legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including legal, surveying and engineering fees incurred by District in securing the amendment). If the District determines to annex the property, the applicant shall secure written requests for annexation from all ownership interests in the property to be annexed, and shall pay all costs, including engineering and professional fees for the annexation.

5. Design.

Upon receipt of a complete non-standard service application and Investigation Fee, the District shall study the design requirements of the applicant's required facilities prior to initiation of a non-standard service contract by adopting the following schedule:

- a. The District's Manager or consulting 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. Any engineering or review fees shall be paid out of the non-standard service Investigation Fee under section 4.
- c. The Manager shall prepare, or the consulting engineer shall submit to the District a set of detailed plans, specifications, and cost estimates for the project.
- d. The Engineer shall ensure all facilities for any applicant are of proper size and type to meet the level and manner of service specified in the non-standard service application. The District reserves the right to upgrade design of service facilities to meet future

demands provided however, that the District shall pay the expense of such upgrading in excess of what is reasonably and directly allocable to the applicant's facility requirements.

6. *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/contracting for additional sewer treatment capacity, 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 base rate 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 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 easements or title to property as appropriate.

- a. If the District determines that easements or facility sites outside the applicant's property are required, the applicant shall secure such easements or title to facility sites exclusively for the District. All easements and property titles shall be researched, validated, and filed by the District at the expense of the applicant (See Sample Application Packet RUS Form 442-8 or 442-9).
- b. In the event the applicant is unable to secure any easements or title to any sites required by the District, and the District determines to acquire such easements or title by eminent domain, all reasonable costs incurred by the District shall be paid by the applicant, including legal fees, appraisal fees, court costs, and the condemnation award.
- c. The District shall require 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 facilities sites shall be prepared for the construction of all District facilities in accordance with the District's requirements and at the expense of the applicant.

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

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

9. *Bids for Construction.*

The District's or the applicant's consulting engineer shall solicit or shall advertise for bids for the construction of the applicant's proposed facilities in accordance with law and generally accepted practices. Plans and specifications shall be made available, with or

without charge, to prospective bidders. Although the District reserves the right to reject any bid or contractor, the District shall generally allow the award of the contract to the lowest and best bidder in accordance with the following criteria:

- a. The applicant shall execute the non-standard service contract evidencing willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
- b. The contractor shall provide an adequate bid bond under terms acceptable to the District;
- c. The contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the District;
- d. The contractor shall supply favorable references acceptable to the District;
- e. The contractor shall qualify with the District as competent to complete the work; and
- f. The contractor shall provide adequate certificates of insurance as required by the District.

10. *Pre-Payment for Construction and Other Costs.*

As a general rule, applicant shall be required to pay all anticipated costs of construction, easement and title acquisition, legal and engineering fees, and other costs associated with extending non-standard service prior to these costs being incurred by District. District shall promptly remit any and all unexpended prepaid funds, without interest, upon completion of the non-standard service extension and commencement of service. While the District will make every reasonable effort to work with applicant, prepayment of costs shall be provided in a manner acceptable to District. The District may allow an applicant to execute their own private contract for the construction of their facilities. In this case, the applicant shall provide a financial guarantee for the completion of the improvements in the form of a letter of credit from an acceptable lending institution, in the name of the District to ensure that the project is properly completed. This financial guarantee will be returned upon acceptance of the facilities for the warranty period, unless there is a reason to retain it for an additional period.

11. *Construction.*

- a. The District shall, at the expense of the applicant, inspect the facilities to ensure compliance with District standards.
- b. 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.*

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 if one has been executed. 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 50 acres or greater

- a. For service to subdivisions involving tracts of fifty (50) acres or greater, the applicant developer must provide all information otherwise required under this section and must ensure that the District has been provided complete information sufficient to determine whether the level and manner of service requested by the applicant developer can be provided within the time frame specified by the applicant developer and to determine what capital improvements, including expansion of capacity of the District’s production, treatment and/or storage facilities and/or general transmission facilities properly and directly allocable to the requested level and manner of service, will be needed. At a minimum, and in addition to information otherwise required under this section, the applicant developer must provide:
 - i. Map and description of the area to be served complying with the map requirements of 30 TAC section 291.105(a)(2)(A)-(G) of the TCEQ’s Rules.
 - ii. Time frame for:
 - a. Initiation of service; and
 - b. Service to each additional phase following the initial service.
 - iii. Level of service (quantity and quality) for:
 - a. Initial service; and
 - b. 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 12.a-i of this policy.
 - iv. Manner of service for:
 - a. Initial needs; and
 - b. 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 and/or sewer demand of the development when fully built out and occupied, the anticipated water/sewer 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; and
 - 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. The applicant developer must advise the District that he/she may request expedited decertification from the TCEQ.
 - 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 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 engineering costs to verify if the District's facilities are adequate to handle the new development, any required capital improvements, acquisition of any additional water supply/sewer treatment capacity, easements and land acquisition costs, and any other professional fees).
 - ii. In the event the District's initial review of the applicant developer's service application shows that additional information is needed, the District will notify applicant developer of the need for such additional information. Notice of the need for additional information will be made in writing within 30 days of the date the District receives the applicant developer's payment of the required fees and completed application for non-standard service. Applicant developer should respond to the District's request for additional information within 15 days of receipt of the District's written request. In any case, the District will provide the written report, including any final approval by the District's Board (if applicable) within ninety (90) days from the date of the initial written application and payment of all required fees.
 - iii. By mutual written agreement, the District and the applicant developer may extend the time for review beyond the ninety (90) days provided for expedited petitions to the TCEQ. The applicant developer is advised that failure to timely provide the information required by this section, including this

Subsection, may cause the TCEQ to reject any subsequent petition for decertification of applicant developer's property. The applicant developer is further advised that if the applicant developer makes any change in level or manner of service requested, the time frame for initiation of service, or the level or manner or time frame for any phase of service, the applicant developer's original application for non-standard service will be deemed withdrawn, and the change may be considered a new application for non-standard service for all purposes, including the times specified herein for processing.

- iv. Following ninety (90) days and final approval by the District and acceptance of the District's terms for service by the applicant, a non-standard service contract will be executed and the District shall provide service according to the conditions contained in the non-standard service contract.

SECTION G: RATE AND SERVICE FEE ORDER

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

1. *Classes of Users.*

All users of the District's water and/or sewer services shall be classified as either standard or non-standard service, as further defined in Section E and Section F of this service policy.

Either class of users may be further classified into customer classes according to the type of service, cost or risk associated with each individual customer class. See Texas Water Code 49.2122.

2. *Service Investigation Fee.*

The District shall conduct a service investigation for each service application submitted to the District. An initial determination shall be made by the District, without charge, as to whether the service request is standard or non-standard. An investigation shall then be conducted and the results reported under the following terms:

- a. All standard service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the applicant within ten (10) working days of application.
- b. All non-standard service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees required by the District to:
 - i. provide cost estimates of the project,
 - ii. develop detailed plans and specifications as per final plat,
 - iii. advertise and accept bids for the project,
 - iv. execute a non-standard service contract with the applicant, and
 - v. provide other services as required by the District for such investigation.

3. *Deposit.*

- a. At the time the application for service is approved, an applicant for standard service shall pay an account deposit which will be held by the District, without interest, until settlement of the customer's final bill. The deposit will be used to offset final billing charges of the account. In the event that FIVE DOLLARS (\$5.00) or more of the deposit remains after the final billing is settled, the balance will be paid to the customer within forty-five (45) days, provided the District is given a suitable address. All requests for refunds shall be made in writing and should be filed within ninety (90) days of termination. In the event that an outstanding balance exists after the deposit is applied, the District shall attempt to collect the outstanding balance by all lawful means available.
 - i. The deposit for standard service is \$150.00.
 - ii. The deposit for non-standard service including oversized or master metered accounts shall be based on multiples of meter size equivalence.

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

4. Easement Fee.

When the District determines that dedicated easements and/or facilities sites are necessary to provide service to the applicant, the applicant shall be required to make good faith efforts to secure the necessary easements and/or sites in behalf of the District and/or pay all costs incurred by the District in validating, clearing, and retaining such easements or sites in addition to tap fees otherwise required pursuant to the provisions of this service policy. The costs may include all legal fees and expenses necessary to attempt to secure such easements and/or facilities sites in behalf of the District.

5. Installation Fee for a New Home/Business.

The District shall charge an installation fee for service that does not exceed the actual and reasonable cost as follows:

- a. **Standard service** shall include all current labor, materials, engineering, legal, and administrative costs necessary to provide individual metered water (or wastewater). This fee does not include a Customer Service Inspection. Service shall be charged per service unit as follows:

Meter Size 5/8” X 3/4”	Water Installation (Tap) Fee	\$ 750.00
Line Size 4”	Sewer Installation (Tap) Fee	\$ 750.00

- b. **Non-standard service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the District under the rules of Section F of this service policy. An applicant for an oversized meter will be required to pay the difference between the cost of that meter and a standard 5/8” meter in addition to the standard meter fee.
- c. **Standard and non-standard service installations** shall include all costs of any pipeline relocations as per Section E.2.d.vii. of this service policy or other system improvements.
- d. **Establishment of Service on an Existing Residence or Business** will require a \$100.00 Account Activation Fee for a site that has an existing meter that has maintained continuous service. An additional \$25.00 will be charged when the service had previously been discontinued.
- e. **Re-establishment of Service back into the name of the owner** will require a fee of \$25.00 if the service was uninterrupted. If service was previously suspended, the fee

will be \$125.00.

6. Monthly Charges.

a. Base Rate for Single Unit Residential or Commercial Customers.

- i. Water service - The monthly charge for standard metered water service is for a 5/8” by 3/4” meter. The 5/8” X 3/4” meter charge is used as a base multiplier for larger non-standard meters in accordance with the following chart based on American Water Works Association maximum continuous flow specifications:

METER SIZE	5/8” X 3/4” METER EQUIVALENTS	MONTHLY RATE
5/8” X 3/4”	1.0	\$19.00
3/4”	1.5	\$28.50
1”	2.0	\$38.00
1 1/2”	5.0	\$95.00
2”	8.0	\$152.00
3” DISP.	9.0	\$171.00
3” CMPD.	16.0	\$304.00
3” TURB.	17.5	\$332.50
4” CMPD.	25.0	\$475.00
4” TURB.	30.0	\$570.00
6” CMPD.	50.0	\$950.00
6” TURB.	62.5	\$1,187.50
8” CMPD.	80.0	\$1,520.00

Note: Certain customer classes, such as customers receiving fire flow that require a higher cost of service to the district for that class, may be charged a higher Base Rate as set forth in this policy.

- ii. Sewer service - The monthly charge for standard sewer service on a per tap basis is as follows: \$15.00

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

- i. Water – Water usage will be charged according to the following usage:
 - Tier 1: \$2 .00 per 1, 000 gallons for any gallage from 0 to 10,000.
 - Tier 2: \$2.25 per 1,000 gallons for any gallage from 10,001 to 15,000.
 - Tier 3: \$2.75 per 1,000 gallons for any gallage from 15,001 to 25,000.
 - Tier 4: \$3.50 per 1,000 gallons for any gallage from 25,001 and up.
- ii. Sewer – Sewer usage will be charged at the following usage:
 - Tier 1: \$1.75 per 1, 000 gallons for any gallage from 0 to15, 000.
 - Tier 2: \$2.00 per 1,000 gallons for any gallage from 15,001 and up.

