SPRINGS HILL SPECIAL UTILITY DISTRICT

SERVICE POLICY

Effective as of June 8, 2026

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SECTION 1.0 GENERAL PROVISIONS

Section 1.1. Jurisdiction

Springs Hill Special Utility District (the "***District***") is a political subdivision of the State of Texas operating under Chapters 49 and 65 of the Texas Water Code to provide water service.

Section 1.2. Initial Effective Date of Service Policy

This Service Policy shall be effective upon its approval, and each amendments of this Service Policy shall be effective upon its approval, unless otherwise expressly provided by the Board of Directors of the District.

Section 1.3. Service Area

The District provides water service within the boundaries of the District's water Certificate of Convenience and Necessity, as may be amended from time to time. A map of the District's current water service area boundaries is available on the Public Utility Commission of Texas's ("***PUC***") website: https://www.puc.texas.gov/industry/water/utilities/map.aspx.

Section 1.4. Non-Discrimination Policy

The District will provide water services to all persons applying for such service who comply with the terms and conditions set forth or reference in this Service Policy regardless of race, creed, color, national origin, sex, disability, or marital status.

Section 1.5. Policy and Rule Application

These policies, rules, and regulations apply to the water services provided by the District. Failure on the part of a Customer or Applicant to observe these policies, rules, and regulations, gives the District the authority to deny or discontinue service according to the terms of this Service Policy, as amended from time to time by the Board of Directors, and any applicable laws and regulations.

Section 1.6. Variances

The Board of Directors of the District may in its sole discretion grant variances to any provision of this Service Policy. The Board of Directors may delegate the authority to grant variances to its General Manager.

Section 1.7. Service Provided in Accordance with Drought Contingency Plan

Provision of water service is contingent upon restrictions outlined in the District's Water Conservation and Drought Contingency Plan, curtailment measures as outlined by the District's wholesale water providers, and any other restrictions as required by the Texas Commission on Environmental Quality ("***TCEQ***") or other regulatory agencies.

Section 1.8. All Services Charged

At no time will the District render water service without charge to any person, firm, corporation, organization, or entity.

Section 1.9. Fire Protection Responsibility

The District does not provide nor imply that fire protection is available on any of its water distribution system. All hydrants or flush valves are for the operation and maintenance of the system and may be used by authorized fire departments in accordance with a contract with the District to supply water for use in fire suppression. 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 the contributors unless such hydrants are installed pursuant to the terms of a Non-Standard Service Contract, in which event the terms and conditions of the Non-Standard Service Contract shall apply.

Section 1.10. Damage Liability

The District is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limits of liability of the District is to the extent of the cost of service provided, except as further limited by applicable law or regulations. By acceptance of each Customer to receive water service, such Customer consents to the aforementioned limit of liability.

Section 1.11. Information Disclosure

The records of the District shall be kept in the District's office in Seguin, Texas; and such records may also be kept at the office of Lloyd Gosselink Rochelle & Townsend, P.C. (District's General Counsel) in Austin, Texas, and the offices of Malone/Wheeler, Inc. (District's Engineer) in Austin and San Antonio, 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. *In no event and under no circumstances shall the District disclose the Social Security Number of any Customer to any person other than an employee of the District in connection with the employee's duties.* Under Texas Utilities Code § 182.052, the District shall not disclose personal information in a customer's account record, or any information relating to the volume or units of utility usage or the amounts billed to or collected from the individual for utility usage, unless the customer requests that the District disclose the information, or otherwise permitted by law. For example, 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. The District's public information office is its General Manager. Instructions on how to submit an open records request are available at the District's office and on its website.

Section 1.12. Customer Notice Provisions

The District shall provide written notice of monthly water rate changes by mail or e-mail to all Consumers within 60 days after the date of a final decision on a rate change, no later than 30 days prior to the effective date of the new rate. The notice shall contain the old rates, the new rates, the effective date of the new rates, and location where additional information on rates can be obtained.

Section 1.13. Grievance Procedures

Any Customer or Applicant of the District shall have an opportunity to voice concerns or grievances to the District by the following means and procedures:

- **a.** By presentation of concerns to the District's General Manager or other authorized staff member. If the issue not resolved to the satisfaction of the aggrieved party then, by presenting a written complaint to the Board of Directors stating the Customer or Applicant's grievance or concern and the desired result.
- **b.** The Board of Directors shall respond to the complaint by communicating the Board's decision in writing.
- **c.** Any charges or fees contested as a part of the complaint in review by the District under this Service Policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors.

Section 1.14. Customer Service Inspections

The District requires that a customer service inspection certification be completed prior to providing continuous water service to new construction and for all new Customers as part of the activation of Standard and some Non-Standard Water 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 Customers' water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contaminant hazards, and illegal lead materials.

Section 1.15. Submetering Responsibility

Submetering and Non-Submetering by Master Metered Accounts may be allowed in the District's water distribution system provided the Master Metered Account Customer complies with the applicable rules of the Public Utility Commission of Texas in 16 Texas Administrative Code, Chapter 24, pertaining to Submetering. The District has no jurisdiction 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 Public Utility Commission.

NOTE: the District should check with the Maser Metered Account Customer to:

a. See if they have registered with the Public Utility Commission of Texas (Texas Water Code, Chapter 13, Subchapter M).

b. Allow owners or managers of apartment houses to charge their Tenants an additional service charge up to 9% of the service charge originally billed. If the aggregate bill is greater than the District's charge, the Master Metered Account Customer is considered by the Public Utility Commission of Texas be a separate public water system and will be required to comply with all Public Utility Commission of Texas and Texas Commission on Environmental Quality regulations.

c. Protect the District's Certificate of Convenience and Necessity. Should the Master Metered Account Customer continue to violate these or other State regulations, the District will need to request a Cease and Desist Order from the Public Utility Commission of Texas.

SECTION 2.0 DEFINITIONS

The following terms and expressions used in the Service Policy shall have the following meanings, unless context clearly shows otherwise:

1. **"Active Service"** means the status of any Customer receiving authorized service from the District under the provisions of this Service Policy.
2. **"Applicant"** means a person, partnership, cooperative, corporation, agency, public or private organization of any type applying for service with District.
3. **"AWWA"** means the American Water Works Association.
4. **"Board of Directors" or "Board"** means the governing body of the District vested with the management of the District.
5. **"Certificate of Convenience and Necessity", "CCN", or "Service Area"** means the authorization granted under Chapter 13, Subchapter G of the Texas Water Code for the District to provide water service within a defined territory. The District has been issued CCN Number 10666. Territory defined in the CCN shall be the Certificated Service Area. Copies of the District's CCN are recorded in the Guadalupe County Real Property Records and Wilson County Real Property Records. A map of the District's CCN boundaries is available on the Public Utility Commission of Texas's CCN Viewer webpage: https://www.puc.texas.gov/industry/water/utilities/map.aspx
6. **"Customer"** means any person or entity that purchases services from the District under the provisions of this Service Policy.
7. **"Developer"** means any person, partnership, cooperative corporation, corporation, agency, or public or private organization who subdivides land and requests two (2) or more water or sewer service connections in a single contiguous tract of land (as defined in Texas Water Code § 13.2502(e)(1)).
8. **"Disconnection of Service"** means the discontinuance of service by the District to a Customer.
9. **"District"** means Springs Hill Special Utility District.
10. "**District Boundaries"** means the jurisdictional boundaries of the District. The District Boundaries is the geographic area used to determine which registered voters may vote in a District election. Land may be annexed or excluded from the District Boundaries according to Texas Water Code, Subchapter J, or by an act of the Texas Legislature. The District's Service Area may extend past the District Boundaries. A map of the current District Boundaries is on file in the District's office and the legal description of the initial District Boundaries is provided in Section 2 of House Bill 5303, 88th Texas Legislature, 2023 Regular Session.
11. **"Easement"** means a private, perpetual dedicated right-of-way for the installation of water pipelines and other necessary facilities which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable). This may also include restrictions on the adjacent area to limit the installation f sewer lines or other facilities that would restrict the use of any area of the easement. The easement will be filed in the real property records of the appropriate county or counties.
12. **"EDU"** means Equivalent Dwelling Unit.

13. **"Final Plat"** means a complete plan for the subdivision of a tract of land showing or referencing Local Tax Appraisal Maps, access to public road(s), number and size of lots, location of dedicated water/sewer easements, and location(S) or lakes, streams, or rivers through the property. The District shall determine if a plat submitted for the purpose of this Service Policy shall qualify as a final plat. For purposes of evaluating subdivision service requests under this Service Policy, the District may accept preliminary plats or plats awaiting final approval pending execution of agreement for service by the District.

14. **"Hazardous Condition"** means a condition that jeopardizes the health and welfare of the Customers of the District as determine by the District or other applicable regulatory authorities.

15. **"Impact Fee**" means a charge or assessment against the property for which service is requested to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development within the District's service area. According to Special District Local Laws Code § 7208.0302, the District's initial Impact Fee is not greater than Springs Hill Water Supply Corporation's capital recovery fee (also referred to by Springs Hill Water Supply Corporation as an "impact fee'), as of September 1, 2023. The District's Impact Fee may increase its Impact Fee only as provided by Chapter 395, Local Government Code, as approved by the Texas Commission on Environmental Quality, or as otherwise provided by law.

16. **"Proof of Ownership"** means a deed of trust, warranty deed, or other recordable documentation of fee simple title to real estate to be served that is required of an Applicant for purposes of this Service Policy.

17. **"Public Utility Commission of Texas" or "PUC"** means the state regulatory agency having jurisdiction of water and sewer service utilities and appellate jurisdiction over the rates and fees charged by a District.

18. **"Rural Utilities Service" or "RUS"** means an agency of the United States Department of Agriculture Rural Development Mission Area that provides loans and grants funds for development of rural water and sewer systems serving communities with a population of les than ten thousand (10,000) people.

19. **"Renter" or "Tenant"** means a Customer who rents or leases property from a landowner in the District's CCN.

20. **"Reinstatement"** means providing service to an Applicant at a location for which service previously existed. The cost of such re-servicing shall be based on justifiable expenses.

21. **"Reserved Service Charge"** means a monthly charge for each active account at a specific location for which a meter has not been installed but for which the District and the Applicant have entered into an agreement and/or contract for reserving service. This monthly charge shall be based on the District's fixed costs to service the Applicant's dedicated facilities on a per Service Unit basis. This charge reserves service to the Applicant's property designated to receive service. This fee is determined on a case-by-case basis but shall never exceed the Service Availability Charge for Metered Service on a per Service Unit basis.

22. **"Service Availability Charge"** means the monthly charge assessed to each Customer for the opportunity of receiving service. The Service Availability Charge is a fixed rate based upon the meter, service size, or equivalent dwelling unit(s). The Service Availability Charge may also be referred to as a "monthly minimum charge," "minimum," or the "base rate."

23. **"Service Application and Agreement"** means a written agreement between the Applicant and the District defining the specific type of service requirements requested on the current service application and agreement form, and the responsibilities of each party before service is furnished.

24. **"Service Investigation Fee"** a fee paid by an Applicant for the purpose of determining the feasibility of a construction and/or expansion project and the District's expenses to prepare a service agreement, if service is feasible. The Service Investigation Fee may include the District's administrative, engineering, legal, and other professional fees and may require deposits for administrative, engineering, legal, and other professional fees. The Service Investigation Fee also applies to Applicants applying for, or receiving, Temporary Service.

25. **"Service Unit"** means the base unit of service used in facilities design and ratemaking. For the purposes of this Service Policy, a service unit is a 5/8" x 3/4" or 3/4" x 3/4" water meter. A 3/4" x 3/4" meter shall be installed if an irrigation system is connected. In addition, an

26. **"Subdivide"** means to divide the surface area of land into lots or tracts.

27. **"Subdivider"** means an individual, firm, or corporation, or other legal entity that owns any interest in land that directly or indirectly subdivides land into lots as part of a common promotional plan in the ordinary course of business.

28. **"Subdivision"** means an area of land that has been subdivided into lots or tracts.

29. **"Service Policy"** means the operating policies, service rules, service extension policy, service rate and fees, rationing policies, sample application packet, and miscellaneous transaction forms adopted by the Board of Directors of the District. A copy of this Service Policy is on file at the District's Office and on the District's website (www.springshill.org).

30. **"TAC" or "Tex. Admin. Code"** means the Texas Administrative Code.

31. **"Temporary Service"** means the classification assigned an applicant that is in process of construction, though the term may also apply to other non-permanent service, such as for road construction or drilling. The requirements, obligations, and responsibilities of receiving Temporary Service are set forth in this Service Policy. As applicable, this classification will change to permanent service after certain requirements of this Service Policy have been met. Applicants mut pay a Service Investigation Fee.

32. **"Texas Commission on Environmental Quality"** means the state regulatory agency having jurisdiction over public drinking water systems.

33. **"Texas Water Development Board"** means the state regulatory agency having jurisdiction over state water planning.

34. **"Transferee"** means the relative of a Customer to whom the Customer's account is transferred, upon the Customer's written request. A Customer's account may be transferred to a relative when a property is gifted, inherited, or otherwise conveyed, except by sale. A Customer may also be a Transferee if the Customer makes a written request to transfer their account from one property to another property with the same service classification.