Note: Residential customers only pay Tier 1 Sewer Rates as their usage above 15,000 gallons is assumed to be irrigation use and is not counted. This rule may be extended to commercial establishments such as professional offices if they do not use water as a function of their income.

- iii. The District shall, as required by Section 5.235, Water Code, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water or wastewater service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G.6. monthly charges of this service policy.
 - iv. The District, as a part of its billing process, collects voluntary contributions on behalf of the Town of Rancho Viejo Voluntary Fire Department. The District reserves the right to retain the costs of administering the fund from the proceeds. These costs may include administrative costs for billing, collecting, and disbursing the voluntary contributions.
- b. **Base Rate for Multi-Family or Multi-Tenant, or RV Park Customers.**
- i. Water Service- The monthly charge for water service of multi-family, multi-tenant commercial, or RV Park customers is as follows:
The number of units multiplied by \$12.00.
 - ii. Sewer Service- The monthly charge for sewer service of multi-family, multi-tenant commercial, or RV Park customers is as follows:
 - a. Multi-Family or Multi-Tenant Commercial Customers- The number of units multiplied by \$15.00.
 - b. RV Park Customers- The number of units multiplied by \$5.00.

Gallorage Charge - In addition to the Base Rate, a gallorage charge shall be added at the following rates for usage during any one (1) billing period.

- i. Water – Water usage will be charged according to the following usage:
Tier 1: \$2 .00 per 1, 000 gallons for any gallorage.
- ii. Sewer – Sewer usage will be charged at the following usage:
Tier 1: \$1.75 per 1, 000 gallons for any gallorage.

Note: Multi-Family or Multi-Tenant Customers whose usage exceeds 15,000 gallons per unit of usage will not be billed for that excess usage.

7. *Outside of District Rates.*

Customers outside the District will be billed using the above rates and multiplied by a factor of two.

8. *Capital Contribution / Impact Fee.*

Each applicant for a new service unit where service has never been provided before shall be required to pay a capital contribution fee in an amount to be determined by the Board of Directors. This fee shall be used to assist in funding capital improvements to the District's system capacity, including water supply or for recouping those costs. This fee shall be assessed immediately prior to providing service on a per service unit basis and shall be assigned and restricted to the location where the service was originally requested. If the sum of the capital

contribution fee and the installation fee exceeds three times the installation fee, the capital contribution fee is defined as an impact fee and must be approved by TCEQ under Texas Water Code 49.212 and Local Government Code Chapter 395.

Minimum Factors for Consideration in Calculating a Fee include:

- Prepare and adopt a capital improvement plan.
- Project number of connections during period covered by plan.
- Prepare a table establishing the additional demand on system facilities and supply.
- Identify additional facilities to be constructed and probable cost to be financed through impact fees.
- Divide total cost to be financed through impact fees by number of connections the facilities will serve to determine per connection impact fee.

See also 30 TAC 293.171-.176.

9. *Late Payment Fee.*

Once per billing period, a penalty of 10% shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period.

10. *Returned Check Fee.*

In the event a check, draft, or any other similar instrument is given by a person, firm, District, or partnership to the District for payment of services provided for in this service policy, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$30.00.

11. *Reconnect Fee (Re-service Fee).*

The District shall charge a fee of \$25.00 for reconnecting service after the District has previously disconnected the service for any reason provided for in this service policy except for activation of service under Section E.3.b. Re-service. An additional \$75.00 shall apply for service that is restored outside of the District's normal working hours, or on holidays.

12. *Service Trip Fee.*

The District shall charge a trip fee of \$50.00 for an after-hours 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) when it is determined that the problem is not the responsibility of the District.

13. *Meter Tampering and Diversion Penalty.*

In addition to the Equipment Damage Fee, the District may charge a penalty for "Tampering" as defined in Section E.18 in the amount of \$ 100.00. 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.

Note: See Section 65.207, Water Code, regarding requirements for publication of new penalty provision and Section 49.004, Water Code, for penalty limits for districts.

14. Fee for Unauthorized Actions.

If the District's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair or replacement of the District's facilities and shall be paid before service is re-established. The fee shall also include the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authorization. All components of this fee will be itemized, and a statement shall be provided to the customer. If the District's facilities or equipment have been damaged due to unauthorized use of the District's equipment, easements, or meter shut-off valve, or due to other unauthorized acts by the customer for which the District incurs losses or damages, the customer shall be liable for all labor and material charges incurred as a result of said acts or negligence. Note: Payment of this fee will not preclude the District from requesting appropriate criminal prosecution.

15. Customer History Report Fee.

A fee of \$0.00 shall be charged to provide a copy of the customer's record of past water (or sewer service) purchases in response to a customer's request for such a record.

16. Meter Test Fee.

The District shall test a customer's meter upon written request of the customer. Under the terms of Section E of this service policy, a charge of \$50.00 shall be imposed on the affected account.

17. Non-Disclosure Fee.

A fee of \$0.00 shall be assessed any customer requesting in writing that personal information under the terms of this service policy not be disclosed to the public.

18. Customer Service Inspection Fee.

A fee of \$100.00 will be assessed each applicant before permanent continuous service is provided to new construction if an additional inspection is required in addition to the initial inspection included with the installation or tap fee.

19. Franchise Fee Assessment.

A fee of _____% of the amount billed for water service will be assessed each customer whose meter is located inside the corporate limits of the city of _____, Texas, as required by the city.

20. Regulatory Assessment.

A fee of 0.5% of the amount billed for water/sewer service will be assessed each customer; as required under Texas law and TCEQ regulations.

21. 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, this fee or assessment will be billed and collected as a “pass through” charge to the customer.

22. Groundwater District Production Fee.

The District does not charge a Groundwater District Production Fee.

23. Other Fees.

The actual and reasonable costs for any services outside the normal scope of utility operations that the District may be compelled to provide at the request of a customer shall be charged to the customer. Please see the attached Schedule of Additional Fees.

24. Termination of Service.

A fee of \$25.00 will be charged for the District to take a final reading and close a meter when an account is being terminated.

25. Raw Water Fees.

Raw Water provided for irrigation purposes is charged as follows:

- a. Residential or Commercial Customers with Resaca Pumps are charged \$10.00 per month.
- b. Water is placed and maintained in the River Bend Resaca System as per the 1984 Settlement Agreement at no charge.
 - i. Water that is used by River Bend for golf course or other irrigation purposes is charged as stated below.
- c. Other Irrigation Water is charged at the following rates:
 - i. Base Rate: \$12.50 per acre foot.
 - ii. Non-Farmer Charge: \$2.50 per acre foot.
 - iii. Non-Pre-Payed Flat Rate Charge: \$5.25 per acre foot.
 - iv. Outside of District Charge: \$4.00 per acre foot.

Customers who use their own water rights for irrigation inside the District will be discounted \$2.00 per acre foot.

Customers who use District water rights for irrigation outside the District will be charged an additional \$2.00 per acre foot.

26. Other Fees.

- a. **Subdivisions and Commercial/Multi-Family Development Review** fees are \$500.00, which includes up to 10 plan sheets. Additional sheets will be charged \$60.00 per sheet for up to 25 pages of plans. Each additional sheet in excess of 25 shall be charged \$40.00 per sheet.
- b. **The Review fee for a Minor Plat** which does not involve street or major utility construction and therefore typically do not have any plan sheets is \$100.00.
- c. **A Customer Service Inspection Certificate-** \$100.00 will be charged for District personnel to perform Customer Service Inspections of new

- construction of homes and construction or alteration of swimming pools. Customer Service Inspections may also be performed by licensed City Inspectors, Plumbing Inspectors, or Water Supply Protection Specialists.
- d. **A Recreational Vehicle/Park Model/Minor Remodel Inspection Fee-** \$25.00 per inspection, not to exceed \$100.00.
 - e. **New home or Addition Permit Fee -** \$100.00 which includes a final inspection to ensure compliance with the approved drainage plan.
 - f. **Irrigation Permit Fee -** \$60.00 for new systems tied into the District potable water system. \$25.00 for repairs to existing backflow compliant systems or for the installation/repair of systems using Resaca pumps.
 - g. **Seawall Permit Fee -** \$60.00
 - h. **Driveway Permit Fee-** \$75.00 which includes a final inspection to ensure compliance with the approved drainage plan.
 - i. **Temporary Construction Water Meter-** \$25.00 plus \$500 deposit for meter (installed and uninstalled by THE District Personnel).
 - j. **Swimming Pool Construction Permit Fee-** \$25.00 (a CSI fee may also apply).
 - k. **Hose Bib Vacuum Breaker Installation-** \$15.00 for the first one and \$10.00 each for additional installations on the same service call.
 - l. **Culvert Cleaning-** Residents who wish to have their driveway culverts cleaned will pay \$100.00 per hour in one hour increments for a District crew to come out with a vacuum truck and clean the culvert. Response to flooding during or directly after a heavy rain event will not be billed if the supervisor determines that a blocked culvert is causing problems to upstream residents.
 - m. **Convenience Copies-** \$0.25 per page for letter sized black and white sheets and \$0.75 per page for color copies or any legal or tabloid sized sheets.
 - n. **Facsimile Services** (not related to District business requirements).
 - i. Outgoing- *\$10.00* for up to 10 pages with each additional page costing \$0.25. This price includes three attempts successful or unsuccessful. An additional charge of \$5.00 will be added for each additional three attempts.
 - ii. Incoming- \$5.00 for up to 10 pages with each additional page costing \$0.25.
 - o. **Open Records Requests-**
 - i. Personnel time for locating, compiling, and reproducing records is \$15.00 per hour. A \$15.00 deposit will be required for jobs estimated to take more than one hour to complete.
 - ii. Letter size black and white copies- \$0.10 per page.
 - iii. DVD/CD- \$3.00 per standard disk

SECTION H: DROUGHT CONTINGENCY AND EMERGENCY WATER DEMAND MANAGEMENT PLAN

1. *DECLARATION OF POLICY, PURPOSE, AND INTENT*

Valley MUD No. 2 is a service provider of both potable domestic water and agricultural irrigation water. Domestic Potable Water is derived from three sources: a District owned brackish water well that utilizes Gulf Coast Aquifer water, the Rio Grande River, and the Southmost Regional Water Association (which also uses Gulf Coast Aquifer water via brackish water wells). Agricultural Irrigation Water is derived solely from the Rio Grande River via a pump station. Valley MUD No. 2 also has contracts to purchase treated domestic water from two neighboring entities: the Olmito Water Supply Corporation and the Military Highway Water Supply Corporation. These treated water contracts are generally only used in times of equipment failure.

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, Valley MUD No. 2 hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to surcharges as defined in Section XI of this Plan. Because Valley MUD No. 2 provides both domestic water and irrigation water, triggering criteria for the various drought stages will be divided to suit those two uses.

2. *PUBLIC INVOLVEMENT*

Opportunity for the public to provide input into the preparation of the plan is provided by the District by means of discussion at regularly scheduled meetings of the Board of Directors.

3. *PUBLIC EDUCATION*

The Valley MUD No. 2 will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan 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 messages on monthly bills and direct mail.

4. COORDINATION WITH REGIONAL PLANNING GROUPS

The service area of the Valley MUD No. 2 is located within Region M of the Texas Water Development Board which is administered through the Lower Rio Grande Development Council. Valley MUD No. 2 has provided a copy of this Plan to the Lower Rio Grande Development Council.

5. AUTHORIZATION

The General Manager, or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Board of Directors after consultation with the General Manager shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

6. APPLICATION

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the Valley MUD No. 2. The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

7. DEFINITIONS

For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

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.

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.

Customer: any person, company, or organization using water supplied by Valley MUD No. 2.

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.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Industrial water use: water used for industrial purposes in such industries as steel, chemical, paper, and petroleum refining.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, parks, and rights-of-way and medians.

Non-essential water use: water uses that are neither essential nor required for the protection of public, health, safety, and welfare, including:

- 1) irrigation of landscape areas, including parks, and athletic fields, except otherwise provided under this Plan;
- 2) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- 3) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- 4) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- 5) flushing gutters or permitting water to run or accumulate in any gutter or street;
- 6) use of water to fill, refill, or add to any indoor or outdoor swimming pools or jacuzzi-type pools;
- 7) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- 8) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- 9) use of water from hydrants for construction purposes or any other purposes other than firefighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

8. *INITIATION OR TERMINATION OF DROUGHT STAGES*

a. Domestic Potable Water-Triggering criteria are based on the ability of the District to provide reliable water service to its potable water customers.

b. Agricultural Water (including resaca pumps)-Triggering criteria are based on the U. S. water stored in the Rio-Grande River Basin Reservoirs.

Each criterion is separate and distinct to justify stage triggering. Generally, the criteria are designed to implement restrictions to modify consumption levels to maintain a 24 to 36 month supply of water through drought conditions or when equipment and facilities problems restrict production. When the criteria for stage triggering events have ceased to exist, the stage may be terminated.

The General Manager or his/her designee shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each

stage of the Plan, that is, when the specified trigger criteria are reached. The General Manager will then place an item on the agenda for determination by the Board of Directors to initiate each drought stage. An item will be placed on the agenda each month to monitor trigger criteria conditions for further implementation of higher stages until termination of all stages and normal water levels are returned.

Stage 1 Trigger -- MILD Water Shortage Conditions

Criteria for initiation

- 1) Agricultural Water- When the level of United States water stored in Rio-Grande River Basin Reservoirs falls below 50% of capacity, or the District's combined water rights drop below 25% of the total available.
- 2) Potable Water- When any combination of water availability, equipment failure, or treatment problems causes the capacity of Valley MUD No. 2's treatment and pumping facilities to fall to within 90% of the daily consumption of potable water.

Stage 2 Triggers -- MODERATE Water Shortage Conditions

Criteria for initiation

- 1) Agricultural Water- When the level of United States water stored in Rio-Grande River Basin Reservoirs falls below 25% of capacity, or the District's combined water rights drop below 15% of the total available.
- 2) Potable Water- When any combination of water availability, equipment failure, or treatment problems causes the capacity of Valley MUD No. 2's treatment and pumping facilities to fall to within 70% of the daily consumption of potable water.

Stage 3 Triggers -- SEVERE Water Shortage Conditions

Criteria for initiation

- 1) Agricultural Water- When the level of United States water stored in Rio-Grande River Basin Reservoirs falls below 15% of capacity, or the District's combined water rights drop below 10% of the total available
- 2) Potable Water- When any combination of water availability, equipment failure, or treatment problems causes the capacity of Valley MUD No. 2's treatment and pumping facilities to fall to within 50% of the daily consumption of potable water.

Stage 4 Triggers -- CRITICAL Water Shortage Conditions

Criteria for initiation

- 1) Agricultural Water- When the level of United States water stored in Rio-Grande River Basin Reservoirs falls below 10% of capacity, or the District's combined water rights drop below 5% of the total available.

- 2) Potable Water- When any combination of water availability, equipment failure, or treatment problems causes the capacity of Valley MUD No. 2's treatment and pumping facilities to fall to within 25% of the daily consumption of potable water.
- 3)

9. *DROUGHT NOTIFICATION AND STAGE RESPONSE*

After each stage implementation or termination the General Manager shall implement the following notifications:

Notification

Notification of the Public:

The General Manager or his/ her designee shall notify the public by means of:

- 1) direct mail to each customer, or
- 2) placement notice on bills, and
- 3) announcements posted in public places (website and VMUD No. 2 Office).

Additional Notification:

The General Manager or his/ her designee shall notify directly, or cause to be notified directly, the following individuals and entities:

- 1) Mayor of the Town of Rancho Viejo,
- 2) TCEQ (required when mandatory restrictions are imposed), and
- 3) River Bend POA.

Notifications must state the stage being implemented or terminated, the criterion that established stage initiation or termination, and the stage response conditions.

Response

Resaca levels within the District will be maintained as necessary to fulfill District obligations and needs. These determinations will be decided by the General Manager with consultation from the President of the Board. The District will not use District's water right to fill any Resaca outside of the district when Stage 2 or greater is implemented. The District may fill resacas outside of the district using water rights provided by owner of said Resaca. When the District is allowed to pump not using the District water rights ("Free Pumping") the General Manager may allow certain stage responses to be altered depending on conditions set forth by the Rio Grande Water Master.

Limitation of farm land irrigation within the district shall be decided by the Board during discussions of the stage implementation depending on the following criteria:

- 1) Stage implemented,
- 2) time of year,
- 3) crop planted or to be planted,

- 4) acreage requesting to be watered, and
- 5) amount of water requested by farmer.

Stage 1 Responses -- MILD Water Shortage Conditions

Water Use Restrictions:

The following water use restrictions are voluntary to all customers:

- 1) Water customers are requested to voluntarily limit the irrigation of landscaped areas to no more than 3 days a week. Do not water between the hours of 10:00 a.m. and 7:00 p.m.
- 2) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

Stage 2 Responses -- MODERATE Water Shortage Conditions

Supply Management Measures:

- 1) Potable Water-Standard retail customers rates (refer to latest effective Water Rates) will be increased by the following:
 - Tier 2: Add \$0.25 per 1,000 gallons from 10,001 to 15,000 to the current rate.
 - Tier 3: Add \$0.25 per 1,000 gallons from 15,001 to 25,000 to the current rate.
 - Tier 4: Add \$1.50 per 1,000 gallons from 25,001 and up to the current rate..
- 2) Potable Water-For Condo/Large meter customers:
 - Tier 1: \$10.00 times the number of dwelling units or business entities on a meter (larger than 1-inch).
Add \$0.50 per 1,000 gallons to the current rate.
- 3) Agricultural Water-All raw water diversions for customers and resaca pump bills will require a 10% surcharge amount in addition to their diversion amount or normal resaca pump charge. The General Manager, because of conditions set forth by the Rio Grande Water Master may adjust this requirement at the time of the diversions.

Water Use Restrictions.

The following water use restrictions shall apply to either potable water customers or resaca pump customers, or both, depending on the classification of the drought stage:

- 1) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9). Irrigation of landscaped areas is

further restricted and prohibited between the hours of 10:00 a.m. and 7:00 p.m. on designated watering days. However, irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

- 2) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days. Such washing shall be done with a bucket and a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- 3) Operation of any ponds or ornamental fountain for aesthetic or scenic purposes is prohibited. Fountains that are equipped with a recirculation system are exempt at this stage.
- 4) Use of water from hydrants shall be limited to firefighting, related activities, or other activities necessary to maintain public health, safety, and welfare. Use of water from designated fire hydrants for construction purposes may be allowed under special permit from the Valley MUD #2.
- 5) Irrigation of golf course greens, tees, and fairways is permitted between the hours 7:00 p.m. and 10:00 a.m.
- 6) The following uses of water are defined as non-essential and are prohibited:
 - a) Wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - b) use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - c) use of water for dust control;
 - d) flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - e) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Stage 3 Responses -- SEVERE Water Shortage Conditions

Supply Management Measures:

- 1) All rates of raw water furnished to customers inside the District shall double from the standard approved rates.
- 2) Standard retail customers rates (refer to latest effective Water Rates) will be increased by the following:
 - Tier 2: add \$0.50 per 1,000 gallons from 10,001 to 15,000 to the current rate.
 - Tier 3: add \$1.25 per 1,000 gallons from 15,001 to 25,000 to the current rate.
 - Tier 4: add \$3.50 per 1,000 gallons from 25,001 and up to the current rate.
- 3) For Condo/Large meter customers:

Tier 1: \$10.00 times the number of dwelling units or business entities on a meter (larger than 1-inch).

Add \$0.50 per 1,000 gallons to the current rate.

- 4) All raw water diversions for customers and resaca pump bills will require a 25% surcharge amount in addition to their diversion amount or normal resaca pump charge. The General Manager, because of conditions set forth by the Rio Grande Water Master may adjust this requirement at the time of the diversions.

Water Use Restrictions:

The following water use restrictions shall apply to either potable water customers or resaca pump customers, or both, depending on the classification of the drought stage:

- 1) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9). Irrigation of landscaped areas is further restricted and prohibited between the hours of 10:00 a.m. and 7:00 p.m. on designated watering days. Irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- 2) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days. Such washing shall be done with a bucket and a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- 3) Operation of any ponds or ornamental fountain for aesthetic or scenic purposes is prohibited. Fountains that are equipped with a recirculation system are not exempt at this stage.
- 4) Use of water from hydrants shall be limited to firefighting, related activities, or other activities necessary to maintain public health, safety, and welfare. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.
- 5) Irrigation of golf course greens, tees, is permitted between the hours 7:00 p.m. and 10:00 a.m. The watering of golf course fairways is limited to 3 days per week and is restricted to between the hours of 7:00 p.m. and 10:00 a.m.
- 6) The following uses of water are defined as non-essential and are prohibited:
 - a) Wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - b) use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - c) use of water for dust control;
 - d) flushing gutters or permitting water to run or accumulate in any gutter or street;

and

- e) failure to repair a controllable leak(s) within 3 working days after having been given notice directing the repair of such leak(s).

Stage 4 Responses -- CRITICAL Water Shortage Conditions

Supply Management Measures:

- 1) All rates of raw water furnished to customers inside the District shall triple from the standard approved rates.
- 2) Standard retail customers rates (refer to latest effective Water Rates) will be increased by the following:
 - Tier 1: Add \$0.25 per 1,000 gallons from 1001 to 10,000 to the current rate.
 - Tier 2: Add \$1.75 per 1,000 gallons from 10,001 to 15,000 to the current rate.
 - Tier 3: Add \$5.25 per 1,000 gallons from 15,001 to 25,000 to the current rate.
 - Tier 4: Add \$7.50 per 1,000 gallons from 25,001 and up to the current rate.
- 3) For Condo/Large meter customers:
 - Tier 1: \$10.00 times the number of dwelling units or business entities on a meter (larger than 1-inch).
Add \$1.25 per 1,000 gallons to the current rate.
- 4) All raw water diversions for non-residential customers will require a 40% surcharge amount and raw water pumping through residential resaca pumps will be prohibited.