35. **"Water Acquisition Fee"** means the one-time, non-refundable charge assessed to each Applicant before new service is initiated for the District to recover the costs of acquiring new water supplies that are necessary to serve new growth. The costs included in the Water Acquisition Fee are costs that are not already recovered through the District's other water rates and fees.

36. **"Water Conservation Penalty"** means a penalty that may be assessed under the District's Water Conservation Plan, Drought Contingency Plan, and/or this Service Policy to enforce Customer water conservation practices during drought contingency or emergency water demand circumstances.

SECTION 3.0 SERVICE RULES AND REGULATIONS

Section 3.1 Service Entitlement

The Applicant(s) shall be considered qualified and entitled to water service when a proper application has been made, the terms and conditions of the Service Policy and Service Agreement have been met, all fees have been paid as prescribed, and the application otherwise complies with all applicable laws and regulations.

Section 3.2 Service Location and Classification

For the purposes of this Service Policy, service requested by the Applicant(s) shall be for real estate designated to receive the service provided by the District. Service shall be through a meter located on the designated real estate unless otherwise approved by the District. Service shall be divided into the following classes:

a. Standard Service is defined as service for up to 1 EDU of residential service, including when pipeline extensions or road bores are required. In the event a pipeline extension or road bore is required for a Standard Service Applicant, the Applicant will be responsible for such costs. Typically, Standard Service would include 5/8" x 3/4" or 3/4" x 3/4" sized water meter services set on existing pipelines. Applicants with an irrigation system on the property will be required to install a 3/4" x 3/4" meter.

b. Non-Standard Service is defined as any service request (1) for more than 1 EDU or residential service, (2) service that is categorized as commercial, industrial, or agricultural usage, (3) service to a Master Metered Account, or (4) service that would require an addition to the supply, storage, and/or distribution/collection system. In the event any pipeline extensions or road bores are required for a Non-Standard Service Applicant, the Applicant will be responsible for the cost. The additional service requirements as prescribed in Section 4 of this Service Policy shall be required of the Non-Standard Service Applicant prior to providing service.

c. Temporary Service is the classification assigned to an Applicant that is in the process of construction, though the term may also apply to service for other non-permanent uses, such as for road construction or drilling purposes. This classification of service will be provided and metered through a designated fire hydrant or flushing valve according to a Temporary Service Application and Agreement. Temporary Service shall not exceed twelve (12) months from the date the temporary meter is installed, unless the Applicant submits a written request for extension that is approved by the Board.

d. 48-Hour Temporary Reinstatement is the classification assigned to an Applicant that requests temporary reinstatement of water service for up to 48 hours. Applicants may apply for 48-hour Temporary Reinstatement for purposes such as conducting a home inspection during foreclosure or service during an estate sale.

Section 3.3 Service Requirements for All Types of Service

The District's applicable Service Application and Agreement Form shall be completed in full and signed by the Applicant(s) for the classification of service requested. Where applicable, in addition to the Applicant, any other person sharing an ownership interest in and receiving service at that property shall sign the Service Application and Agreement Form; however, even if the spouse or other person sharing an ownership interest does not sign the Service Application and Agreement Form, they are still responsible for the terms set forth therein, and any debt obligation related to the account.

a. Right of Way Easement(s). A right of way easement form, or other such easement form, required by the District, must be completed by the Applicant for the purpose of allowing future facility additions. ***NOTE***: This requirement may be delayed for Non-Standard Service requests.

b. Proof of Ownership. The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the District. Proof of ownership shall consist of a recorded warranty deed, deed of trust, or other recordable documentation of fee simple title to the real estate designated to receive service. Proof of ownership may be required from the Guadalupe County Appraisal District or Wilson County Appraisal District if the deed has been recorded. Presentation of a valid Photo ID is required at this time.

c. Individual Meters and Submeters. On request by the property owner, or owner's authorized agent, 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, 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 5, herein. The cost of individual meter installation shall be prepaid by the property owner as well as the cost of any additional facilities or supply occasioned by the total water service demand represented by full occupancy of the property, as determined under applicable provisions of Section 5. It shall be the responsibility of the property owner to obtain the customer account required for each individual meter.

d. Application Approval. Notice of application approval and costs of service determined by the District shall be presented to the Applicant in writing within 180 days of the date a completed application was accepted from a qualified Applicant. After that time the Applicant must re-apply for service.

e. Line Relocation. If the water main has been located in the public right-of-way and is adjacent to the Applicant's property due to the current or previous landowner's refusal to grant easement to the District for the purpose of installing the water main and appurtenances, the District has documentation of such refusal, the Applicant, prior to receiving the requested service, shall grant easement(s) 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 right of way and construct the appropriate line(s) within that easement(s) for the District's system-wide service.

Section 3.4 Activation of Standard Service

a. New Tap. The District shall charge a non-refundable service installation fee as required under Section 5 of this Service Policy. All fees shall be paid, or a deferred payment contract signed, in advance of installation.

b. Reinstatement. On property where water service was previously provided, the District shall charge the security deposit (where the security deposit has been refunded), reconnection costs, any delinquent charges if the Applicant is the person that previously incurred those charges, seasonal reconnect fees as appropriate, and other appliable costs necessary to restore service.

c. Performance of Work. All tap and equipment installations specified by the District shall be completed by the District's staff or designated representative after all application requirements have been met. The tap for a standard service request shall be completed within five (5) working days whenever practicable, but not later than ten (1) working days. This time may be extended for installation of equipment for a Non-Standard Service request.

d. Inspection of Customer Service Facilities. The property of the Application shall be inspected to ensure compliance with state required Minimum Acceptable Operating Practices for Public Drinking Water Systems as promulgated by the TCEQ or successor agency. The Customer must, at his or her expense,

properly install, inspect, test, maintain, and provide all required documentation of any approved backflow prevention device required by the District.

Section 3.5 Temporary Service Requirements

Applicants for Temporary Service must complete and execute the District's Temporary Service Application and Agreement. Upon approval and acceptance of the Temporary Service Application and Agreement by the District and receipt of a deposit for a temporary meter, as set forth in in Section 5, a temporary meter shall be used to provide water service from a designated fire hydrant or pipeline. In addition to the deposit, Applicants must also pay the fees and charges set forth in Section 5 for Contractors Metered Water. If not provided by the District, Applicants must provide and install, at their own expense, Reduced Pressure Zone ("***RPZ***") backflow prevention assemblies, which must be maintained in proper working condition at all times while receiving Temporary Service. In the event Applicant provides the RPZ backflow prevention assembly, the temporary meter must be tested by a Backflow Prevention Assembly Tested duly licensed by the TCEQ. A passing Backflow Prevention Assembly Test and Maintenance Report must also be submitted to the District before Temporary Service will be provided, and at least every 12 months thereafter. Temporary Service shall not exceed 12 months from the date the temporary meter is installed, unless the Applicant submits a request for extension that is approved by the Board.

Section 3.6 48-Hour Temporary Reinstatement Requirements

Applicants for 48-Hour Temporary Reinstatement must complete and execute the District's 48-Hour Temporary Reinstatement Application and Agreement. Upon approval and acceptance of the 48-Hour Temporary Reinstatement Application and Agreement by the District and receipt the applicable fee for a temporary meter for such service, as set forth in Section 5, a temporary meter shall be used to provide water to the property for up to 48 hours.

Section 3.7 Activation of Non-Standard Service

Activation of Non-Standard Service shall be conducted as prescribed by the terms of Sections 3 and 4 of this Service Policy.

Section 3.8 Changes in Service Classification

If at any time the District determines that the Customer's service needs changed from those originally applied for to a different service classification and/or the District determines that additional or different facilities are necessary to provide adequate service, the District shall require the Applicant/Customer to reapply for service under the terms and conditions of this Service Policy. Applicant/Customers failing to comply with this provision shall be subject to the Disconnection with Notice provisions of this Service Policy.

Section 3.9 Owners and Renters

Any Customer having complied with the requirements of this Service Policy, renting or leasing property designated to receive service according to the terms of this Service Policy to other parties, is responsible for all charges due the District. The Customer account for rental or leased properties shall be in the name of the owner of the property as required by this Service Policy. The District may bill the renter or lessee for utility service (at the owner's request) as a third party, but the owner is fully responsible for any and all unpaid bills left by the renter/lessee. The owner shall be required to sign an Alternate Billing Agreement if the owner requests that the tenant be billed for utility service. (See Miscellaneous Transaction Forms.) The owner shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The District will notify the owner of the renter's past due payment status. Such notification will be subject to a service charge (see Miscellaneous Transaction Forms). If at any time the owner requests that Customer

account be canceled thereby discontinuing service to an occupied rental property, the District shall provide written notice to the tenant(s) a minimum of five (5) days prior to the scheduled disconnection date.

Section 3.10 Denial of Service

The District may deny service for the following reasons:

a. Failure of the Applicant or Transferee to complete all application requirements, including granting an easement, completing all forms, and paying all required fees and charges;

b. Failure of the Applicant or Transferee to comply with rules, regulations, and policies of the District;

c. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Customers of the District upon connection;

d. Failure of the Applicant or Transferee to provide representatives or employees of the District reasonable access to the property for which service has been requested;

e. Failure of the Applicant or Transferee to comply with all governmental rules and regulations of the District's Service Policy and of the regulatory authority governing the service applied for by the Applicant;

f. Failure of the Applicant or Transferee to provide proof of ownership, to the satisfaction of the District, of property for which the tap has been requested;

g. The Applicant or Transferee's service facilities are known to be inadequate or of such character that satisfactory service cannot be provide.

h. Failure of the Applicant or Transferee to comply with applicable regulations for on-site sewage disposal systems if the District has been requested to deny service by the TCEQ or the TCEQ's designated representative under Chapter 366 of the Texas Health and Safety Code; and/or

i. Failure of the Applicant or Transferee to pay any previous outstanding delinquent account(s) in full. This could be delinquencies resulting from the same account location or other service location(s) within the system where the Applicant or Transferee received service.

Section 3.11 Applicant's or Transferee'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, on the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors.

Section 3.12 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 misapplication of rates 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 interferes with the service of others, unless the Customer has first been notified and been afforded reasonably opportunity to comply with said requirements;

d. Failure to pay a bill of another Customer as guarantor thereof, unless the guarantee was made in writing to the District as a condition precedent to service; and/or

e. 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.

Section 3.13 Deferred Payment Agreement

The District may offer a deferred payment plan to a Customer or Tenant 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. Failure to make required and timely payments as provided by any deferred payment agreement will void the agreement and service will be discontinued. The District may consider another deferred payment agreement provided payments will be made by automatic bank draft or credit/debit card. Non-payment of any amount under an additional deferred payment agreement will cause service to be disconnected immediately and service will not be restored until the account is paid in full and all other charges resulting from the disconnection of service are fully paid. In the event the requestor is a Tenant of rental property, the District shall notify the landowner of the deferred payment agreement. If a deferred payment agreement is not fulfilled by the specified date(s) on the notice, the account will not be eligible for a payment arrangement for the next fixed three (3) consecutive months.

Section 3.14 Charge Distribution and Payment Application

a. The Service Availability Charge or the Reserved Service Charge. All Customers will be charged a service availability charge whether or not the service is in use by the Customer.

b. Gallonage Charge shall be billed at the rate specified in Section 5 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 and late fees prior to posting against current billings.

d. Forms of Payment. The District will accept the following forms of payment: cash, personal check, cashier's check, money order, credit card, automatic debit on customer's bank account, or draft on bank. The District will not accept two-party checks, pay checks, or any other instrument of payment that is not made out to the District. The District reserves the right to require exact change and may refuse to accept payments made using more than $1.00 in coins.

Section 3.15 Due Dates, Delinquent Bills, and Service Disconnection Date

a. The District shall mail all bills according to when their meter is read. The meter is read by geographic area. All bills are considered the responsibility of each person signing the Service Application and Agreement Form. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill after which time a penalty, or late payment fee, shall be applied as described in Section 5. A bill is delinquent if not paid on or before the past due date. Final notices shall be given allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is given by phone, email or U.S. Postal Service with sufficient postage.

b. Natural Disasters. The Board of Directors or manager may elect to not charge a late fee or disconnect fee in accordance with this Service Policy during or after the occurrence of a natural disaster or other incident that impacts the property of members/customers or interrupts the management and operation of the system.

c. Emergency Weather Emergency.

i. The term "extreme weather emergency" means a period beginning when the previous day's highest temperature in an area did not exceed 28 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service reports for that area. For purposes of this section, an extreme weather emergency is over on the second business day the temperature exceeds 28 degrees Fahrenheit. *See* 16 TAC § 24.173.

ii. The District shall not impose late fees or disconnect retail water service for nonpayment of bills that are due during an "extreme weather emergency," until after the emergency is over.

iii. An affected customer may request to establish a payment schedule for unpaid bills that are due during an extreme weather emergency. If the District receives such request within 30 days of the extreme weather emergency, then the District will offer the affected customer a payment schedule and a deadline for accepting the payment schedule. The District shall not disconnect service for an affected customer that has timely requested a payment schedule until after the affected customer has either declined to accept the payment schedule in a timely fashion or violated the terms of the payment schedule. If the affected customer does not timely accept the offered payment schedule or violates the terms of the payment schedule, any suspended disconnection notices are reinstated, and the District may renegotiate the terms of the payment schedule or disconnect service on or after the disconnection date listed on the disconnection notice.

d. Payment Date of Utility Bill for Elderly Individual. Upon written request, any residential Customer sixty (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 twenty-five (25) days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings. (*See* Utilities Code §§ 182.001 - 182.005). If this request originates from a tenant at a rental property then the owner will be notified in writing of any extension request**.**

Section 3.16 Disconnection of Service.