Water Use Restrictions.

- 1) All irrigation of landscapes is prohibited except for minimal hand watering of drought stressed trees and shrubs.
- 2) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited. Washing may be exempted from these regulations if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- 3) Operation of any ponds or ornamental fountain for aesthetic or scenic purposes is prohibited. Fountains that are equipped with a recirculation system are not exempt at this stage.
- 4) Use of water from hydrants shall be limited to firefighting, related activities, or other activities necessary to maintain public health, safety, and welfare. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.
- 5) Hand watering of golf course greens and tees is permitted between the hours 7:00 p.m. and 10:00 a.m. Treated effluent must be used for this hand watering. The watering of golf course fairways is prohibited.
- 6) The following uses of water are defined as non-essential and are prohibited:
 - a) Wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - b) use of water to wash down buildings or structures for purposes other than

- immediate fire protection;
- c) use of water for dust control;
- d) flushing gutters or permitting water to run or accumulate in any gutter or street; and
- e) failure to repair a controllable leak(s) within 3 working days after having been given notice directing the repair of such leak(s).

10. ENFORCEMENT

District personnel will observe and document violations of the water restriction guidelines using photographs, written documents and witness statements. After documentation of violations, the following will occur:

First Violation – Customer is given a warning and notified of actions to be taken if violations continue.

Second Violation – Customer is notified of violation and a surcharge of \$100.00 will be added to bill.

Third Violation – Customer is notified of violation and a surcharge of \$250.00 will be added to bill.

Fourth Violation – Customer is notified of violation and a surcharge of \$500.00 will be added to bill.

Fifth Violation – Customer is notified of violation and service is cut-off immediately. A surcharge of \$500.00 will be added to bill. Service will be restored when customer provides the District assurances that violations will not continue. A \$100.00 reconnect fee will apply.

11. VARIANCES

The General Manager may grant temporary variance from any water use restrictions otherwise prohibited under this Plan.

Persons requesting a variance shall petition for variance with the Valley MUD #2. All petitions for variances shall be reviewed by the General Manager or his/her designee, and shall include the following:

- (a) Name and address of the petitioner(s).
- (b) Purpose of water use.
- (c) Period of time for which the variance is sought.
- (d) Other pertinent information.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

SECTION I: SAMPLE APPLICATION PACKET

District Service Application and Agreement Form

Right-of-Way Easement (Location Required)(Form RD-TX 442-8 (Rev. 6-06))

Right-of-Way Easement (General)(Form RD-TX 442-9 (Rev. 6-06))

Non-Standard Service Contract

**VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
SERVICE APPLICATION AND AGREEMENT**

Please Print:

DATE _____

APPLICANT'S NAME _____

CO-APPLICANT'S NAME _____

CURRENT BILLING ADDRESS:

FUTURE BILLING ADDRESS:

PHONE NUMBER - Home (____) ____ - _____ Work (____) ____ - _____

DRIVER'S LICENSE NUMBER OF APPLICANT _____

ADDRESS AT WHICH APPLICANT REQUESTS SERVICE:

ACREAGE _____

HOUSEHOLD SIZE _____

NUMBER IN FAMILY _____

LIVESTOCK & NUMBER _____

SPECIAL SERVICE NEEDS OF APPLICANT

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY. A MAP OF SERVICE LOCATION REQUEST MUST BE ATTACHED.

The District shall sell and deliver water and/or wastewater service to the Applicant and the Applicant shall purchase, receive, and/or reserve service from the District in accordance with the Service Policies of the District, as amended from time to time by the Board of Directors of the District. Upon compliance with said Policies, including payment of a deposit, the Applicant shall become eligible to receive service.

The Applicant shall pay the District for service hereunder as determined by the District's Service Policies and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which Applicant acknowledges receipt hereof by execution of this Agreement. A copy of this Agreement shall be executed before service may be provided to the Applicant.

The Board of Directors shall have the authority to discontinue, terminate or suspend the service to any customer not complying with any policy or not paying any utility rates, fees or charges as required by the District's published Service Policies. At any time service is discontinued, terminated or suspended, the District shall not re-establish service unless it has a current, signed copy of this agreement.

All water shall be metered by meters to be furnished and installed by the District. The meter and/or wastewater 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 transfer utility service from one property to another, to share, resell, or submeter water to any other persons, dwellings, businesses, or property, etc., is prohibited.

The District shall have the right to locate a water service 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 meter 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 operations, 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 install, at their own expense, any necessary service lines from the District's facilities and equipment to the point of applicant's use, including any customer service isolation valves, backflow prevention devices, pressure regulators, 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, potential contamination hazards, illegal lead materials, and any other violations or possible violations of state and federal statutes and regulations relating to the federal Safe Drinking Water Act or Chapter 341 of the Texas Health & Safety Code or the District's Service Policies.

The District is responsible for protecting the drinking water supply from contamination or pollution which could result from improper practices. This service agreement serves as notice to each customer of the restrictions which are in place to provide this protection. The District shall enforce these restrictions to ensure the public health and welfare. The following undesirable practices are prohibited by state regulations:

- a. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an airgap or an appropriate backflow prevention assembly in accordance with state regulations.
- b. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an airgap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow 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 0.25% lead may be used for the installation or repair of plumbing at any connection which provides water for human consumption.
- e. No solder or flux which contains more than 0.2 % lead may be used for the installation or repair plumbing at any connection which provides water for human consumption.

The District shall maintain a copy of this agreement as long as the Applicant and/or premises is connected to the public water system. The Applicant shall allow their property to be inspected for possible cross-connections, potential contamination hazards, and illegal lead materials. 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, except in emergencies.

The District shall notify the Applicant in writing of any cross-connections or other undesirable practices which have been identified during the initial or subsequent inspection. The Applicant shall immediately correct any undesirable practice on their premises. The Applicant shall, at their expense, properly install, test, and maintain any backflow 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 terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Applicant.

In the event the total water supply is insufficient to meet the service needs of all of the District's customers, or in the event there is a shortage of water, the District may initiate the Emergency Rationing Program as specified in the District's Service Policies. By execution of this Agreement, the Applicant hereby agrees to comply with the terms of said program.

By 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 customers/users of the District, normal failures of the system, or other events beyond the District's control.

The Applicant shall grant to the District permanent recorded easement(s) dedicated to the District for the purpose of providing reasonable rights of access and use to allow the District to construct, maintain, replace, upgrade, parallel, inspect, test and operate any facilities necessary to serve that Applicant as well as the District's purposes in providing system-wide service for existing or future customers.

By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement by said Applicant shall justify discontinuance, termination or suspension of service until such time as the violation is corrected to the satisfaction of the District.

Any misrepresentation of the facts by the Applicant on any of the four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the District's Service Policies.

CUSTOMER REQUEST THAT PERSONAL INFORMATION CONTAINED IN UTILITY RECORDS NOT BE RELEASED TO UNAUTHORIZED PERSONS

Chapter 182, Subchapter B of the Texas Utilities Code allows water utilities to give their customers the option of making the customer’s address, telephone number, account records, and social security number confidential. Please note that Valley Municipal Utility District does not maintain records of customers’ social security numbers.

WE MUST STILL PROVIDE THIS INFORMATION UNDER LAW TO CERTAIN PERSONS.

We must still provide this information to (1) an official or employee of the state or a political subdivision of the state, or the federal government acting in an official capacity; (2) an employee of a utility acting in connection with the employee’s duties; (3) a consumer reporting agency; (4) a contractor or subcontractor approved by and providing services to the utility or to the state, a political subdivision of the state, the federal government, or an agency of the state or federal government; (5) a person for whom the customer has contractually waived confidentiality for personal information; or (6) another entity that provides water, wastewater, sewer, gas, garbage, electricity, or drainage service for compensation.

Would you like to request that your information be kept confidential under the terms stated above?

____ Yes. Please keep my information confidential under the terms stated above.

____ No. I have no objection to the District providing my contact information and account records to vendors.

Witnesseth

Applicant

Approved and Accepted

Date Approved

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

RIGHT-OF-WAY EASEMENT (Location of Easement Required)

KNOW ALL MEN BY THESE PRESENTS, That _____
(hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by _____, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install, and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution and/or sewer collection lines and appurtenances over and across _____ acres of land, more particularly described in instrument recorded in Vol. _____, Page _____, Deed Records, _____ County, Texas, together with the right of ingress and egress over Grantors' adjacent lands for the purposes for which the above mentioned rights are granted. The easement hereby granted shall not exceed 15' in width, the center line thereof to be located across said land as follows:

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure the Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply and/or sewer distribution lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor, or their successor or assigns, to move or remove any such abandoned lines or appurtenances.

In the event the county or state hereafter widens or relocates any public road so as to require the relocation of this water and/or sewer line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water and/or sewer lines as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 15' in width, the center line thereof being the pipeline as relocated.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein, and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described lands and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to **WARRANT AND FOREVER DEFEND**, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day of _____, 20_____.

ACKNOWLEDGEMENT

(Individual)

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on _____ by _____
_____.

(SEAL)

Notary Public, State of Texas

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

RIGHT-OF-WAY EASEMENT (General Type Easement)

KNOW ALL MEN BY THESE PRESENTS, that _____
(hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by _____ (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution and/or sewer collection lines and appurtenances, over and across _____ acres of land, more particularly described in instrument recorded in Vol._____, Page _____, Deed Records, _____ County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed 15' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 15' in width, the center line thereof being the pipeline as installed.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, relocation (as above limited), substitution or removal thereof; and (3) the rights to abandon-in-place any and all water supply and/or sewer distribution lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor, or their successors or assigns, to move or remove any such abandoned lines or appurtenances.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water and/or sewer line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water and/or sewer line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 15' in width, the center line thereof being the pipeline as relocated.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantor's premises. This Agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described lands and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to **WARRANT AND FOREVER DEFEND**, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day of _____, 20_____

ACKNOWLEDGMENT

(Individual)

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on _____ by _____.

(SEAL)

Notary Public, State of Texas

NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS
COUNTY OF _____

THIS CONTRACT is made and entered into by and between _____, hereinafter referred to as “Applicant”, and Valley Municipal Utility District No. 2, hereinafter referred to as “District”.

WHEREAS, Applicant is engaged in developing that certain _____ acres of land in _____, County, Texas, more particularly known as the _____ subdivision, according to the plat thereof recorded at Vol. _____, Page _____ of the Plat Records of _____ County, Texas, said land being hereinafter referred to as “the Subdivision”; and,

WHEREAS, District is a political subdivision of the State of Texas, as authorized by Article XVI, Section 89 of the Texas Constitution and the laws of the state, and owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its defined service area; and,

WHEREAS, Applicant has requested District to provide such water service to the Subdivision through an extension of District’s water system, which includes all on-site and off-site service facilities to meet the level and manner of service, including level of fire protection, requested by the Applicant, such extension being hereinafter referred to as “the Water System Extension”; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Applicant and District agree and contract as follows:

1. **Engineering and Design of the Water System Extension.**

- (a) The Water System Extension shall be engineered and designed by a Texas Licensed Professional Engineer in accordance with the applicable specifications of the District and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by District’s Manager and/or consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by the District, the plans and specifications shall become part of this contract by reference and shall more particularly define “the Water System Extension”.
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the property based on plans for the development of the subdivision provided to District by the Applicant. District may require the Water System Extension to be oversized in anticipation of the needs of other customers of the District, subject to the obligation to reimburse the Applicant for any such oversizing as provided below.

2. **Required Sites, Easements or Rights-of-Way.**

- (a) Applicant shall be responsible for dedicating or acquiring any easements across privately owned land or sites (including off-site locations) which are necessary for the construction or operation of the Water System Extension and for obtaining any governmental approvals necessary to construct the Water System Extension in public right-of-way.
- (b) Any easements dedicated or acquired by the Applicant shall be in a form

approved by the District (see Form of Easement, attached to this contract and made a part hereof) and shall be assigned to District upon proper completion of the construction of the Water System Extension.

- (c) The validity of the legal instruments by which the Applicant acquires any such easements and by which Applicant assigns such easements to District must be approved by District's attorney.

3. **Construction of the Water System Extension**

- (a) Applicant shall advertise for bids for the construction of the Water System Extension in accordance with generally accepted bidding practices and shall award the contract for the construction of the Water System Extension subject to the approval of the District. District may reject any bid.
- (b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. District shall have the right to inspect all phases of the construction of the Water System Extension. Applicant must give written notice to District of the date on which construction is scheduled to begin so that District may assign an inspector. District may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

4. **Dedication of Water System Extension to District.**

- (a) Upon proper completion of construction of the Water System Extension and final inspection thereof by District, the Water System Extension shall become the property of the District. The Water System Extension shall thereafter be owned and maintained by District subject to the warranties required of Applicant under Subsection (b). Any connection of individual customers to the Water System Extension shall be made by the District.
- (b) Upon transfer of ownership of the Water System Extension, Applicant shall warrant materials and performance of the Water System Extension constructed by Applicant for twelve (12) months following the date of transfer.

5. **Cost of the Water System Extension.**

- (a) Applicant shall pay all costs associated with the Water System Extension as a contribution in aid of construction, including, without limitation, the cost of the following:
 - (1) engineering and design;
 - (2) easement or right -of-way acquisition;
 - (3) construction;
 - (4) inspection;
 - (5) attorneys' fees; and
 - (6) governmental or regulatory approvals required to lawfully provide service.
- (b) Applicant shall indemnify District and hold District harmless from all of the foregoing costs provided, however, nothing herein shall be construed as obligating the Applicant to maintain the Water System Extension subsequent to its dedication and acceptance for operation and maintenance by District; and
- (c) Provided that if District has required the Water System Extension to be oversized in anticipation of the needs of the other customers of District, District shall reimburse Applicant for the additional costs of construction attributable to the

oversizing, as determined by the District's Manager and/or consulting engineer, in three annual installments without interest, beginning one year after dedication of the Water System Extension to District.

6. Service From the Water System Extension.

- (a) After proper completion and dedication of the Water System Extension to District, District shall provide continuous and adequate water service to the Subdivision, subject to all duly adopted rules and regulations of District and the payment of the following:
 - (1) All standard rates, fees and charges as reflected in District's Service Policies;
 - (2) Any applicable impact fee or other capital contribution fee adopted by District;
 - (3) Any applicable reserved service charge adopted by District.
- (b) It is understood and agreed by the parties that the obligation of District to provide water service in the manner contemplated by this contract is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (c) Unless the prior approval of District is obtained, the Applicant shall not:
 - (1) construct or install additional water lines or facilities to service areas outside the Subdivision;
 - (2) add any additional lands to the Subdivision for which water service is to be provided pursuant to this contract; or
 - (3) connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

7. Effect of Force Majeure.

In the event either party is rendered unable by force majeure to carry out any of its obligations under this contract, in whole or in part, then the obligations of that party, to the extent affected by the force majeure, shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party. The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is

unfavorable to it in the judgment of the party having the inability.

8. **Notices.**

Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to the District shall be addressed:

Any notice mailed to Applicant shall be addressed:

Either party may change the address for notice to it by giving **written** notice of such change in accordance with the provisions of this paragraph

9. **Breach of contract and Remedies.**

- (a) If either party breaches any term or condition of this contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this contract by the breaching party, and the right to perform the obligation in question and to seek restitution for all costs and damages incurred in connection therewith including court costs and any attorney fees or other professional fees.
- (b) In the event of termination of this contract by a non-breaching party, such action shall not affect any prior conveyance.
- (c) The rights and remedies of the parties provided in this contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this contract.

10. **Third Parties.**

It is the express intention of the parties that the terms and conditions of this contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

11. **Captions.**

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the contract, the text shall control.

12. **Context.**

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

13. **Mediation.**

Prior to the institution of legal action by either party related to any dispute arising under this contract, said dispute shall be referred to mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

14. **Litigation Expenses.**

Either party to this contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

15. **Intent.**

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this contract.

16. **Multiple Originals.**

This contract may be executed in multiple originals, any copy of which shall be considered to be an original.

17. **Authority.**

The signatories hereto represent and affirm that they are authorized to execute this contract on behalf of the respective parties hereto.

18. **Severability.**

The provisions of this contract are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this contract or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this contract and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this contract to other persons or circumstances shall not be affected thereby and this contract shall be construed as if such invalid or unconstitutional portion had never been contained therein.

19. **Entire contract.**

This contract, including any exhibits attached hereto and made a part hereof, constitutes the entire contract between the parties relative to the subject matter of this contract. All prior contracts, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

20. **Amendment.**

No amendment of this contract shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of the District and the Applicant, respectively, which amendment shall incorporate this contract in every particular not otherwise changed by the amendment.

21. **Governing Law.**

This contract shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in _____ County, Texas.

22. **Venue.**

Any action at law or in equity brought to enforce or interpret any provision of this contract shall be brought in a state court of competent jurisdiction with venue in _____ County, Texas.

23. **Successors and Assigns.**

This contract shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

24. **Assignability.**

The rights and obligations of the Applicant hereunder may not be assigned without the prior written consent of the District. The rights and obligations of the District hereunder may be assigned to the United States Department of Agriculture, Rural Development, or any other successor agency without the prior consent of the Developer.

25. **Effective Date.**

This contract shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this contract to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

_____ DISTRICT

Applicant

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

SECTION J: MISCELLANEOUS TRANSACTION FORMS

VALLEY MUNICIPAL UTILITY DISTRICT NO. 2

100 Hidalgo Avenue
Rancho Viejo, Texas 78575
956-350-4136
Gloria Sanchez, Billing Clerk

Applicant NOTICE of Insufficient Information

TO:

ACCOUNT NUMBER:

DATE:

DATE OF SCHEDULED DISCONNECTION: _____

You are hereby advised that the INCOMPLETE status of your APPLICATION FORMS (SEE LIST BELOW FOR WHICH) is jeopardizing your water and/or wastewater service. If our office does not receive COMPLETED DOCUMENTS OR PROPER INFORMATION within ten days of the date of this notice, your utility service will be terminated. To regain service after termination, you must re-apply for service and pay all costs applicable to a new customer under the terms of the District's Service Policy. If you have no intentions of retaining our service, make sure the service line is capped. We will not cap your line for you, but will remove the meter regardless of the circumstances on the Disconnection Date indicated above.

Circle all the forms needing additional information from the Applicant.

- A. SERVICE APPLICATION AND AGREEMENT
- B. RIGHT-OF-WAY EASEMENT
- C. SANITARY CONTROL EASEMENT
- D. NON-STANDARD SERVICE AGREEMENT OR CONTRACT
- E. FINAL PLAT
- F. BANKRUPTCY INFORMATION FOR YOUR ACCOUNT(S)
- G. OTHER INFORMATION _____

VALLEY MUNICIPAL UTILITY
DISTRICT NO. 2 MANAGEMENT

Signed by: _____

CUSTOMER REQUEST THAT PERSONAL INFORMATION CONTAINED IN UTILITY RECORDS NOT BE RELEASED TO UNAUTHORIZED PERSONS

Chapter 182, Subchapter B of the Texas Utilities Code allows water utilities to give their customers the option of making the customer's address, telephone number, account records, and social security number confidential.

IS THERE A CHARGE FOR THIS SERVICE?

Yes. There is a one-time charge of \$____.00 to cover the cost of postage and implementation which must be paid at the time of request.

HOW CAN YOU REQUEST THIS?

Simply complete the form at the bottom of this page and return it with your check or money order for \$____.00 to:
Valley Municipal Utility District No. 2
100 Hidalgo Avenue
Rancho Viejo, Texas 78575

Your response is not necessary if you do not want this service.

WE MUST STILL PROVIDE THIS INFORMATION UNDER LAW TO CERTAIN PERSONS.

We must still provide this information to (1) an official or employee of the state or a political subdivision of the state, or the federal government acting in an official capacity; (2) an employee of a utility acting in connection with the employee's duties; (3) a consumer reporting agency; (4) a contractor or subcontractor approved by and providing services to the utility or to the state, a political subdivision of the state, the federal government, or an agency of the state or federal government; (5) a person for whom the customer has contractually waived confidentiality for personal information; or (6) another entity that provides water, wastewater, sewer, gas, garbage, electricity, or drainage service for compensation.

Detach and Return This Section

Yes, I want you to make my personal information (address, telephone number, and social security number) confidential. I have enclosed my payment of \$____.00 for this service.

Name of Account Holder

Account Number

Address

Area Code/Telephone Number

City, State, Zip Code

Signature

SAMPLE

CUSTOMER NOTICE OF WATER RATIONING

DATE: _____

TO: Customers of the Valley Municipal Utility District No. 2

FROM: _____, General Manager

Due to extreme water usage during the past weeks, our system is unable to meet the demand of all water needs. Therefore, under our Drought Contingency and Emergency Water Demand Management Plan on file with the Texas Commission on Environmental Quality, Stage ____ - _____ allocations will begin on _____ and will be in effect no later than _____ or until the situation improves.

Stage ____ allocation restricts your water use as follows:

_____.

The Board has authorized those penalties and measures contained in the District's Service Policy that may be levied against you and placed on your account(s) if you are found violating this allocation. Subsequent violations may result in temporary termination of service. If you feel you have good cause for a variance from this rationing program please contact us in writing at the address above. A complete copy of our approved Drought Contingency and Emergency Water Demand Management Plan is available for review at our business office. A copy may be obtained for standard copying charges.

Thank you for your cooperation.

SAMPLE

CUSTOMER NOTICE OF FIRST VIOLATION AND PENALTY

DATE: _____

FROM: _____, Manager, _____ District

TO: _____, you are hereby notified that on _____ it was determined that you violated the restrictions on your water use that are required under the District's Drought Contingency and Emergency Water Demand Management Plan. Specifically, [DESCRIBE VIOLATION].

This is the FIRST NOTICE of Violation. You are hereby notified of a violation of our water rationing notice sent to all customers on _____ (see attached [ATTACH COPY OF CUSTOMER NOTICE OF RATIONING]). Accordingly, and as provided in the District's Service Policy, you are hereby directed to pay a penalty of \$_____, to be received in the District's business office no later than _____ a. m. / p. m., _____. **Failure to pay this penalty by this date and time will result in termination of your water service WITHOUT FURTHER NOTICE. Any further reconnection will require payment of the penalty and a charge for the service call to restore service.**

You are directed immediately to restrict your water use as directed in the District's first notice to you. You were directed to do so in the previous Notice of Rationing. **Accordingly, you will be assessed an additional, and more severe, penalty for any future violation following this Notice.** Continued violations may result in termination of your water service regardless of whether you pay the penalties assessed for these violations.