The following describes the District's rules and conditions for disconnection of service. For purposes of disconnecting sewer service under these policies, water service will be terminated in lieu of disconnecting sewer service.

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 attempt to notify the Customer/owner/renter in good faith with 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. (see 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.

ii. Failure to pay a delinquent account for utility service, failure to timely provide a security deposit or other security under Section 5, 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 (including, where appropriate, the Water Conservation Plan or Drought Contingency Plan), Special Contract, or other applicable laws or regulations 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 or Transferee 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 City of Seguin pursuant to the District's Agreement with the City of Seguin. (16 TAC § 24.167).

ix. Cancellation of a Customer account that the Customer holds for water service to the Customer's renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement. (***NOTE***: The cancellation of Customer account must be in writing and signed by the owner of the property. *THE DISTRICT ASSUMES NO LIABILITY TO RENTER/LESSEE; CUSTOMER IS SOLELY RESPONSIBLE FOR COMPLIANCE WITH, AND LIABILITY UNDER ANY FEDERAL, STATE OR LOCAL LAW CREATING OR PROTECTING RIGHTS OF RENTERS/LESSEES*.)

x. Violation of any applicable regulation or 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.

xi. Failure to pay charges arising from service trip fee as defined in Section 5., meter re-read fee, or meter read fee when customer on self-read plan failed to submit their meter reading.

xii. 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 District will provide the Customer with notice detailing the extent of the damage, the location of the damage, the cost of repair, and whether the damage occurred on private property or on a public right-of-way. Failure to pay the cost of repair or replacement will result in the Customer's service being disconnected in accordance with the Disconnection with Notice Provisions in this Section. Service will remain disconnected until payment is received or an acceptable payment plan is approved.

xiii. Failure to disconnect or secure additional service tap(s) for an RV or other service connection (see Section 5) 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 public health nuisance under Chapter 341 of the Health and Safety Code, or there is reason to believe a dangerous or hazardous condition exists and 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));

ii. Service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment; and

iii. In instances of tampering with the District's meter or equipment, by-passing the meter or equipment, or other diversion of service. (***NOTE:*** Where reasonable, given the nature of the reason for disconnection, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.

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 Customer 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, Section 3.19 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 making 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 Public Utility Commission of Texas.

f. Disconnection for Ill and Disabled. If a Customer or Tenant seeks to avoid termination of service due to an illness or disability, the Customer must have the attending physician call or contact the District within sixteen (16) days of issuance of the bill. A written statement must be received by the District from

the physician within twenty-six (26) days of the issuance of the utility bill. The prohibition against service termination shall last sixty-three (63) days from the issuance of the utility bill or such lesser period as may be agreed upon by the District and Customer or Tenant's physician. The Customer or Tenant shall enter into a Deferred Payment Agreement (see Miscellaneous Transaction Forms). The District shall provide notice to an Owner of rental property in the event a Tenant requests service not be discontinued due to illness or disability as per this section.

g. Disconnection of Master-Metered Accounts. 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 give 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 at 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 in 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.

Section 3.17 Billing Cycle Changes.

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

Section 3.18 Back-Billing.

The District may back-bill a Customer for up to four (4) years (48 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.

Section 3.19 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 Section must be submitted to the District, in writing, prior to the due date posted on said bill.

Section 3.20 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 six (6) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years

Section 3.21 Bill Adjustment.

a. Due to Meter Error. The District shall test any Customer's meter upon written request of the Customer.

The meter shall be tested for accuracy within the standards of The American Water Works Association. In the event the test results indicate that the meter is faulty or inaccurate, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months but not extending beyond current Customer except in cases involving the transfer of a Customer account conditioned on payment of delinquent obligations by the Transferee, as provided under Section 3.17. 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.) A meter test fee not to exceed $25.00 will be assessed to Customers requesting to have a meter tested more often than annually.

b. Due to Estimated Billing. If the District has estimated usage because the District is unable to access the meter due to circumstances beyond the District's control, such as a natural disaster; or because access is hindered or denied by a Customer, the District shall adjust the bill once access has been regained and actual usage is determined.

Section 3.22 Meter Tampering and Diversion.

For purposes of these Sections, meter-tampering, by-passing, or diversion shall all be defined as tampering with the District's service equipment, by-passing the same, or other instances of diversion, such as:

a. removing a locking or shut-off devise used by the District to discontinue service,
b. physically disorienting the meter,
c. attaching objects to the meter to divert service or to by-pass,
d. inserting objects into the meter,
e. other electrical and mechanical means of tampering with, by-passing, or diverting service,
f. preventing the supply from being correctly registered by a metering device due to adjusting the valve so that flow is reduced below metering capability, or
g. connection or reconnection of service without the District's authorization,
h. connection into the service line of adjacent customers or of the District, or
i. other methods of tampering with the District's meter or other equipment causing damage or unnecessary expense to the District.

The burden of proof of proof of meter-tampering, by-passing, or diversion 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 meter-tampering as provided for in these Sections is initiated. A court finding of meter 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 § 28.03. (See associated Tampering Fees in Section 5)

Section 3.23 Meter Relocation.

Relocation of services shall be allowed by the District provided that:

a. The relocation is limited to the existing property designated to receive service;
b. A current easement for the proposed location has been granted to the District; and
c. The Customer/Applicant pays the actual cost of relocation plus administrative fees.

Section 3.24 Prohibition of Multiple Connections to a Single Tap.

a. For purposes of this section, the following definitions shall apply:

i. A "**multiple connection**" is a scenario where a Customer's water line (on the Customer's side of

the meter) that is connected to a primary delivery point already servicing one residence, one commercial facility, or one industrial facility is extended to transport water to another residence, commercial facility, or industrial facility. Water lines to outbuildings, barns or other accessory structures shall not be considered a multiple connection if: (i) those structures are located on the same tract as the primary delivery point and (ii) such structures are not used as a residence or as a commercial or industrial facility.

ii. A "**primary delivery point**" shall mean the physical location of the water meter that is installed at a service location for a residence, commercial facility, or industrial facility in accordance with this Service Policy and applicable law, and is the point at which the water furnished transitions from the District to the Customer

iii. A "**residence**" shall mean any structure which is being used for human habitation, which may include kitchen and bathroom facilities or other evidence of habitation as defined by the District.

iv. "**commercial facility**" shall mean any structure or combination of structures at which any business, trade, occupation, profession, or other commercial activity is conducted. A Customer that utilizes water within their residence or property for commercial purposes may be required to obtain a separate meter. A business conducted within a Customer's residence or property that does not require water in addition to that provided to the Customer's residence shall not be considered a separate commercial facility.

b. No more than one (1) residential, commercial, or industrial service connection is allowed per meter. The District may consider allowing an apartment building or mobile home/RV park to apply as a "Master Metered Account" and have a single meter (see Sections 3.2 and 3.24).

c. Any unauthorized sub-metering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. If the District has sufficient reason to believe a Multiple Connection exists, the District shall discontinue service under the Disconnection with Notice provisions of this Service Policy for a first violation and for subsequent violations service will be disconnected without notice in accordance with Section 3.15. A Customer with a Multiple Connection that is not approved by the District for a Master Metered Account shall disconnect all unauthorized connection(s) as provided in this Section 3.23.c and apply for new water service for each disconnected connection as appropriate under this Service Policy.

i. No later than the ninety (90) days after the District notifies the Customer of a violation of this Section 3.23, the Customer shall:

1. Disconnect any unauthorized connections so that there is only one authorized service connection per District-approved meter (consistent with the class of service the Customer originally requested and was approved by the District); and
2. Submit a completed Application if the Customer wishes to receive water service for the unauthorized, disconnected connection(s).

ii. The District shall consider the Application(s) for each previously unauthorized connection as if the Customer is an Applicant applying for a new connection according to the Service Policy. Customers/Applicants shall comply with the District's Service Policy and other applicable laws and regulations, including, but not limited to inspections and payment of Installation Fees such as Impact Fees, Meter Installation Fees, Inspection Fees, and other costs. If Customer's additional connections and/or use of their property would require the property to be platted or re-platted, then the District's current Impact Fee shall apply.

d. The District agrees to allow Customers in good standing to share water usage with a visitor on their property with a recreation vehicle (RV) or travel trailer for a period of no longer than three months. If the recreation vehicle/travel trailer is being used for a permanent residence, this Service Policy requires that an additional meter installation be purchased. If the Customer routinely has more than one visitor at a time with recreation vehicles or travel trailers or has multiple visitors throughout the year, the District may require that a second or additional meter(s) be purchased. The Customer must submit a written request to the District's office at least five (5) business days prior to sharing District water with a visitor. The District has the right to refuse or deny the shared usage for any reason. The District also has the right to inspect the premises for any potential cross-contamination issues as outlined in the Customer Service Inspection requirements and to ensure that the meter is properly sized for the additional usage at the time of total peak water demand. These requirements pertain to visitors ONLY. No commercial usage where fees for water are charged is allowed. If a Customer is found to violate these conditions, the Customer will be sent a letter of notice stating that water service will be cut off in ten (10) days if the situation is not corrected.

Section 3.25 Master Metered Account Regulations.

An apartment building, condominium, manufactured housing (modular, mobile or RV) community, business center or other similar type enterprise may be considered by the District to be a single commercial facility if the owner applies for a meter as a "master metered account" and complies with the requirements set forth in TCEQ rules, this Service Policy and applicable law. The District may allow master metering service to these facilities at an Applicant's request.

Section 3.26 Customer's Responsibility.

a. The Customer shall provide access to the meter location 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.

b. The Customer shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.

i. All connections shall be designed to ensure against on-site contamination, backflow or possible siphoning 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. Inspections of the customer's private plumbing to identify and prevent cross-contaminations, and potential contamination, including contamination by illegal materials containing lead. . Inspections are required when major plumbing has been altered or there is suspicion of a cross-connection (for example, a well plumbed into the water system)**.** The District may require installation and testing of backflow prevention assemblies ("***BPA***") where appropriate, at the District's sole discretion.

1. All BPAs must be tested at installation, repair, or relocation.
2. All BPAs installed to protect against health hazards must be tested annually. (30 TAC § 290.55(h)(4)). If an irrigation system and septic system using District water are present within the property, then an RPZ (Reduced Pressure Zone Valve) must be installed and backflow testing must be done annually.
3. All Customers with a BPA, other than Customers already required by Section 3.26.b.i.2 to conduct backflow testing annually, must conduct backflow testing at least once every three (3)

years.

4. The costs associated with the program are borne by the customer. (30 TAC § 290.46, Health & Safety Code Chapter 366). The District requires Customers to regularly test BPAs to ensure the devices are operational and to protect the public health and safety of the District's Customers and water system. If a Customer fails to conduct backflow testing as required by this Service Policy, then District may disconnect service according to Section 3.16.a (Disconnection with Notice) or Section 3.16.b (Disconnection Without Notice), as appropriate.

ii. The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the District's facilities. Customer service pipelines shall be installed by the applicant. (30 TAC § 290.46). Service shall be discontinued without further notice when installations of new facilities or repair of existing facilities are found to be in violation of this regulation until such time as the violation is corrected.

c. For Customers owning more than one (1) account, failure to keep all payments current on all accounts will end in meter removal/account closure per the Service Agreement.

d. The District's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the District shall be subject to charges as determined by the District's Service Policy as amended from time to time by the Board of Directors.

e. The District shall require each Customer to have a cut-off valve within two (2) feet of the meter 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. The valve shall meet AWWA standards (a ball valve is preferred). The Customer's use of the District's curb stop or other similar valve for such purposes is prohibited. Any damage to the District's equipment shall be subject to service charges. (This cut-off valve may be installed as a part of the original meter installation by the District.)

f. The Customer is required to notify the system 48 hours prior to digging or excavation activities along or near water/sewer lines and appurtenances and call Texas 811 for line locates.

g. The Customer is responsible for maintaining the customer shut off valve.

h. The Customer is responsible for any Pressure Reduction Valve (PRV) that has been installed on the Customer's side of the meter by the District or by the Customer.

Section 3.27 Damaged Facilities and Equipment.

For any location where the District has installed a water meter, meter box, meter box lid, and related facilities, the corresponding landowner or its agents, contractors, licensees, and/or invitees may not bury, relocate, destroy, or otherwise damage the District's facilities or equipment without the prior written consent of the District. If the District's facilities or equipment have been damaged such that they are inaccessible, not properly functioning, or inoperable, then the District may charge the landowner-Developer a fee pursuant to Section 5. Damage shall be presumed to be caused by the landowner-Developer, and the landowner-Developer shall have the burden of proving otherwise.