A complete copy of our approved Drought Contingency and Emergency Water demand Management Plan remains available for your review at our business office. A copy of the Plan may be obtained on payment of standard copying charges.

The conservation of our water resources is an important responsibility of all members and customers. Your cooperation is appreciated.

District Official _____

SAMPLE

CUSTOMER NOTICE OF SECOND VIOLATION AND PENALTY

DATE: _____

FROM: _____, Manager, _____ District

TO: _____, you are hereby notified that on _____ it was determined that you violated the restrictions on your water use that are required under the District's Drought Contingency and Emergency Water Demand Management Plan. Specifically, [DESCRIBE VIOLATION].

This is the SECOND violation. You were notified of a previous violation on _____ (see attached [ATTACH COPY OF CUSTOMER NOTICE OF VIOLATION]). Accordingly, and as provided in the District's Service Policies, you are hereby directed to pay a penalty of _____, to be received in the District's business office no later than _____ . m., _____. **Failure to pay this penalty by this date and time will result in termination of your water service WITHOUT FURTHER NOTICE. Any further reconnection will require payment of the penalty and a charge for the service call to restore service.**

You are directed immediately to restrict your water use as directed in the District's first notice to you. You were directed to do so in the previous Notice of Violation. **Accordingly, you will be assessed an additional, and more severe, penalty for any violation following this Notice.** Continued violations may result in termination of your water service regardless of whether you pay the penalties assessed for these violations.

A complete copy of our approved Drought Contingency and Emergency Water demand Management Plan remains available for your review at our business office. A copy of the Plan may be obtained on payment of standard copying charges.

The conservation of our water resources is an important responsibility of all members and customers. Your cooperation is appreciated.

SAMPLE

CUSTOMER NOTICE OF SUBSEQUENT VIOLATION AND PENALTY

DATE: _____

FROM: _____, Manager, _____ District

TO: _____, you are hereby notified that on _____ it was determined that you violated the allocation restricting your water use which is required under the District's Drought Contingency and Emergency Water Demand Plan. Specifically, [DESCRIBE VIOLATION].

You have been notified previously of the restrictions on your water use that must be followed, and you were assessed a penalty for your second violation which occurred on _____ (see attached [ATTACH A COPY OF CUSTOMER NOTICE OF SECOND VIOLATION AND PENALTY]).

The District's previous notice advised you that you would be assessed an additional, and more severe, penalty if the violation continued. This is required under the District's Service Policies. Accordingly, you are hereby directed to pay a penalty of _____, to be received in the District's business office no later than _____ . m., _____ . **Failure to pay this penalty by this date and time will result in termination of your water service WITHOUT FURTHER NOTICE.** Any reconnection will require payment of the penalty and a charge for the service call to restore service.

In addition, the district may install a flow restricting device, which will limit the amount of water that will flow through your meter. The costs of this procedure will be for the actual work and equipment and shall be paid by the customer. Removal of this device will be considered Meter Tampering and will result in disconnection of service without further notice.

You are once again directed immediately to restrict your water use as directed in the District's first notice to you. You have been directed to do so _____ previously. **Additional penalties will be assessed for additional violations. In addition to these penalties, YOUR WATER SERVICE WILL BE TERMINATED FOR A PERIOD OF THREE (3) DAYS FOR ANY ADDITIONAL VIOLATIONS regardless of whether you pay the penalties assessed for these violations.**

Your prompt attention to this matter will be appreciated by the _____ District and other customers.

SAMPLE

NOTICE OF TERMINATION

DATE: _____

FROM: _____, Manager, _____ District

TO: _____, you are hereby notified that on ____ it was determined that you violated the restrictions on your water use that are required under the District's Drought Contingency and Emergency Water Demand Management Plan. Specifically, [DESCRIBE VIOLATION].

There have been repeated violations. You previously have been notified of violations on _____, _____, and _____. Because these violations have continued, and as provided under Section H of the District's Service Policy, your water service will be terminated on _____.

If any penalties or other charges, including monthly bills, are outstanding, you will be required to fully pay these as well before your service will be restored.

Your service will be restored on _____ but only if payment of any delinquent penalties and other assessments have been paid, including a charge for the service call to restore your service. Additional violations thereafter will result in additional suspensions of your water service.

We regret that your continued violation of the water use restrictions required under the District's Drought Contingency and Emergency Water Demand Plan have led to this action.

VALLEY MUNICIPAL UTILITY DISTRICT NO. 2

DEFERRED PAYMENT AGREEMENT

By execution of this Agreement, the undersigned Customer agrees to payment of outstanding debt for water utility service as set forth below:

Customer agrees to pay \$ _____ per month, in addition to current monthly water utility service rates, fees, and charges, as set forth in the District's Service Policy, until the account is paid in full. Any fees normally assessed by the district on any unpaid balance shall apply to the declining unpaid balance.

Failure to fulfill the terms of this Agreement shall institute the District's disconnection procedures as set forth in the District's Service Policy unless other satisfactory arrangements are made by the Customer and approved by the District's authorized representative.

Customer

Date

District Authorized Representative

**SAMPLE
DISTRICT LINE EXTENSION REFUND AGREEMENT**

The _____ District Board affirms that _____ will be compensated as provided in this Refund agreement approved at the regular board meeting on the _____ day of _____, 20____, on a prorated basis for construction costs for the _____ feet of _____ inch line extension which have been paid by _____. This will be collected from all approved applicants requesting service from said line extension, to a maximum of _____ connections for a period not to exceed _____ years from the _____ day of _____ in the year of _____ (date the line extension was completed and/or approved for service) after which time the Refund Agreement will expire and the District shall be under no further obligation to _____. The District shall transfer said compensation within _____ days of receipt.

It is the understanding that the District will secure this compensation through new customer service fees from applicants for service from said line extension, and from no other sources. Accordingly, the compensation provided by this Refund Agreement will be modified automatically in the event any applicant requesting service from said line extension obtains a final administrative or judicial determination limiting the amount the District may charge applicants for service from said line extension.

This agreement entered into on the _____ day _____ in the year of _____ by:

_____ District

Signed by Applicant

Signed by President

address

address

city

zip

city

zip

Witness

Date filed: _____/_____/_____

THE STATE OF TEXAS, COUNTY OF _____

IN WITNESS WHEREOF the said Applicant and President of _____ DISTRICT have executed this instrument this _____ day of _____, 20____.

BEFORE ME, the undersigned, a Notary Public in and for _____ County and State of Texas, on this day personally appeared _____ and _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

(Notary Public Signature)

Commission Expires _____

SAMPLE

_____ DISTRICT METER TEST AUTHORIZATION AND TEST REPORT

NAME: _____

ADDRESS: _____

DATE OF REQUEST: _____ PHONE NUMBER (DAY): _____

ACCOUNT NUMBER: _____ METER SERIAL NUMBER: _____

REASONS FOR REQUEST: _____

Customers requesting a meter test may be present during the test, but if not, Customer shall accept test results shown by the District. The test shall be conducted in accordance with the American Water Works Association standards and methods on a certified test bench or on-site with an acceptable certified test meter. Customer agrees to pay \$____.00 for the meter test if the results indicate an AWWA acceptable performance, plus any outstanding water utility service charges. In the event that the Customer is required to pay for the test and for outstanding water utility service as set forth herein, said charges shall be applied to the next billing sent to the Customer after the date of the test.

Signed by Customer

TEST RESULTS

Low Flow (1/4 GPM)	_____ %	AWWA Standard 97.0 - 103.0 %
Intermediate (2 GPM)	_____ %	AWWA Standard 98.5 - 101.5 %
High Flow (10 GPM)	_____ %	AWWA standard 98.5 - 101.5 %

Register test _____ minutes at _____ gallons per minute recorded per _____ gallons.

Meter tests accurately; no adjustments due.

Meter tests high; adjustment due on water charges by _____ %

Meter tests low; no adjustment due.

Test conducted by _____ Approved

SAMPLE

**NOTICE OF REQUIREMENT TO COMPLY WITH THE SUBDIVISION AND
SERVICE EXTENSION POLICY OF _____ SPECIAL UTILITY
DISTRICT**

Pursuant to Chapter 13.2502 of the Texas Water Code, _____ Special Utility District hereby gives notice that any person who subdivides land by dividing any lot, tract, or parcel of land, within the service area of _____ Special Utility District, Certificate of Convenience and Necessity No. _____, in _____ County, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded or requests more than two water or sewer service connections on a single contiguous tract of land must comply with [title of subdivision service extension policy stated in the service policy] (the "Subdivision Policy") contained in _____ Special Utility District's service policy.

_____ Special Utility District is not required to extend retail water or sewer utility service to a service applicant in a subdivision where the developer of the subdivision has failed to comply with the Subdivision Policy.

Applicable elements of the Subdivision include:

Evaluation by _____ Special Utility District of the impact a proposed subdivision service extension will make on _____ Special Utility District's water supply/sewer service system and payment of the costs for this evaluation;

Payment of reasonable costs or fees by the developer for providing water supply/sewer service capacity;

Payment of fees for reserving water supply/sewer capacity;

Forfeiture of reserved water supply/sewer service capacity for failure to pay applicable fees;

Payment of costs of any improvements to _____ Special Utility District's system that are necessary to provide the water/sewer service;

Construction according to design approved by _____ Special Utility District and dedication by the developer of water/sewer facilities within the subdivision following inspection.

_____ Special Utility District's Service Policies and a map showing _____ Special Utility District's service area may be reviewed at _____ Special Utility District's offices, at [address of the special utility district]; the service policy and service area map also are filed of record at the Texas Commission on Environmental Quality in Austin, Texas and may be reviewed by contacting the TCEQ, c/o Utility Rates and Services Section, Water Utilities Division, P.O. Box 13087, Austin, Texas 78711.

VALLEY MUNICIPAL UTILITY DISTRICT NO. 2

NOTICE OF RETURNED CHECK

TO:

DATE:

CHECK NUMBER:

AMOUNT OF CHECK:

Your check has been returned to us by your bank for the following reasons:

You have ten days from the date of this notice in which to redeem the returned check and pay an additional \$20.00 Returned Check Fee. Redemption of the returned check and payment of any additional fees may be made by cash, money order, or certified check.

If you have not redeemed the returned check and paid the additional service fees within ten (10) days of this notice, your district utility service(s) will be disconnected unless other arrangements have been made with management.

**VALLEY MUNICIPAL UTILITY
DISTRICT NO. 2 MANAGEMENT**

SAMPLE

EASEMENT DENIAL LETTER AND AFFIDAVIT

Date

(Name of Property Owner
and Property Owner's
Address)

VIA: First Class Mail and Certified Mail, Return Receipt Requested No. _____

Dear _____:

_____ District (District) has requested an easement for a water/sewer distribution system across your property. To date, you have not provided such easement. It is now necessary that the requested easement be granted or refused by you, and the District is asking that you do so within thirty (30) days after receipt of this notice. A copy of the requested easement is enclosed with this notice.

If the District does not receive a completed easement within the 30 days specified, the District will consider this failure to be a denial of easement on your part and the District will complete and sign a copy of this notice to be retained in the District's records for future water/sewer service to your property.

If at some future time you (or another owner of your property or any portion of your property) requests water/sewer service, the District will require an easement before water/sewer service will be provided, as authorized by Section 49.218(d) - (f) of the Texas Water Code. At that time, and in addition to other costs required for water/sewer service, the District will require payment of all reasonable costs for relocation or construction of the water/sewer distribution system along the easement that will be provided. (The District's Engineer estimates this cost to be _____, as reflected in the attached. This cost could be greater in the future.) You may wish to consult your attorney as to whether this future cost is a material condition that you must disclose to anyone buying your property (or any part of your property) in the future.

If you need any clarification on this matter, or wish to discuss any aspects of the enclosed easement, please contact our office: [office address, phone number].

We appreciate your attention to this matter.

Sincerely,

[appropriate signature]

ACKNOWLEDGEMENT OF REFUSAL

I, _____, hereby refuse to provide the easement requested by _____ District for authority to construct/operate a water/sewer distribution system across my property.

AFFIDAVIT

Being duly sworn upon my oath, I hereby certify that this is a true copy of the document and attached easement sent by certified mail to _____ on _____, and a signed receipt verifying delivery and acceptance is attached to this Affidavit [ALTERNATIVE: and the return noting refusal to accept or verify delivery is attached to this Affidavit]. This Affidavit will be maintained as a part of the records of _____ District. I further certify that a signed easement or signed Acknowledgement of Refusal was not received within thirty days following receipt by _____. I further attest that the District’s engineer has provided _____ a current estimate of the cost (copy attached) for replacing/constructing the water/sewer distribution system within the requested easement (which cost may increase in the future).

[name]

[position with District]

Date: _____

THE STATE OF TEXAS
COUNTY OF _____

THIS INSTRUMENT was acknowledged before me on _____, 20____,
by _____.

(SEAL)

Notary Public, _____ County, Texas
My Commission Expires: _____.

**VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
EQUIPMENT AND LINE DEDICATION AGREEMENT**

I, _____(Transferor - Name of person, entity, corp., or other), having complied with the Valley Municipal Utility District No.2's (District) Developer, Subdivision, and Non-Standard Service Requirements Policy, do hereby dedicate, transfer and assign to the District all rights and privileges to and ownership of said equipment and or line(s) installed as a condition of service this equipment and or line(s) being described in the Non-Standard Service Agreement between the District and Transferor and the Non-Standard Service Contract of _____ (date) including any amendments thereto and being further described as follows: (or see Attachments)

The District through its designated representative having agreed to accept the equipment and or line(s) as previously described on the ____ day of _____, 20__. The District shall hold harmless, _____(name of person, entity etc.) from this day forward any costs for repairs or maintenance of said equipment and or line(s), notwithstanding any warranty or bond for said repairs as per the Non-Standard Service Contract/Agreement.

This agreement entered into on the ____ day of _____ in the year of _____ by:

District Representative

Transferor

District Representative's Signature

Transferor's Signature

Address

Address

City Zip

City Zip

THE STATE OF TEXAS, COUNTY OF CAMERON

IN WITNESS WHEREOF the said Transferor and the District Representative have executed this instrument this _____ day of _____, 20__.

BEFORE ME, the undersigned, a Notary Public in and for said County and State of Texas, on this day personally appeared _____ and _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS ____ day of _____, 20__.

Signature of Notary Public

VALLEY MUNICIPAL UTILITY DISTRICT NO. 2

TERMINATION NOTICE

TO:

ACCOUNT NUMBER:

DATE:

DATE OF SCHEDULED TERMINATION:

You are hereby advised that the delinquent status of your account is jeopardizing the continuation of your water/sewer utility service. If our office does not receive payment within ten days of the date of this notice, your utility service will be terminated. To regain service after termination, you must re-apply for new service and pay all applicable costs under the terms of the District's Service Policy. If you have no intention of retaining our service, please make sure the service line is capped. We will not cap your line for you, but will remove the meter regardless of the circumstances.

VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
MANAGEMENT

SAMPLE

WASTEWATER BILLING SERVICES FOR A RETAIL PUBLIC UTILITY PROVIDED BY A DISTRICT

AGREEMENT

_____ District and the City of _____, for the consideration and purposes herein expressed enter into the following agreement regarding sewer collection services provided by _____ (city) to various businesses and residents in the areas listed in Exhibit "A", but in no other areas:

WHEREAS, _____ is a home rule city located in _____ County, Texas;

WHEREAS, _____ is a _____ District organized pursuant to Texas Water Code Section _____;

WHEREAS, _____ District provides retail water utility service in _____ County, Texas.

WHEREAS, City of _____ provides sanitary sewer service for its residents, some of whom are provided water utility service by _____ District;

WHEREAS, it is recognized that the provision of sanitary sewer service to _____ residents is integrally related to _____ District's separate provision of water service to the same customers such that joint billing and collection practices are in the public interest; and

WHEREAS, _____ desires to enter into an agreement with _____ to facilitate the billing and collection of charges due from _____ residents for the sanitary sewer service provided;

NOW, THEREFORE, _____ (city) and _____ District agree as follows:

- Agency of _____ District.** Subject to the terms of this Agreement, _____ District agrees to serve as the agent for city for the purposes of billing and collecting sanitary sewer service fees from customers of _____ District who: (1) are recipients of sanitary sewer services from city; and (2) have executed a copy of the application for sanitary service attached to this agreement or an application in substantially similar form. During the term of this agreement, city will be solely responsible for providing to _____ District, and at all times maintaining, a current list of its customers to be billed by _____ District pursuant to the terms of the Agreement, which list shall contain the following information for each customer: (a) the customer's name and address; (b) the type of sanitary sewer service to be billed by _____ District on city's behalf; and (c) the amount to be billed.
- Payment Based on Sewer Rate Ordinance for Sewer Collection.** District agrees to add the fees due to city in the amounts indicated by city, to its monthly bills to customers. Each fee for sanitary sewer service will be stated separately on such bills. City agrees to coordinate

with District so that the payment for the sanitary sewer services billed by the District on city's behalf shall be due at the same time and under the same terms as the payment billed by District for water utility services. Upon receipt of payment due city for sanitary sewer services, District will deposit such sums in an account in District's depository bank, commingled with payments made for District water utility services. The funds, less unpaid fees charged by District for services as set forth in this Agreement, shall be forwarded to city no less frequently than once a month. The funds shall be sent to city in the amounts due as reflected on the monthly bills to the customers, less District's unpaid fees as set forth in this Agreement. At the time such funds are forwarded to City, District will also forward an accounting of the customers from whom payment is received, the period and type of services for which payment is made, and the fees retained by District from payments made pursuant to this Agreement with prior notice of at least seventy-two (72) hours and during District business hours.

3. **Priority.** When payment for water and sewer collection by any customer is made, District shall apply the funds paid first to any indebtedness of the customer to District and then to the payment of any indebtedness of city.
4. **Delinquency/Disconnection.** District agrees to use its best efforts, in the exercise of the discretion granted under this Agreement, to collect amounts due to city from customers for sanitary sewer service. If at any time any customer fails to pay any amounts collectible by District pursuant to the terms of this Agreement, District is authorized to terminate water utility services to the customer as deemed appropriate by District in accordance with the procedure specified in any applicable Service Policies and service regulations of District then in effect. District's failure to disconnect any service shall not be an event of default under this agreement but shall entitle city to discontinue payment of the monthly fee for that account as specified in paragraph 7 below from the date service could have been disconnected under this agreement until disconnection occurs. District shall notify city of all customer accounts that are delinquent and have been disconnected.
5. **Reconnection.** In the event water service is disconnected for nonpayment of sanitary sewer service charges, except as otherwise required by law or as agreed to by city, District agrees not to provide water services to that customer until District's receipt of payment of all delinquent sewer collection charges, plus any applicable charges which are then collectable in accordance with city's ordinances or other applicable law.
6. **Affect on Provision of Water.** This agreement shall not affect or in any way impair District's rights and obligations with respect to its customers or the provision of water utility services except as specifically and expressly set forth in the Agreement and as allowed by law.
7. **Fees.** For each sanitary sewer service account collected by District, City agrees to pay District the sum of \$ 5.00 as an initial set up fee for establishing District billing and collection procedures. This set up fee is to be paid when city notifies District that a new account is to be collected by District. In addition, city agrees to pay to District monthly on or

before the 15th day of each month, a service charge of \$ 1.00 for each active account. The monthly fee will be paid until the end of the month in which city removes the account from the customer list provided to District under paragraph 1 of this agreement. If city subsequently requests District to reinstate an account which has been removed from the sewer service customer list, a reinstatement fee of \$ 5.00 per account will be paid to District by City.

8. **Purpose of Agreement/Indemnity.** This Agreement is made for the purpose of facilitating the billing and collection of fees for sanitary sewer services provided by city. No partnership or joint venture is intended to be created hereby. District's sole responsibility is that of the city's agent for billing and collection purposes and District shall have no responsibility for, and city shall indemnify, defend and hold District harmless from any damage, claims, demands, or causes of action arising from: (1) the construction, operation, maintenance, repair or existence of the sewer collection system; (2) the provision of sewer collection service; (3) any act or omission relating to such services; or (4) any act or omission of District or city, their agents, employees, or representatives in the performance or nonperformance of their obligations under this Agreement, specifically including the negligence or breach of this Agreement by District or by the City, which does not amount to gross negligence or willful misconduct on the part of city, its agents, employees, or representative. This indemnity shall also extend to, but shall not be limited to, any cost, expense or fee, including attorney's fees, costs of court or expert fees, incurred by District relating to or arising from any such damages, claims, demands or causes of action.
9. **Right to Terminate.** This Agreement may be terminated by any party at any time by giving the other party sixty (60) days advance notice of its intent to terminate the Agreement.
10. **Automatic Termination.** If any provision of the Agreement is determined by any regulatory or judicial body to be invalid, in violation of any law, or to be contrary to the rules, regulations, or orders of such body, or if any party to the Agreement is ordered or required by such body not to comply with any provision of this Agreement, the Agreement automatically and without notice terminates without penalty at the time such order becomes final and no longer appealable.
11. **Termination Upon Default.** Any party may terminate this Agreement following a default by the other party in the performance of this Agreement and the failure to correct said default within thirty (30) days after written notice of default has been provided by the nondefaulting party.
12. **Attorney's Fees.** The prevailing party in any legal proceeding against any other party to this Agreement brought under or which relates to the Agreement or a breach thereof shall, in addition to its damages, shall be entitled to recover its costs and reasonable attorney's fees.
13. **Notices.** Any notice or communication required or permitted to be given hereunder shall be sufficiently given when received by any other party and must be: (1) delivered by hand

delivery; or (2) mailed by certified mail, postage prepaid, return receipt requested, to the address indicated on the signature page of this Agreement, or at such other addresses as may hereafter be furnished in writing by any party to all other parties, and such notice shall be deemed to have been given as of the date so delivered or mailed.