SECTION 4.0 DEVELOPERS, SUBDIVISIONS, AND NON-STANDARD SERVICE

Part One – General Requirements

This Part One details the requirements for all types of non-standard service requests.

Section 4.1 District's Limitations.

All Applicants shall recognize that the District must comply with local, state, and federal rules and regulations as promulgated from time to time, and with covenants of current indebtedness. The District is not required to extend retail water service to an Applicant in a subdivision within the District's CCN where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this Service Policy. Texas Water Code § 13.2502 requires that notice be given herein or by publication (see Appendix A) or by alternative means to the Developers/Applicants. .

Section 4.2 Purpose.

It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions and other kinds of Non-Standard Service are determined, including the Non-Standard Service Applicant's and the District's respective costs.

For purposes of the Section, the term "***Applicant***" shall refer to the individual or entity that desires to secure Non-Standard Service from the District. The Applicant must be the same person or entity that is authorized to enter into a contract with the District setting forth the terms and conditions pursuant to which Non-Standard Service will be furnished to the property. In most cases, the Applicant shall be the owner of real property for which Non-Standard Service is sought. In the event that the Applicant is other than the owner of real property, the Applicant must furnish evidence to the District that it is authorized to request Non-Standard Service on behalf of such owner, or that it otherwise has authority to request Non-Standard Service for the real property

Section 4.3 Application of Rules.

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 land can include, but are not limited to, road bores, extensions to the distribution system, service lines exceeding 3/4" diameter and service lines exceeding ten (10) feet. Non-residential or residential service applications requiring a larger sized meter typically will be considered non-standard. For the purposes of this Service Policy, Applications subject to this Section shall be defined as Non-Standard. This Section may be altered or suspended for planned facility expansions when the District extends its indebtedness. The Board of Directors of the District or their designee shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.

This Section sets forth the general terms and conditions pursuant to which the District will process Non-Standard Service Requests. 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. The agreement may not contain any terms or conditions that conflict with this Section

Section 4.4 Non-Standard Service Application.

The Applicant shall meet the following requirements prior to the initiation of a Non-Standard Service Contract with the District.

a. The Applicant shall provide the District a completed Non-Standard Service Application giving special attention to the item**(s)** on SPECIAL SERVICE NEEDS OF THE APPLICANT.

b. A preliminary plat approved by 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.

NOTE: It is the responsibility of the Developer/Applicant to secure all necessary approvals of the subdivision once an Non-Standard Service Contract is in place between the District and the Developer/Applicant.

c. A **Non-Standard Service Investigation Fee** shall be paid to the District in accordance with the requirements of Section 5 of this Service Policy for purposes of paying initial administrative, engineering, legal, and other professional fees. The District shall refund any balance from the Service Investigation Fee deposits that remains after it has completed all legal, engineering, and administrative services associated with processing a service request. The Applicant shall pay the District for any administrative, engineering, legal or other professional expenses that have been or will be incurred that exceed the Service Investigation Fee deposits within thirty (30) days of receipt of an invoice from the District; and the District shall have no obligation to complete the processing of the Application or a Non-Standard Service Contract until all remaining expenses have been paid. The District may require the Applicant to execute an agreement to memorialize Applicant's deposits for and reimbursement of the District's administrative, legal, engineering, and other professional fees incurred in the transaction.

d. If after the service investigation has been completed, the District determines that the Applicant's service request is for property located, in whole or in part, outside the area described in the District's Certificate of Convenience and Necessity, service may be extended provided that:

i. The service location is not in an area receiving similar service from another retail public utility;

ii. The service location is not within another retail public utility's water Certificate of Convenience and Necessity or the applicant owns a tract of twenty-five (25) acres or more and has not legally opted out of the current CCN;

iii. The District's Certificate of Convenience and Necessity shall be amended to include the entirety of Applicant's property for which service is requested. Applicant shall pay all costs incurred by District in amending its CCN, including but not limited to legal, engineering, and other professional fees. If the service location is contiguous to or within one-fourth (1/4) mile of District's Certificate of Convenience and Necessity, 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).

Section 4.5 Design.

The District shall approve the design requirements of the Applicant's required facilities after the execution of a Non-Standard Service Contract in accordance with the following schedule:

a. The Applicant's Engineer shall design all on-site and off-site service facilities for the Applicant's

requested service within the District's specifications, incorporating any applicable municipal or other governmental codes and specifications, subject to the District Engineer's review and approval.

b. The District's Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee under Sections 4.4.c and 5.

c. The Applicant's Engineer shall submit to the District a set of detailed plans, specifications, and cost estimates for the project.

d. The Applicant's Engineer shall ensure that all facilities for any Applicant meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. 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 that which is reasonably allocable to the level and manner of service requested by the Applicant.

Section 4.6 Non-Standard Service Contract.

a. After submission of a complete Non-Standard Service Application and confirmation of availability of water service through a feasibility study, Applicants shall execute a written contract, prepared by the District's Attorney, providing the terms and conditions for the District's provision of non-standard water service ("***Non-Standard Service Contract***"). Said Non-Standard Service Contract shall define the terms of service prior to construction of required service facilities.

b. An Applicant shall have forty-five (45) calendar days from receipt of the Non-Standard Service Contract to execute such Non-Standard Service Contract. If Applicant fails to execute the Non-Standard Service Contract within such time, then the District automatically withdraws its offer to provide non-standard water service under such Non-Standard Service Contract, and the Applicant shall be required to submit a new Non-Standard Service Application and obtain a new feasibility study, including paying any applicable fees.

c. The Applicant shall pay the applicable Reservation Fees within forty-five (45) calendar days of executing the Non-Standard Service Contract. If Applicant fails to pay the applicable Reservation Fees within such time, then the Non-Standard Service Contract shall automatically terminate and Applicant shall be required to submit a new Non-Standard Service Application and obtain a new feasibility study, including paying any applicable fees.

d. The General Manager of the District may grant exceptions to the deadlines provided in this Section 4.6 for good cause.

e. The Non-Standard Service Contract may include, but is not limited to:

i. All costs associated with required administration, design, construction, and inspection of facilities for water/sewer service to the Applicant's service area and terms by which these costs are to be paid.

ii. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.

iii. Reservation Fees and Impact Fees required by the District in addition to the other costs required under this Section.

iv. Terms by which service capacity shall be reserved for the Applicant and duration of reserved service with respect to the demand which the level and manner of the service will have upon the District's system facilities.

v. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates, Reservation Fees, and/or Impact Fees.

vi. Terms by which the District shall administer the Applicant's project with respect to:

1. Design of the Applicant's service facilities;

2. Securing and qualifying bids;

3. Execution of the Non-Standard Service Contract and Addendums;

4. Selection of a qualified bidder for construction;

5. Dispensing advanced funds for construction of facilities required for the Applicant's service;

6. Inspecting construction of facilities; and

7. Testing facilities and closing the project.

vii. Terms by which the Applicant shall indemnify the District from all third party claims or lawsuit**s** in connection with the project.

viii. Terms by which the Applicant shall dedicate, assign and convey to the District all constructed facilities and related rights (including contracts, easements, rights-of-way, deeds, warranties, and so forth) by which the District shall assume operation and maintenance responsibility for the Applicant's project. The Applicant shall also provide reproducible as-built drawings of all constructed facilities. The as-built drawings must verify that all facilities have been properly located within the easements conveyed to the District.

Section 4.7 Construction of Facilities by Applicants Prior to Execution of Service Contract.

The District and the Applicant must execute a Non-Standard Service Contract prior to the purchase of supplies and materials or initiation of construction of facilities by the Applicant. In the event that the Applicant commences construction of any such facilities prior to execution of a Non-Standard Service Contract with the District, then the District may refuse to provide service to the Applicant or, in a subdivision, to any person purchasing a lot or home from the Applicant. Alternatively, the District may require full costs of replacing/repairing/relocating any facilities constructed without prior execution of a contract from any person buying a lot or home from Applicant. At a minimum, the District will 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, and take any other lawful action determined appropriate by the Board of Directors of the District.

Section 4.8 Property and Right-of-Way Acquisition.

With regard to construction of facilities, the District shall require private right-of-way easements or purchase of private property as per the following conditions:

a. If the District determines that right-of-way easements or facility sites outside the Applicant’s property are required, the Applicant shall secure easements or else title to facility sites in behalf of the District. All right-of-way easements and property titles shall be researched, validated, and filed by the District at the expense of the Applicant.

b. All additional costs associated with facilities that must be installed in public rights-of-way on behalf of the Applicant, due to the inability of the Applicant to secure private right-of-way easements, such as including road bores and TXDOT approvals shall be paid by the Applicant. Alternatively, Applicant shall

pay all costs, including legal and other professional fees and the condemnation award in the event District secures such private easements or facility sites through eminent domain proceedings.

c. The District shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the District) and title to property required for other on-site and off-site facilities.

d. Easements and facilities sites shall be prepared for the construction of the District's pipelines and facility installations in accordance with the District's requirements and at the expense of the Applicant.

Section 4.9 Bids for Construction.

The District's Engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices and as required by applicable laws and regulations. Plans and specifications shall be made available, with or without charge (as per the Engineer's determination), to prospective bidders. Although the District reserves the right to reject any bid or contractor, the District shall generally award the contract to the lowest qualified bidder in accordance with the following criteria:

a. The Applicant shall sign the Non-Standard Service Contract noting 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 (including but not limited to current water/sewer license, OSHA competent person training, and other licenses / certificates as required to complete the project); and

f. The Contractor shall provide adequate certificates of insurance as required by the District.

Section 4.10 Pre-Payment for Construction and Service.

After the Applicant has executed the Non-Standard Service Contract, the Applicant shall pay to the District all costs necessary for completion of the project prior to construction and in accordance with the terms of the Non-Standard Service Contract.

Section 4.11 Construction.

a. The Water System Extension (the facilities necessary to serve the Applicant) 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 the District's Engineer 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's Engineer, the plans and specifications shall become part of the Non-Standard Service Contract by reference and shall more particularly define "the Water System Extension."

b. No part of the Water System Extension may be placed under a sidewalk or any paved surface.

c. All roadwork pursuant to state, county and/or municipal standards (as applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, approved road sleeves / casings may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.

d. The District shall, at the expense of the Applicant, inspect the facilities to ensure compliance with District's standards. In the event any part of the Water System Extension is placed under a paved surface or otherwise fails to comply with the District's standards after reasonable notice and opportunity to cure, the District shall have the right, in its sole discretion, to: (i) remove, relocate, and/or replace, at the sole expense of the developer and/or contractor, any part of the Water System Extension placed under any paved surface or otherwise failing to comply with the District's standards; or (ii) deny service until the developer and/or contractor removes, relocates, and/or replaces any part of the Water System Extension placed under a paved surface or otherwise failing to comply with the District's standards. The District will not be responsible for any damages to concrete or paved areas if any part of the Water System Extension is placed under a paved surface or otherwise fails to comply with the District's standards.

e. Construction plans and specifications shall be strictly adhered to, but the District reserves the right to issue change-orders of 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.

Part Two – Requests for Service to Subdivisions

In addition to the Part One general requirements, this Part Two contains additional requirements for developers of subdivisions.

Section 4.12 Service Applications for Subdivisions.

All Developers or subdividers of property shall provide the District sufficient information describing the level and manner of service requested and the timeline for initiation of this service. The following is the minimum information needed for an engineering evaluation of the requested service to the property described in the application:

a. Completion of requirements described in Section 4.4. *Non-Standard Service Application* above.

b. Applicant shall provide the District with details concerning access to the property during evaluation of application.

c. Applicant shall be notified in writing by the District or designated representative if service can be extended in accordance with the details described on the Applicant's request for service.

Section 4.13 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 nonstandard service specified by the Applicant. The Applicant 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 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 water service. In addition, the District may elect to pursue any remedies provided by the Non-Standard Service Contract, if one has been executed. Applicant is advised that purchasers of lots also may have legal recourse to the Applicant under Texas law, including but not limited to Texas Water Code § 13.257 and the Texas Deceptive Trade Practices–Consumer Protection Act, Chapter 17, Subchapter E, Business and Commerce Code.