14. **No Third Party Beneficiaries.** This Agreement is not executed for the benefit of any third party and its terms shall not be enforceable by or in favor of any person or entity other than the express parties to the Agreement.

15. **Miscellaneous Provisions.** This Agreement contains all of the understandings and agreements between the parties with respect to the subject matter hereof, and the terms and conditions of the Agreement may be changed only by written amendments agreed to by both parties. This Agreement replaces and supersedes all prior agreements of the parties with respect to the subject matter hereof. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns; provided that, except as otherwise provided in this Agreement, no party may assign its interest in this Agreement without prior written consent of all the other parties. A waiver by any party of a breach of this Agreement shall not be construed as a waiver of any subsequent breach of this Agreement. The section and subsection headings in this Agreement are for convenience. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

16. **Binding Arbitration.** It is agreed that all questions as to rights and obligations arising under the terms of this Agreement are subject to binding arbitration, as governed by the provisions of the Texas Civil Practices & Remedies Code, General Arbitration Section 171.001 et. seq as amended. This paragraph is to be broadly construed.

17. Any amount due and unpaid more than thirty (30) days shall accrue interest at the maximum rate allowed by law.

EXECUTED on the ____ day of _____, 20____.

THE CITY OF _____ District

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

City Secretary: _____

App. # _____

CITY OF _____
Code Enforcement Department
Application For Sanitary Sewer Service

Date: _____ Permit #: _____ Amount: _____

Name: _____

Street Address: _____

Mailing Address: _____

Legal Description: _____

I/we _____ agree to pay monthly sanitary sewer service fees to the City of _____ through the District's billing office. If I/we fail to pay the monthly fees for sanitary sewer service, I/we authorize and agree to allow District to disconnect my/our water meter and to withhold water service until such delinquency is made current.

Signature of Applicant(s) _____ Date _____

Permit Issued By _____ Date _____

(For use by the City Utility Billing Department)

The City of _____ requests that District begin charging _____ for monthly sanitary sewer service at a rate of _____. Services commence on _____ (application date).

SAMPLE (New Form 9/11)

AGREEMENT TO DISCONNECT WATER SERVICE FOR NON-PAYMENT OF WASTEWATER SERVICE

Date:

WATER UTILITY:

Name
Address
Telephone Number
Fax Number

SEWER UTILITY:

Name
Address
Telephone Number
Fax Number

PURPOSE:

_____ District (“District”) is a water district that provides retail water utility service in _____ County, Texas pursuant to Texas Commission on Environmental Quality (“TCEQ”) Certificate of Convenience and Necessity (“CCN”) No. _____. City of _____ (“City”) provides sanitary sewer service to businesses and residents [pursuant to TCEQ CCN No. _____], some of whom are in areas where the District provides water utility service, as listed in Exhibit “A.”

Each utility bills its customers separately. In order to insure that the City’s sewer customers, located in the areas of customer overlap listed in Exhibit “A”, make timely payments of their sewer service bills, the City requires the ability to terminate water service to the delinquent customers under terms and conditions prescribed by the TCEQ. As provided by Texas Water Code Sections 13.250(b)(2) and 13.147, the District for the consideration set forth in this agreement, agrees to terminate its water service to sewer customers of the City for nonpayment of delinquent, undisputed sewer bills after lawful termination of service notices have been issued by the City.

The terms and conditions of this agreement shall be controlled by the rules and regulations of the TCEQ on this subject matter as the same may be adopted and amended from time to time as if said rules were written verbatim herein.

AGREEMENT:

1. The City shall give written termination of service notices to all delinquent sewer customers subject to discontinuance of sewer utility service under the City’s sewer service

policies. Copies of said notices shall be sent to the District. If more than one customer is subject to disconnection at the same time, it shall be sufficient for the City to send the District a single sample termination notice with a list of all customers subject to termination by name and service address.

2. If any delinquent customer has not paid their sewer bill by 8:00 a.m. of the noticed termination date, the City shall notify the District to proceed with terminating that customer's water service. The City shall notify the District of which previously delinquent sewer customers have paid their accounts and are no longer subject to water service termination. If this notice is given verbally, it shall be followed by a written notice.

3. Upon receipt of all monies lawfully due from the delinquent sewer customer, the City shall notify the District that it may restore the customer's water service as required by the TCEQ's rules. The District shall restore the service within twenty-four (24) hours unless the customer is also delinquent on their water bill and a lawful termination of water utility service notice has been issued by the District. In which case, the District shall not be required to restore the customer's water service until all service restoration requirements have been met under the District's water district service policy.

4. The District may not charge the delinquent sewer customer a reconnect fee for restoring water service after payment of delinquent sewer bills.

5. The City will pay the District a service charge not to exceed fifty (\$50.00) dollars per disconnection/reconnection. This fee may change from time to time as agreed to by the parties.

6. The District shall not terminate the water service to any delinquent residential sewer customer if the District would otherwise be prohibited, under its district service policy, from terminating that customer's water service due to the illness or potential illness of any resident at that service location. This prohibition shall remain in effect for so long as the District would otherwise be prohibited from terminating that customer's water service. The District shall provide timely notice to the City of which of its water customers are subject to this medical prohibition for disconnection of utility service.

7. The District shall not terminate the water service to any delinquent customer on a day, or on a day preceding a day, when personnel of the District are not available to the public for purpose of collections and reconnecting service.

8. Purpose of Agreement/Indemnity. This Agreement is made for the purpose of facilitating the collection of fees for sanitary sewer services provided by city. No partnership or joint venture is intended to be created hereby. The District's sole responsibility is to terminate its water service to sewer customers of the city for nonpayment of delinquent sewer bills and the District shall have no responsibility for, and City shall indemnify, defend and hold the District harmless from any damage, claims, demands, or causes of action arising from: (1) the construction, operation, maintenance, repair or existence of the sewer collection system; (2) the provision of sewer collection service; (3) any act or omission relating to such services; or (4) any act or omission of the District or city, their agents, employees, or representatives in the performance or nonperformance of their obligations under this Agreement, specifically

including the negligence or breach of this Agreement by the District or by the City, which does not amount to gross negligence or willful misconduct on the part of city, its agents, employees, or representative. This indemnity shall also extend to, but shall not be limited to, any cost, expense or fee, including attorney's fees, costs of court or expert fees, incurred by the District relating to or arising from any such damages, claims, demands or causes of action.

TERM:

This agreement shall remain in full force and effect for so long as such agreements are allowed by law and the parties continue to be the respective water and sewer utility purveyors in the areas listed in Exhibit "A". Either party may terminate this agreement with thirty (30) day written notice to the other party.

TELEFAX COMMUNICATIONS:

All notices required herein may be given by telephone facsimile or other electronic transmission to be followed by a hard copy sent by US mail or hand delivery.

ENTERED IN _____ COUNTY, TEXAS.

_____ District.

City of _____

By: _____

By: _____

EXECUTED AND EFFECTIVE as of the date first written above.

DEVELOPER:

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

§

THE COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2010, by _____ [DEVELOPER]

Notary Public - State of Texas

(Seal)

Printed Name: _____

My Commission Expires: _____

AFTER RECORDING RETURN TO:

_____ District

_____, Texas _____

EXECUTED AND EFFECTIVE as of the date first written above.

CUSTOMER:

Customer: _____

Printed Name: _____

THE STATE OF TEXAS §

THE COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 20__,
by _____ [CUSTOMER]

Notary Public - State of Texas

(Seal)

Printed Name: _____

My Commission Expires: _____

AFTER RECORDING RETURN TO:

_____ District

_____, Texas _____

CUSTOMER SERVICE INSPECTION CERTIFICATE

Name of PWS _____ PWS I.D.# _____

Location of Service _____

Reason for Inspection: New construction
 Existing service where contaminant hazards are suspected.....
 Major renovation or expansion of distribution facilities

I _____, upon inspection of the private water distribution facilities connected to the aforementioned public water supply do hereby certify that, to the best of my knowledge:

Compliance	Non-Compliance		
<input type="checkbox"/>	<input type="checkbox"/>	(1)	No direct connection between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with Commission regulations.
<input type="checkbox"/>	<input type="checkbox"/>	(2)	No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressurezone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention assembly tester.
<input type="checkbox"/>	<input type="checkbox"/>	(3)	No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.
<input type="checkbox"/>	<input type="checkbox"/>	(4)	No pipe or pipe fitting which contains more than 8.0% lead exists in private water distribution facilities installed on or after July 1, 1988.
<input type="checkbox"/>	<input type="checkbox"/>	(5)	No solder or flux which contains more than 0.2% lead exists in private water distribution facilities installed on or after July 1, 1988.

I further certify that the following materials were used in the installation of the private water distribution facilities:

Service lines Lead Copper PVC Other
Solder Lead Lead Free Solvent Weld Other

I recognize that this document shall become a permanent record of the aforementioned Public Water System and that I am legally responsible for the validity of the information I have provided.

Remarks

Signature of Inspector

Registration Number

Title

Type of Registration

Date

Sample

BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT

The following form must be completed for each assembly tested. A signed and dated original must be submitted to the public water supplier for recordkeeping purposes:

BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT

NAME OF PWS: _____

PWS I.D.:

MAILING ADDRESS: _____

CONTACT PERSON: _____

LOCATION OF SERVICE: _____

The backflow prevention assembly detailed below has been tested and maintained as required by commission regulations and is certified to be operating within acceptable parameters.

TYPE OF ASSEMBLY

- | | |
|---|--|
| <input type="checkbox"/> Reduced Pressure Principle | <input type="checkbox"/> Reduced Pressure Principle-Detector |
| <input type="checkbox"/> Double Check Valve | <input type="checkbox"/> Double Check-Detector |
| <input type="checkbox"/> Pressure Vacuum Breaker | <input type="checkbox"/> Spill-Resistant Pressure Vacuum Breaker |

Manufacturer _____

Size _____

Model Number _____

Located At _____

Serial Number _____

Is the assembly installed in accordance with manufacturer recommendations and/or local codes? _____

	Reduced Pressure Principle Assembly		Pressure Vacuum Breaker		
	Double Check Valve Assembly		Relief Valve	Air Inlet	Check Valve
	1st Check	2nd Check			
Initial Test	Held at ____ Psid Closed Tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Held at ____ Psid Closed Tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Opened at ____ Psid Did not open <input type="checkbox"/>	Opened at ____ Psid Did not open <input type="checkbox"/>	Held at ____ Psid Leaked <input type="checkbox"/>
Repairs					

and Materials Used					
Test After Repair	Held at ____ psid Closed Tight <input type="checkbox"/>	Held at ____ psid Closed Tight <input type="checkbox"/>	Opened at ____ psid	Opened at ____ psid	Held at ____ psid

Test gauge used: Make/Model _____ SN: _____

Date Tested for Accuracy: _____

Remarks: _____

The above is certified to be true at the time of testing.

Firm Name _____ Certified Tester (print) _____

Firm Address _____ Certified Tester (signature) _____

Firm Phone # _____ Cert. Tester No. _____ Date _____

* TEST RECORDS MUST BE KEPT FOR AT LEAST THREE YEARS

** USE ONLY MANUFACTURER'S REPLACEMENT PARTS