Section 4.14 Information Required for Subdivisions

a. For service to subdivisions, the Applicant/Developer must provide the following in addition to other information otherwise required by this Section:

i. Map and description of the area to be served using map criteria in 16 TAC § 24.257.

ii. Time frame for:

1. Initiation of service
2. Service to each additional phase following the initial service

iii. Level of service (quantity and quality) for:

1. Initial needs
2. Phased and final needs and the projected land uses that support the requested level of service for each phase

iv. Manner of service for:

1. Initial needs
2. Phased and final needs and the projected land uses that support the requested level of service for each phase

v. Any additional information requested by the District necessary to determine the capacity and the costs for providing the requested service.

vi. Copies of all required approvals, reports and studies done by or for the Applicant / Developer to support the viability of the proposed development.

b. Applicant / Developer must provide reasonably sufficient information, in writing, to allow the District to determine whether the level and manner of service specified by the Applicant / Developer can be provided within the time frame specified by the Applicant / Developer and to generally determine what capital improvements, including expansion of capacity of the District's production, treatment and/or storage facilities and/or general transmission facilities properly allocable directly to the service request are needed.

c. If the Applicant / Developer proposes development in phases, the Applicant / Developer should specify the level and manner of service and the estimated time frame within which that service must be provided for each phase, and the Applicant / Developer must depict the currently estimated location of each phase on the maps required under 16 TAC § 24.257.

d. It is important that the Applicant / Developer's written request be complete. A complete application by the Applicant / Developer should include: (a) the proposed improvements to be constructed by the Applicant / Developer; (b) a map or plat signed and sealed by a licensed surveyor or registered professional engineer; (c) the intended land use of the development, including detailed information concerning the types of land uses proposed; (d) the projected water demand of the development when fully built out and occupied, the anticipated water demands for each type of land use, and a projected schedule of build-out; (e) a schedule of events leading up to the anticipated date upon which service from the CCN holder will first be needed; and a proposed calendar of events, including design, plat approval, construction phasing and initial occupancy. Applicant / Developer must establish that current and projected service demands justify the level and manner of service being requested. In making his/her written request for service, the Applicant / Developer must advise the CCN holder that he/she may request expedited decertification from the PUC.

e. Upon payment of the required fees, the District shall review Applicant / Developer's service request. If no additional information is required from Applicant / Developer, the District will prepare a written report on Applicant / Developer's service request, subject to any final approval by the District's governing body

(if applicable) which must be completed within the ninety (90) days from the date of application and payment of the required fees. The District's written report will state whether the requested service will be provided, whether the requested service can be provided within the time frame specified by the Applicant / Developer, and the costs for which the Applicant / Developer will be responsible (including capital improvements, easements or land acquisition costs, and professional fees.)

f. In the event the District's initial review of the Applicant / Developer's service shows that additional information is needed, the District will notify Applicant / Developer of the need for such additional information. Notice of the need for additional information will be made in writing within thirty (30) days of the date the District receives the Applicant / Developer's payment of the required fees. Applicant / Developer should respond to the District's request for additional information within fifteen (15) days of receipt of the District's written request. In any case, the District will provide the written report, including any final approval by the District's Board of Directors (if applicable) within ninety (90) days from the date of the written application and payment of all required fees

g. By mutual written agreement, the District and the Applicant / Developer may extend the time for review beyond the ninety (90) days provided for expedited petitions to the PUC.

Section 4.15 Non-Standard Service Contract for Subdivisions.

Upon final approval by the District and acceptance of proposal for service by the Applicant / Developer, 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 4.16 Reservation Fees.

Reservation Fees may be charged and are defined in Section 5 of this Service Policy.

SECTION 5.0 RATES AND SERVICE FEES

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

Section 5.1 Service Investigation Fee.

The District shall conduct a service investigation for each service application submitted at the District office. 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, engineering, legal, and other professional fees associated with:

i. Investigation of the District's ability to deliver service to the Applicant,

ii. provide cost estimates of the project,

iii. to present a Non-Standard Service Contract to the Applicant,

iv. to review plans and specifications for construction of infrastructure for the project,

v. to advertise and accept bids for construction of infrastructure for the project if the District is administering the construction, and

vi. to provide other services as required by the District for such investigation.

All Non-Standard Service Applicants must pay deposits for the Service Investigation Fee to cover the District's administrative, engineering, legal, and other professional fees associated with the Non-Standard Service request. The administrative fee will equal 15% of the District's engineering and legal fees to reflect District staff's time and expense to process the Non-Standard Service request and administer the District's engineering and legal consultants. The first deposit of $5,750.00 must be paid at the time of application for service ($5,000.00 for engineering fees plus the 15% administrative fee). After confirmation of availability of water service through a feasibility study, the second deposit of $5,750.00 must be paid before the District will prepare a Non-Standard Service Contract ($5,000.00 for legal fees plus 15% administrative fee). The General Manager of the District may grant exceptions for a small Service Investigation Fee deposit, as the General Manager deems appropriate for each Non-Standard Service request.

Section 5.2 Security Deposit.

At the time the application for service is approved, a refundable security deposit must be paid for each service requested before service shall be provided or reserved for the Applicant by the District. The security deposit will be held by the District, without interest, until settlement of the Customer's final bill. The security deposit will be used to offset the final billing charges of the Customer's account. In the event that a surplus exists after the final billing is settled, the remaining balance of the security deposit will be paid to the Customer within 30 days of the date the Customer provides a suitable address to the District. In the event that an outstanding balance exists after the security deposit is applied, the District shall collect the outstanding balance by all lawful means available:

a. The security deposit for water service is $300.00 for each service unit.

b. The security deposit for oversized or Master Metered Accounts shall be based on estimated usage and

adjustments may occur as needed.

c. If the District is not provided with a suitable address to send the remaining balance of a security deposit to, or if after sending the remaining balance it is returned by the U.S. Postal Service, then the District will hold the funds for the Customer to claim for a period of one (1) year. After the one-year holding period has expired, the District will turn the money over to the Texas Comptroller's Office. The Customer may still claim their remaining balance from the Texas Comptroller's Office.

Section 5.3 Easement Fee.

When the District determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements on behalf of the District and/or pay all costs incurred by the District in validating, clearing, and retaining such right-of-way 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 right-of-way and/or facilities sites on behalf of the Applicant

Section 5.4 Installation Fee.

The District shall charge an Installation Fee for service as follows:

a. **Standard Service** shall include all current labor, materials, engineering, legal, customer service inspection, and administrative costs necessary to provide individual metered water or wastewater service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed. Only 1 meter per residence as stated. 16 TAC § 24.169(a)(4).

The following fees must accompany new services:

i. Impact Fee – *see* Section 5.5 for the applicable Impact Fee

ii. $500.00 – Meter Installation

iii. $50.00 – Engineering Fee

iv. $50.00 – Inspection Fee required for transfer of service **or**

v. $100.00 – Inspection Fee required for new construction

vi. $150.00 – State Permit Fee (when applicable)

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 4 of this Service Policy.

c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section 3 of this Service Policy.

Section 5.5 Impact Fee.

a. Each Applicant shall be required to pay an Impact Fee, provided that one or both of the following conditions are met:

i. An impact fee has not been previously paid for the property at which service is requested.

ii. The number of Equivalent Dwelling Units (EDUs) previously purchased for a given lot is less than the number required for the proposed used.

b. This Impact Fee shall be used in funding capital improvements to the District's system capacity as provided in the District's currently approved capital improvements plan, as allowed by Texas law. Typical

capital improvements could include but are not limited to, water transmission facilities, pumping facilities and water treatment facilities. This Impact Fee shall be assessed as contemplated in this Service Policy. Impact Fees are non-refundable under any circumstances.

c. Impact Fees are charged on a per EDU basis.

Unit Usage (gpd/EDU)	Description
410	Annual Average
720	Peak Day

EDUs may be purchased at any time prior to meter installation but the final assessment of the amount needed will be made upon request for meter installation based upon the terms and conditions of this Service Policy. EDU amounts associated with different lot usages are contained in the District's EDU Calculation Spreadsheet available on the District's website. At the time a meter is requested (either new service or change in service/owner) if the proposed land use requires a number of EDUs greater than the number purchased for a given lot (based on the afore mentioned spreadsheet) the difference must be paid prior to a meter installation being completed.

d. Applicant for service shall submit the following to the District for Impact Fee Assessment:

i. EDU calculations using the EDU Calculation Spreadsheet available on the District's website and/or a demand projection signed and sealed by a professional engineer as applicable

1. Projection description.

2. Subdivision name and lot number and county appraisal lot identification number (if applicable).

3. Applicant's contact information.

ii. A copy of the recorded final plat for the EDUs being assessed, if applicable.

e. The Impact Fee shall be assessed according to the following**:**

i. For each EDU of water service located on a tract of land with a final plat recorded in the official public records of the applicable county before October 1, 2025, and an executed Non-Standard Service Contract (with either the District or its predecessor Springs Hill Water Supply Corporation) the assessed Impact Fee shall be $6,215.00 per EDU.

ii. For each EDU of water service located on a tract of land with a final plat recorded in the official public records of the applicable county on or after October 1, 2025, and an executed Non-Standard Service Contract (with either the District or its predecessor Springs Hill Water Supply Corporation) the assessed Impact Fee shall be $11,743.00 per EDU.

iii. If a tract of land is re-platted such that the quantity of EDUs contemplated by the re-plat is greater than the number of EDUs contemplated by the initial plat, then the assessed Impact Fee amount per EDU for the total number of EDUs contemplated by the initial plat shall be based upon the District's Impact Fee as of the time of recordation of the initial plat, and each EDU in addition to the total quantity of EDUs contemplated by the initial plat shall be assessed according to the Impact Fee amount established under this Service Policy at the time the new final plat is recorded. For example, if a final plat is recorded on August 1, 2025 for 100 EDUs and then a replat for the same land is recorded on October 1, 2025 for 102 EDUs, then (a) 100 EDUs shall be assessed an Impact

Fee of $6,215.00 per EDU, and (b) 2 EDUs shall be assessed an Impact Fee of $11,743.00 per EDU.

iv. For each EDU of water service requested for land that will be developed without platting, then the land shall be assessed an Impact Fee amount of $11,743.00 per EDU.

v. If land is being developed in multiple phases, then the Impact Fee shall be assessed on a plat by plat basis.

f. The District shall collect the Impact Fee at the time of meter installation. However, the District may specify a different time for the collection of the Impact Fee by contract with the Applicant/Customer, in which case the contract shall control the time for collection.

Section 5.6 Water Acquisition Fee.

The District shall charge each Applicant a one-time, non-refundable Water Acquisition Fee of $1,500.00 per EDU any time before new service is initiated. For Non-Standard Service Applicants, the District shall charge the Water Acquisition Fee at the time a non-standard service contract is executed.

Section 5.7 Monthly Charges.

a. All services must receive prior approval from the District's Engineer before installation.

b. Service Availability Charge.

The monthly charge for metered water service, which may or may not include allowable gallonage, is based on demand by meter size. Each charge is assessed based on the number of 5/8" X 3/4" meters (as per American Water Works Association maximum continuous flow specifications (see Miscellaneous Forms) equivalent to the size indicated and is used as a base multiplier for the Service Availability Charge and allowable gallonage. Rates and equivalents are as follows:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	$53.00
3/4" X 3/4"	1.5	$79.50
1"	2.5	$132.50
1 1/2"	5.0	$265.00
2"	8.0	$424.00
3"	16.0	$848.00
4"	30.0	$1,590.00

Larger than 4" meters are to be determined by Engineers.

c. Gallonage Charge.

The District has adopted an inclining rate structure to encourage conservation and/or to appropriately charge high volume users for production and distribution costs. In addition to the Service Availability Charge, a gallonage charge shall be added at the following rates for water usage during any one (1) billing period:

i. Residential Rate (5/8" and 3/4" standard meters)

0 to 6,000 gallons	$4.43 per thousand gallons
6,001 to 9,000 gallons	$5.54 per thousand gallons
9,001 to 11,000 gallons	$6.69 per thousand gallons
11,001 to 15,000 gallons	$7.93 per thousand gallons
Over 15,000 gallons	$8.32 per thousand gallons

ii. Commercial Rate (other than standard meter)

1" Meter

0 to 15,000 gallons	$4.95 per thousand gallons
15,001 to 30,000 gallons	$5.85 per thousand gallons
30,001 to 60,000 gallons	$6.40 per thousand gallons
60,001 to 120,000 gallons	$7.25 per thousand gallons
Over 120,000 gallons	$7.90 per thousand gallons

1" Meter Multi-Dwelling/Multi-Connection

For trailer parks and multi-family dwellings, the number of families per building or number of mobile homes in a mobile home park is multiplied by $50.05 for the service availability charge. This service availability charge includes *NO WATER* per EDU. Gallonage charges are the same as the Residential Rate.

1 ½" Meter

0 to 25,000 gallons	$4.95 per thousand gallons
25,001 to 50,000 gallons	$5.85 per thousand gallons
50,001 to 100,000 gallons	$6.40 per thousand gallons
100,001 to 200,000 gallons	$7.25 per thousand gallons
Over 200,000 gallons	$7.90 per thousand gallons

2" Meter

0 to 25,000 gallons	$4.30 per thousand gallons
25,001 to 50,000 gallons	$4.75 per thousand gallons
50,001 to 100,000 gallons	$5.50 per thousand gallons
100,001 to 200,000 gallons	$6.80 per thousand gallons
Over 200,000 gallons	$7.40 per thousand gallons

3" Meter

0 to 50,000 gallons	$4.30 per thousand gallons
50,001 to 100,000 gallons	$4.75 per thousand gallons
100,001 to 200,000 gallons	$5.50 per thousand gallons
200,001 to 400,000 gallons	$6.80 per thousand gallons
Over 400,000 gallons	$7.40 per thousand gallons

4" Meter

0 to 500,000 gallons	$4.30 per thousand gallons
500,001 to 1,250,000 gallons	$4.75 per thousand gallons
1,250,001 to 2,750,000 gallons	$5.50 per thousand gallons
2,750,001 to 3,500,000 gallons	$6.80 per thousand gallons
Over 3,500,000 gallons	$7.40 per thousand gallons

iii. <u>Contractors Metered Water</u>

The District has adopted a category for high volume use of water during construction of buildings or roadways. The water will be metered through a fire hydrant or existing pipeline. The contractor is responsible for all water recorded on the meter. It is read monthly and billed monthly. The fees and rates are as follows.

Deposit for temporary meter:	$3,000.00
Monthly Service Availability Charge:	$750.00
Volumetric Rate:	$8.00 per 1,000 gallons

d. Sewer.

Customers should contact the City of Seguin or the City of New Braunfels for current rates for sewer service. Customers can check on the PUC's website which sewer Certificate of Convenience and Necessity their property is located within.

e. Additional Monthly Charges.

The District shall, as required by the Texas Water Code, collect from each of its retail customers a regulatory assessment equal to one-half of one percent (.005) of the charge for retail water service. This charge shall be collected in addition to other charges for utility service. This Regulatory Assessment Fee is collected on all charges pertaining to Section 5 Monthly Charges of this Service Policy. (16 TAC § 24.135) (Section 5.22 of this Service Policy) .

Section 5.8 Assessments.

If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water to be insufficient for the payment of all costs incident to the operation of the District's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Customer of the District as the Board may determine, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment on indebtedness for the year's operations.

Section 5.9 Late Payment Fee.

Once per billing period, a penalty of 5% 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.

NOTE: For Customers that are Political Subdivisions and state agencies, the above late payment fee does not apply. Instead a late penalty of one percent (1%) shall be assessed for any amount unpaid on the forty-sixth ($46^{th)}$ day after the bill is received by the state agency or political subdivision and an additional one percent (1%) shall

be assessed for each month thereafter that the bill remains unpaid. (see Government Code Chapter 2251)

Section 5.10 Owner Notification Fee.

The District may, at the expense of the owner, notify said owner of a renter/lessee delinquent account status prior to disconnection of service. The owner Notification Fee shall be $15.00 per notification.

Section 5.11 Returned Check Fee.

In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the District for payment of services provided for in this Service Policy, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of $35.00

Section 5.12 Reconnect Fee.

The District shall charge a fee of $100.00 for reconnecting service after the District has previously disconnected the service for any reason provided for in this Service. A reconnect fee may not be charged where service is not disconnected, except in circumstances where a corporation employee arrives at a Customer's service location with the intent to disconnect service because of a delinquent bill, and the Customer prevents the utility from disconnecting service as determined by the utility representative.

Section 5.13 Service Trip Fee.

The District shall charge a trip fee of $50.00 for any service call or trip to the Customer's tap as a result of a request by the Customer or resident for response to damage of the District's or another Customer's facilities, for customer service inspections due to suspicion of meter tampering, bypass or diversion of service, or for the purpose of disconnecting or collecting payment for services. For service trips that extend beyond one hour, such as when an extended line location is required, the District shall charge $30.00 per employee per hour for each additional hour required

Section 5.14 Equipment Damage Fee.

If the District's facilities or equipment, after installation of the same by the District or the landowner-Developer, have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, other service diversion, or other damage that causes the facilities or equipment to be inaccessible, not properly functioning, or inoperable, then a fee shall be charged to the landowner-Developer, equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other District actions, plus a $1,000.00 charge. This fee and charge shall be charged and paid before service is established or reestablished. If the District's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Customer or landowner-Developer if construction, landscaping, or other site work have not been completed. If the District's facilities and/or equipment have been damaged due to negligence or unauthorized use of the District's equipment, right-of-way, or meter shut off valve, or due to other acts for which the District incurs losses or damages, then the Customer or landowner-Developer shall be liable for all labor and material charges incurred as a result of said acts or negligence; and, if the damages occur before water service initially commences, then such repair of the facilities or equipment is a condition precedent to the District providing service. Further, when repairs or replacement equipment is necessary, then the District may install additional protective equipment, at Customer or the landowner-Developer's sole cost, to protect such equipment from additional damage

Section 5.15 Customer History Report Fee.

A fee of $5.00 shall be charged to provide a copy of the Customer's record of past water purchases in response to a Customer's request for such a record

Section 5.16 Meter Test Fee.

The District shall test a Customer's meter upon written request of the Customer. Under the terms of Section 3 of this Service Policy, a charge of $25.00 shall be imposed on the affected account for more than one annual test

Section 5.17 Transfer Fee.

An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of $300.00.

Section 5.18 Disclosure Fee.

A fee of $5.00 shall be assessed any customer requesting in writing that personal information under the terms of this Service Policy *be disclosed* to the public according to Texas Utilities Code § 182.052.

Section 5.19 Information Copy Fee.

A fee for the copying of any public information will be charged to the person requesting that information in compliance with the cost rules of Public Information Act.

Section 5.20 Customer Service Inspection Fee – New Construction.

A fee of $100.00 will be assessed each Applicant before permanent continuous service is provided to new construction

Section 5.21 Customer Service Inspection Fee – Transfer of Service.

A fee of $50.00 will be assessed each Applicant before permanent continuous service is provided to transfer of service

Section 5.22 Franchise Fee Assessment.

A fee of three percent (3%) of the amount billed for water service will be assessed to each customer whose meter is located inside the corporate limits of the City of Seguin, Texas, as required by the City's ordinance requiring a franchise fee

Section 5.23 Regulatory Assessment Fee.

A fee of 0.5% of the amount billed for water service will be assessed each Customer; this assessment is required under Texas law and TCEQ regulations. ***NOTE:*** The regulatory assessment is not to be collected from state agencies, wholesale customers, or buyers of non-potable (not drinkable) water. (16 TAC § 24.135)

Section 5.24 Additional Assessments.

In the event any federal, state or local government imposes on the District a "per meter" fee or an assessment based on a percent of water charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer

Section 5.25 Reservation Fee.

The District shall charge a fee of $1,000.00 per service connection for a Non-Standard Service Application. This fee shall be assessed prior to providing service for use in capital improvement expenditures.

Section 5.26 Tampering Fee.

If at any time Customer or Customer's Tenant breaks, damages or tampers with a meter, lock, or other property of the District used to provide service to the Customer and/or Tenant, such action will be taken.

a. First Violation. The Customer or Tenant will be notified by a written notice of their specific violation and their need to comply with the Service Policy rules. The District will assess a Penalty of $100.00. The notice will show the amount of penalty to be assessed for continued violations.

b. Second Violation. The District will assess a penalty of $125.00.

c. Subsequent Violations. The District will assess an additional penalty of $150.00 for violations continuing after the Second Violation. The District may also install a flow restricting device in the customer's meter service to limit the amount of water that will pass through the meter in a twenty-four (24) hour period. The costs of this procedure will be for the actual work and equipment and shall be paid by the customer.

d. Termination. The District will terminate service for continuing violations under this section. Service will remain off until any delinquent penalty or other assessment is fully paid including a charge for the service call to restore service.

These provisions apply to all customers of the District..

***Texas Water Code § 49.004 – Penalties for Violation of District Rules**

(a) The board may set reasonable civil penalties for the breach of any rule of the district that shall not exceed the jurisdiction of a justice court as provided by Section 27.031, Government Code.

(b) A penalty under this section is in addition to any other penalty provided by the law of this state and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the district's principal office or meeting place is located.

(c) If the district prevails in any suit to enforce its rules, it may, in the same action, recover reasonable fees for attorneys, expert witnesses, and other costs incurred by the district before the court. The amount of the attorney's fees shall be fixed by the court.

Section 5.27 Fire Hydrant Rental Fee.

For use in filling a swimming pool: $100.00. Rental Fee plus the cost of water ($6.00/1000 gallons) with a $50.00 refund upon return of the meter within forty-eight (48) hours

Section 5.28 Emergency Purchase of Water at the Springs Hill Office Fire Hydrant.

A District employee must fill the tanks or containers at a cost of $6.00/1000 gallons

Section 5.29 Subsequent User Fee and Policy.

a. General. Subsequent user fees ("***SUFs***") may be charged by the District to recover water line installation costs when the District or a non-standard service requestor pays to oversize a water line that is not covered by the District's approved connection fee.

b. Establishing a Subsequent User Fee. A decision on whether to establish a SUF will be made by the Board of Directors on a case by case basis. Consideration will be given to the size of the project, time frame for construction, and overall benefit to the District. The following requirements will apply to each SUFs established by the District:

- The cost of building the infrastructure must be clearly above and beyond the usual cost of meeting the current or contractual District-wide requirements to receive water service.

- The area subject to SUFs must be clearly identified.
- Such fees must be in accord with applicable state laws, rules and regulations.
- There is a definite benefit to the District, the community, or accruing to the land subject to the specific improvements.
- Terms of the SUFs must be specified in a legally binding contract with a landowner, developer, or other entity, and the District will collect and distribute the fee in accord with the terms of the contract, and may keep a portion of the fee for administrative costs.
- There must be a date-specific for the cessation of the responsibility to collect and distribute the fee (ex. ten (10) years from the first date the improvements are available to a party which would be required to pay the SUF).
- Fees must be based on the actual cost of the water improvements and may include reasonable interest.
- Fees must be reasonable for customers, and factors that determine this status may include lot size, potential improvements, and land use.

c. Calculating a Subsequent User Fee Amount. SUFs are assessed on a per EDU basis. In each instance where an SUF is established, the amount of SUF will be calculated based upon the total cost of the oversized portion of the facilities (including all related costs), divided by the capacity of the oversized portion of the oversized facilities (expressed in terms of EDUs). The determination of the total capacity of EDUs in the oversized portion of an oversized facility will be based on a factor of water units per EDU; and the factor for the number of water units per EDU will be calculated on a case-by-case basis by the District, based upon the characteristics of the portion of the District's water system where the oversized line is located.

d. Assessment. SUF will be assessed immediately prior to providing service. SUFs are non-refundable under any circumstances.

e. Reimbursement. The District will solely pay for the costs to oversize a water line, and it will not use SUFs to reimburse a non-standard service requestor under any circumstances.

Section 5.30 Fire Hydrant Meter Relocation Fee.

The District shall charge a fee of $200.00 to place or move a fire hydrant meter with one week's advance notice. If the Customer requests the placement or relocation of a fire hydrant more than two (2) times within a 30-day period, then the District shall charge a fee of $300.00 for the third (3rd) and subsequent fire hydrant meter placements or relocations. A Customer may not request the placement or relocation of a fire hydrant more than four (4) times within one calendar month.

Section 5.31 Meter Relocation/New Service Meter Estimate Fee.

Customers/Applicants may request an estimate for the costs of a meter relocation or the installation of a new meter. The District will not charge Customers/Applicants for the first estimate request. The District shall charge a $150.00 fee for the second request and for each subsequent request pertaining to the same Customer/Applicant's property.

Section 5.32 48-Hour Temporary Reinstatement Fee

The District shall charge a fee of $45.00 to place a temporary meter for 48-Hour Temporary Reinstatement.

Section 5.33 Other Fees.

All services outside the normal scope of utility operations that the District may be compelled to provide at the request of a Customer or Applicant shall be charged to the recipient based on the cost of providing such

service.

SECTION 6.0 WATER CONSERVATION PLAN DROUGHT CONTINGENCY PLAN

WATER CONSERVATION PLAN

for the

SPRINGS HILL WATER SUPPLY CORPORATION

April 2024

Prepared for:

Springs Hill Water Supply Corporation
5510 S. Hwy 123 Bypass
Seguin, Texas 78155

Prepared by:

Malone/Wheeler, Inc.
Texas Registered Engineering Company No. F-786
5113 Southwest Parkway, Suite 260
Austin, Texas 78735

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Introduction and Background

Springs Hill Water Supply Corporation (SHWSC) is a Member-Owned, non-profit corporation incorporated under Article 1434 (a) of the Revised Civil Statutes of Texas of 1925, as amended, supplemented by the Texas Non-Profit Corporation Act, Article 1.01 et seq., as amended for the purpose of furnishing a water supply for general farm use and domestic purposes to individuals in rural areas. SHWSC operating policies, rates, tariffs, and regulations are formulated and affected by a Board of Directors elected by the Owner Members of the Corporation. These are on file at the SHWSC office located at 5510 S. 123 Bypass, Seguin, Texas and are available for inspection as public documents. SHWSC can be contacted at (830) 379-7683. The Water Conservation Coordinator is Christina Criss.

SHWSC service is comprised of approximately 285 square miles and encompasses the City of Seguin; with boundaries on the north, into the New Braunfels city limits, on the south and east, the Gonzales County Line, and to the west the City of McQueeney city limits, abutting the Green Valley Special Utility District's service area. SHWSC is located within the extra territorial jurisdiction (ETJ) of the City of Seguin and City of New Braunfels. See Appendix A for the Service Area Map.

Coordination with Regional Water Planning Group

The service area of SHWSC is located within the South Central Texas Region L water planning area. A copy of the SHWSC Water Conservation Plan and the Drought Contingency Plan will be provided to the South Central Texas Region L water planning group.

Overall Plan Goals

The Water Conservation Plan is to establish policy and define five-year and ten-year goals, which will:

- Ensure that demand for water does not exceed the amount of treated water available.
- Provide the public with educational information to encourage water conservation and decrease waste.
- Manage peak water consumption during the summer months so that mandatory water use restrictions are limited to periods of drought.
- Decrease the average water usage per connection.
- Limit unaccounted for water by tracking loss on a monthly basis, collecting information from local fire departments and calculate water loss at all leak repair locations.
- Replace old infrastructure in areas that show continual leak repair by tracking leaks with our H2O Analytics software.
- Use Continental Utility Software in combination with H2O Analytics software to monitor usage.

Utility Profile

SHWSC currently serves a population of approximately 35,230 people and has over 11,080 connections. The Texas Water Development Board (TWDB) has projected the population to reach 54,204 by the year 2070 and connections are likewise projected to reach 16,800.

SHWSC obtains water from several sources. SHWSC operates a 2 MGD conventional surface water treatment plant on Lake Placid. The Lake Placid plant has access to 2,200 AF/YR of surface water. Canyon Regional Water Authority (CRWA) provides an additional 1,950 AF/YR of Lake Dunlap surface water. Groundwater is sourced from the Guadalupe County Groundwater Conservation District through both the Historic Use Permit and Production Permit, yielding approximately 914 AF/YR and 475 AF/YR, respectively. In addition, SHWSC has a contract to purchase 840 AF/YR of groundwater from Seguin-Schertz Local Government Corporation. CRWA has contracted with SHWSC to provide an additional 100 AF/YR from the CRWA Wells Ranch I. Lastly, SHWSC has contracted with San Antonio Water System via a Short Term Agreement to obtain 500 AF/YR of water.

SHWSC System capacity is 5.15 Million Gallons per Day (MGD). Storage capacity is 1 Million Gallons (MG) Ground, 3.2 (MG) Elevated. Service is distributed to single & multi-family residences, industrial, commercial, institutional and agricultural users. Most water is used by single residential families. Complete Water Utility Profile is included in Appendix B.

Table 1: Water Use Data

Water Use Category	Historic Average	Percent of Connections	Percent of Water Use
Residential – Single Family	731,493,460	93.4%	82.06%
Residential – Multi-family	41,318,360	5.54%	4.64%
Industrial	60,938,120	0.15%	6.84%
Commercial	48,407,340	0.74%	5.43%
Institutional	8,889,300	0.16%	1.00%
Agricultural	327,600	0.01%	0.04%

Table 2: Historic 5-Year Average Daily Water Use and Peak Day Water Use

Year	Average Daily Use (gal)	Peak Daily Use (gal)	Ratio (Peak/avg.)
2023	2,857,595	4,057,717	1.4200
2022	2,801,133	3,874,813	1.3833
2021	2,172,443	2,324,114	1.0698
2020	2,346,941	3,102,827	1.3221
2019	2,032,306	2,547,122	1.2533

Water Conservation Plan

I. Five-Year and Ten-Year Goals

SHWSC has reviewed and developed quantifiable five-year and ten-year targets for water savings as required by the TCEQ in Title 30, Chapter 288 of the Texas Administrative Code (TAC). Additionally, an Annual Conservation Report tracking targets and goals is to be submitted annually. Goals are listed as gallons per capita per day (GPCD).

For the past 5 years, 2019-2023, the average total GPCD was 120 with a residential average of 71 GPCD. Our updated 5-year goal is to reduce total GPCD by 5 and reduce water loss from 32% to 20%.

Table 3: 5-Year and 10-Year Goals

	Historic 5-year Average	Baseline	5-year Goal for 2029	10-year Goal for 2034
Total (GPCD)	120	120	115	110
Residential (GPCD)	71	71	68	65
Water Loss (GPCD)	39	39	23	16.5
Water Loss Percentage	32%	32%	20%	15%

II. Plan Elements

The plan has several elements, all of which are equal in importance and the implementation of which will be periodically reviewed to ensure progress is being made in each area and that goals are being met:

1. Education and Information

   The single most effective means of educating the water consumer on the consequences of wasting water is providing relevant, timely information on the benefits of conservation and the means by which it can be accomplished. The following is implemented:

   - The SHWSC obtains excellent educational literature from the TWDB, TCEQ, Texas Municipal Utility Association, and the American Water Works Association. This literature is available at all times at the SHWSC's office.
   - Educational Water Conservation links are available on our website at www.springshill.org at all times.
   - A direct mailing of conservation reminders is conducted annually.
   - Quarterly conservation reminders are sent via email as a part of the billing system.
   - New customer packages will include educational handouts for children and on the benefits of the above.
   - Staff Participates in water programs hosted by GBRA and attends annual meeting conservation classes.
   - Review and update Conservation or Drought plan annually as needed.

2. Conservation Oriented Rate Structure

   SHWSC has always used an increasing block rate structure for all customers. SHWSC revised rates in the winter of 2022 to encourage water conservation. The rate structure does not include water in the base rate so that customers with minimal usage still pay for water they use. The billing rate structure is evaluated annually. The SHWSC rate structure is included in Appendix C.

3. Metering Devices

All services which include residential, industrial, agricultural, and commercial accounts on the SHWSC system are metered.

Master meters at all production wells, pumping stations, and interconnections are calibrated annually in accordance with American Water Works Association.

4. Meter Replacement

Inaccurate metering is one probable cause of unaccounted water, and since meter readings form the basis for data gathering on production, usage and sales, maintaining accurate meters is a high priority. SHWSC secured a loan from the Texas Water Development Board to help facilitate the installation of smart meters, effectively upgrading all metering systems.

a. Implementation

All old meters have been changed to smart meters. All meters will be read on the same day and compared to Master meters in the system to obtain a more accurate accounting of where our water losses are.

The meter readers have been informed to watch for meters that are leaking on either side and create work orders and or notify the member of the problem if the leak is physically detected. If the meter reader is physically present and a large leak is detected, the meter will be turned off and the customer will be notified immediately.

Dual connections and anything out of the ordinary are to be reported by the meter readers. These reports are followed up by the field services department.

Members questioning or disputing their high water usage are informed on how to check for open lines and regular visual checks of the water meter. Interrogation of the meter may be done to produce a data log report upon request to show the customer when high usage occurred and conservation information is provided. Meters are also tested upon request. All retail meters over the 1.5 to 2 million gallon mark are replaced, tested or calibrated.

b. Determination of Water Savings

We use a feature in H2O Analytics software that automatically creates water loss reports each month. Once the loss area has been identified we will inform the field service department to research and locate the leak or leaks and repair them.

SHWSC will continue weekly meter maintenance by replacing meters that are broken, inoperable or not working properly due to being damaged. Monthly zero usage reports are reviewed and the accounts with abrupt stop in usage are researched.

5. Water Audit and Water Loss

The foundation for control is performing a reliable water audit. SHWSC routinely monitors production rates and consumption. This monitoring is not only used for billing purposes but also to satisfy TWDB regulatory requirements to account for production quantities and individual customer usage on a monthly basis. The results of water meter readings are prepared and analyzed to determine trends of usage, water accountability, and production requirements both near term and future. From this information an evaluation of system operation is made and appropriate action is taken to correct system deficiencies when practical. A form of unaccounted water that rural areas face is the multiple Volunteer Fire Departments using fire hydrants for filling trucks and sometimes for uses that should not be part of the regular fire fighting usage. For instance, filling swimming pools, washing their vehicles and other fund raising activities.

a. Implementation

The first day of each month the Water Production Manager turns in meter readings of raw and processed water. We use these readings to determine how much water is being lost from the Wells during production and how much is being lost from the Treatment Plant in the process of producing potable water from Surface water. Each month we see if the loss has increased and if so we investigate the processing to determine if leaks have developed, or over flows have occurred, etc. Any identified problems are dealt with immediately. All the customer meters are tied to a billing cycle that is related back to Well Water, Treatment Plant water or CRWA water. We then match the meter readings from the source water to the total billed usage. Using this method will provide us with the percentage of water loss in the areas of our system. Numbers that are above 3% of water loss from each source will be investigated to determine why.

Volunteer fire departments in our area have been asked to sign contracts agreeing to provide us with weekly water usage estimates. Forms have been developed to track the information and are to be faxed or emailed back to SHWSC. Should they not send the results at the end of the month our water loss clerk is responsible for contacting them and getting the information required.

We can also analyze data from the SCADA system to help identify problems that might be developing. A new approach will be to take pressure readings at key points in the system to determine drops in pressure that indicate water loss in a major line. These indicators will have the ability to notify the Field Services and General Manager by text message.

b. Schedule

Daily monitoring and monthly update of water loss and usage

c. Documentation

A water loss report is automatically produced by H2O Analytics.

Monthly usage reports are filed by Fire Departments.

6. Leak Detection, Prevention, and Repair

An important element in the operation of an efficient water system is the reduction of water loss. It is the goals of this program to keep the lost water figure under fifteen percent. Unaccounted for water had been averaging approximately thirty two percent. Leaks are detected by visual inspection or through the reports of our members. We highly encourage our members to report leaks so our field service crew can respond as soon as possible to fix the leak as soon as it is reported. We have a team on call 24 hours a day 7 days a week. We estimate that water loss can be reduced by 20% by repairing leaks in the system.

a. Implementation

Currently we are tracking leaks using the H2O Analytics software to identify problem water lines and prioritize these for repair. We then calculate the cost effectiveness of replacing a line due to large amounts of leaks occurring. The location, date reported, locates called in, date permits ordered and date leak has been fixed are recorded in Elements.

With the proceeds from the Texas Water Development Agency and as part of the meter replacement process we check each meter box for the following: customer cut off valve, cross connections, multiple hookups, pressure reduction valves and back flow prevention.

We utilize the H2O Analytics software which allows us notify all customers who are going to be impacted by a leak. We attempt to call and notify customers before we turn off the water whenever possible. At the same time a leak notification message is deployed, all service reps receive a message notifying them of where the leak is and a list of everyone who has been notified.

b. Schedule

All the new meters have been installed. Meter maintenance will continue by replacing inoperable/broken meters. Leaks on main water lines are repaired as soon as possible and SHWSC will continue to monitor areas within the CCN that need pipe line replacement.

c. Documentation

Monthly water loss report presented to Board each month.

Maps are available online for the County, City, Developers, and Fire Departments etc.

Monthly leak reports available for board including: flushing, fire use, estimated leak loss and unaccounted for loss.

7. Pressure Control

   High pressure may cause small openings in a main to leak significantly in a short amount of time. SHWSC maintains pressures of less than 80 psi whenever possible. Storage tanks and interconnects are closely monitored.

   A cross connection program is also in place to inspect the system by performing customer service inspections for cross connections and taking steps in preventing back flow which can cause pressure to fall during emergency repairs.

   a. Implementation

      As described above.

   b. Schedule

      Springs Hill WSC will continue to utilize the established software and practices to minimize water loss. Perform customer service inspections for all new and existing accounts by ensuring that there are no direct connections between the public drinking water supply and a potential source contamination present. Potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an air gap, reduced pressure-zone backflow prevention assembly (RPZ) or a hose bib vacuum breaker. Annual inspection and testing for an RPZ must be done by a certified backflow prevention device tester.

   c. Documentation

      Maps

8. Standard Conservation Practices

   SHWSC also endorses the following conservation practices:

   a. Encourage retrofit of existing fixtures to water saving types.

      - Shower Heads
      - Faucet Aerators
      - Low flush toilets
      - Toilet flap replacement
      - Front load washers

   b. Adoption and enforcement of the 2021 Uniform Plumbing Code which includes pertinent sections of state law restricting the use of non-water saving fixtures in new construction. SHWSC uses the plumbing code to regulate and conduct plumbing inspections on all residential and commercial installations.

c. Recommend water wise and alternative landscaping which uses less water.

- Drip Irrigation
- Rain Harvesting
- Rain Barrels
- Xeriscape
- Condensate usage
- Gray water usage

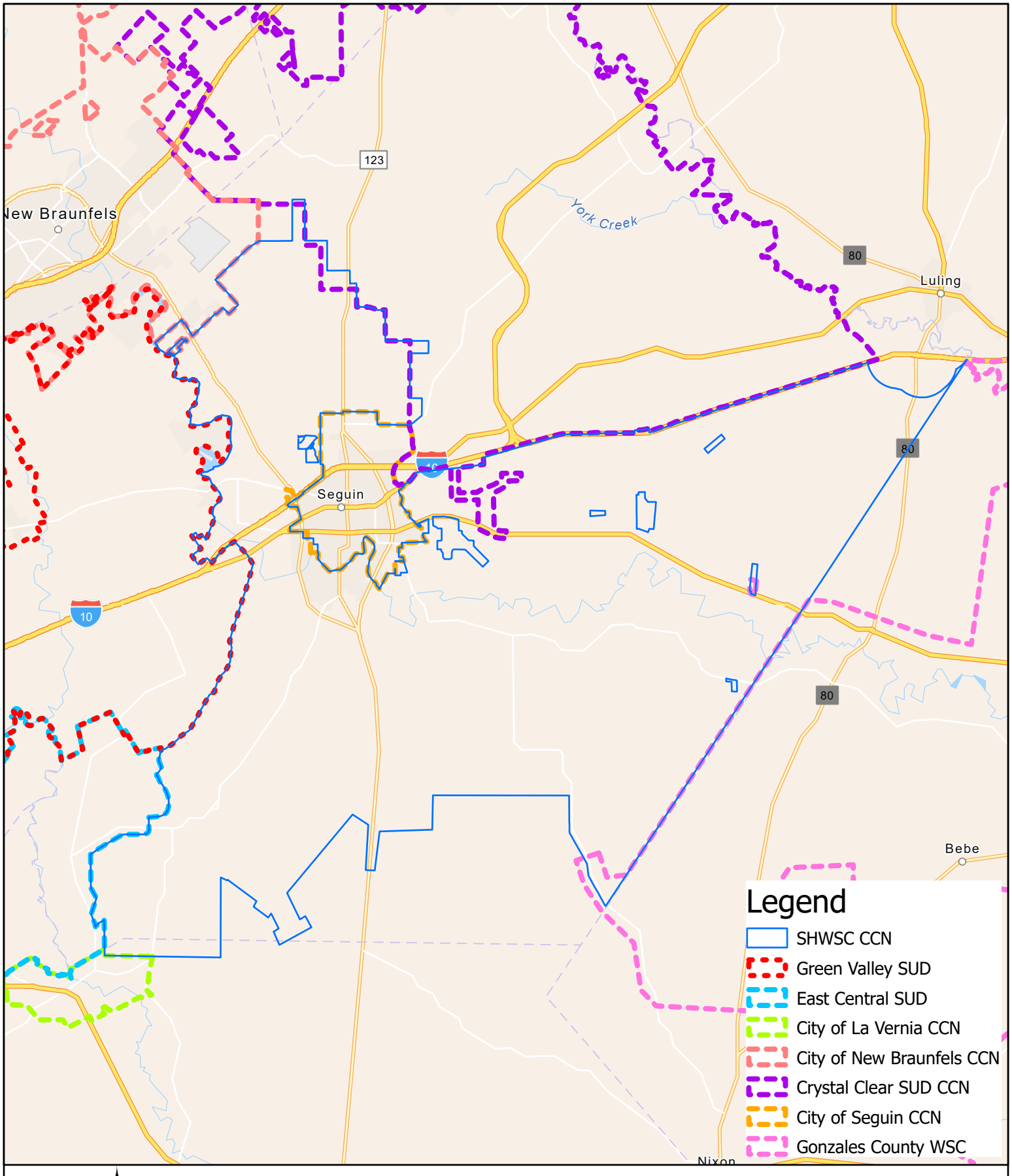
d. Encourage irrigation in off peak hours between 8:00 p.m. and 10:00 a.m., during the night and early morning when demand and evaporation rates are lower. Provide toilet strips to customers so they may check for silent toilet leaks.

III. Conservation Plan Implementation

The Board of Directors of SHWSC will adopt this Plan through formal resolution and implement it through direction to the general manager, staff and consultants.

APPENDIX A:

Service Area Map



Springs Hill WSC

CCN No. 10666

MALONE ★ WHEELER
SINCE INC. 1995
CIVIL ENGINEERING ★ DEVELOPMENT CONSULTING ★ PROJECT MANAGEMENT
5113 Southwest Pkwy., Suite 260
Austin, Texas 78735
(512) 899-0601
Firm Registration No. F-786

APPENDIX B:

Utility Profile

Texas Water Development Board

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

CONTACT INFORMATION

Name of Utility: SPRINGS HILL WSC

Public Water Supply Identification Number (PWS ID): TX0940022

Certificate of Convenience and Necessity (CCN) Number: 10666

Surface Water Right ID Number: 1058-A, 2266-D

Wastewater ID Number:

Contact: First Name: FRANCES Last Name: GARCIA

Title: Asst. GM Business

Address: 5510 South 123 Bypass City: Seguin State: TX

Zip Code: 78156 Zip+4: Email: FGARCIA@SPRINGSHILL.ORG

Telephone Number: 8303797683 Date: 4/22/2024

Is this person the designated Conservation Coordinator? (•) Yes ( ) No

Regional Water Planning Group: L

Groundwater Conservation District:

Our records indicate that you:

☑ Received financial assistance of $500,000 or more from TWDB

☑ Have 3,300 or more retail connections

☐ Have a surface water right with TCEQ

A. Population and Service Area Data

1. Current service area size in square miles: 300

Attached file(s):

File Name	File Description
CCN_MAP.pdf	

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

2. Historical service area population for the previous five years, starting with the most current year.

Year	Historical Population Served By Retail Water Service	Historical Population Served By Wholesale Water Service	Historical Population Served By Wastewater Water Service
2023	35,232	15,615	0
2022	32,808	14,406	0
2021	31,062	14,694	0
2020	27,054	13,335	0
2019	25,377	11,979	0

3. Projected service area population for the following decades.

Year	Projected Population Served By Retail Water Service	Projected Population Served By Wholesale Water Service	Projected Population Served By Wastewater Water Service
2030	52,480	22,986	0
2040	77,120	33,516	0
2050	101,760	44,046	0
2060	126,400	54,576	0
2070	151,040	65,106	0

4. Described source(s)/method(s) for estimating current and projected populations.

Historical population avg =2464
2464/3.5= 704 Connections per yr.

Historical pop wholesale avg = 1053
1053/3.5 = 300 connections per yr.

Texas Water Development Board

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

B. System Input

System input data for the previous five years.

Total System Input = Self-supplied + Imported – Exported

Year	Water Produced in Gallons	Purchased/Imported Water in Gallons	Exported Water in Gallons	Total System Input	Total GPCD
2023	527,389,899	920,863,636	29,868,182	1,418,385,353	110
2022	495,340,404	1,122,687,879	153,599,192	1,464,429,091	122
2021	547,973,737	1,025,175,758	518,889	1,572,630,606	139
2020	445,994,949	809,584,848	136,162	1,255,443,635	127
2019	325,853,535	603,570,707	92,828	929,331,414	100
Historic Average	468,510,505	896,376,566	36,843,051	1,328,044,020	120

C. Water Supply System

1. Designed daily capacity of system in gallons: 5,000,000

2. Storage Capacity

   2a. Elevated storage in gallons: 3,250,000

   2b. Ground storage in gallons: 1,079,000

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

D. Projected Demands

1. The estimated water supply requirements for the next ten years using population trends, historical water use, economic growth, etc.

Year	Population	Water Demand (gallons)
2025	36,806	4,247,514,953
2026	40,808	5,662,079,753
2027	43,596	7,076,644,553
2028	46,384	8,491,209,353
2029	49,172	9,905,774,153
2030	51,960	11,320,338,953
2031	54,748	12,734,903,753
2032	57,536	14,149,468,553
2033	60,324	15,564,033,353
2034	63,112	16,978,598,153

2. Description of source data and how projected water demands were determined.

On average, we have 797 connections per yr added to the system. 797 connections x 3.5 persons/per household= 2,788 population

So I took 2,788 population and added this each year.

We used 110 GPCD x 35,232 population = 3,875,520 total gallons/ per day.
Total gallons/ per day 3,875,520 x 365 days = 1,414,564,800 gallons per year

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

E. High Volume Customers

1. The annual water use for the five highest volume **RETAIL customers.**

Customer	Water Use Category	Annual Water Use	Treated or Raw
CATERPILLAR	Commercial	36,053,000	Treated
CRYSTAL CLEAR S.U.D.	Commercial	27,512,000	Treated
CMC STEEL TEXAS	Commercial	10,156,000	Treated
TFE 321, LLC	Commercial	6,588,000	Treated
DEERCREST RESIDENTIAL COMMUNITY	Commercial	5,224,000	Treated

2. The annual water use for the five highest volume **WHOLESALE customers.**

Customer	Water Use Category	Annual Water Use	Treated or Raw

F. Utility Data Comment Section

Additional comments about utility data.

Attached file(s):

File Name	File Description
2023 TOP 10 USERS.xlsx	

Texas Water Development Board

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

Section II: System Data

A. Retail Water Supplier Connections

1. List of active retail connections by major water use category.

Water Use Category Type	Total Retail Connections (Active + Inactive)	Percent of Total Connections
Residential - Single Family	11,086	93.40 %
Residential - Multi-Family	658	5.54 %
Industrial	18	0.15 %
Commercial	88	0.74 %
Institutional	19	0.16 %
Agricultural	1	0.01 %
Total	11,870	100.00 %

2. Net number of new retail connections by water use category for the previous five years.

	Net Number of New Retail Connections						
Year	**Residential - Single Family**	**Residential - Multi-Family**	**Industrial**	**Commercial**	**Institutional**	**Agricultural**	**Total**
2023	832	0	0	0	0	0	832
2022	757	0	1	5	0	0	763
2021	973	0	1	7	0	0	981
2020	595	2	1	18	0	0	616
2019	345	5	0	17	1	0	368

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

B. Accounting Data

The previous five years' gallons of RETAIL water provided in each major water use category.

Year	Residential - Single Family	Residential - Multi-Family	Industrial	Commercial	Institutional	Agricultural	Total
2023	885,640,400	40,429,600	44,303,700	62,416,900	9,792,600	19,400	1,042,602,600
2022	846,940,200	40,648,700	49,254,100	75,756,800	9,461,100	352,800	1,022,413,700
2021	643,891,400	40,781,200	62,852,300	35,385,400	9,819,400	212,000	792,941,700
2020	686,908,500	42,651,400	76,633,500	42,501,700	7,724,600	293,200	856,712,900
2019	594,086,800	42,080,900	71,647,000	25,975,900	7,648,800	340,700	741,780,100

C. Residential Water Use

The previous five years residential GPCD for single family and multi-family units.

Year	Total Residential GPCD
2023	72
2022	74
2021	66
2020	74
2019	69
Historic Average	71

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

D. Annual and Seasonal Water Use

1. The previous five years' gallons of treated water provided to RETAIL customers.

Month	Total Gallons of Treated Water				
	2023	2022	2021	2020	2019
January	66,965,100	62,289,800	55,239,000	47,327,300	45,682,200
February	56,085,900	56,426,800	70,486,100	52,000,000	41,734,000
March	66,800,200	59,226,300	60,450,300	54,058,400	51,438,400
April	71,199,400	81,376,200	71,834,800	54,324,100	52,809,900
May	72,918,000	84,183,400	61,926,400	73,555,300	53,615,200
June	95,391,500	113,528,500	72,425,400	77,160,300	61,085,500
July	138,596,500	134,125,500	60,117,700	100,228,600	80,573,200
August	139,322,000	108,828,800	81,275,400	108,071,200	92,676,600
September	113,009,000	88,252,600	80,847,500	71,325,600	91,966,700
October	99,761,000	101,952,600	67,094,100	76,017,000	65,965,900
November	65,427,800	67,343,400	59,474,900	76,849,900	52,865,700
December	57,546,100	64,879,800	51,770,100	65,715,900	51,378,500
Total	1,043,022,500	1,022,413,700	792,941,700	856,633,600	741,791,800

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

2. The previous five years' gallons of raw water provided to RETAIL customers.

Month	Total Gallons of Raw Water				
	2023	2022	2021	2020	2019
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total					

3. Summary of seasonal and annual water use.

	Summer RETAIL (Treated + Raw)	Total RETAIL (Treated + Raw)
2023	373,310,000	1,043,022,500
2022	356,482,800	1,022,413,700
2021	213,818,500	792,941,700
2020	285,460,100	856,633,600
2019	234,335,300	741,791,800
Average in Gallons	292,681,340.00	891,360,660.00

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

E. Water Loss

Water Loss data for the previous five years.

Year	Total Water Loss in Gallons	Water Loss in GPCD	Water Loss as a Percentage
2023	371,423,942	29	26.18 %
2022	436,485,395	36	31.95 %
2021	775,495,366	68	49.31 %
2020	396,290,570	40	31.56 %
2019	186,151,694	20	20.03 %
Average	433,169,393	39	31.81 %

F. Peak Day Use

Average Daily Water Use and Peak Day Water Use for the previous five years.

Year	Average Daily Use (gal)	Peak Day Use (gal)	Ratio (peak/avg)
2023	2,857,595	4057717	1.4200
2022	2,801,133	3874813	1.3833
2021	2,172,443	2324114	1.0698
2020	2,346,941	3102827	1.3221
2019	2,032,306	2547122	1.2533

G. Summary of Historic Water Use

Water Use Category	Historic Average	Percent of Connections	Percent of Water Use
Residential - Single Family	731,493,460	93.40 %	82.07 %
Residential - Multi-Family	41,318,360	5.54 %	4.64 %
Industrial	60,938,120	0.15 %	6.84 %
Commercial	48,407,340	0.74 %	5.43 %
Institutional	8,889,300	0.16 %	1.00 %
Agricultural	243,620	0.01 %	0.03 %

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

H. System Data Comment Section

Section III: Wastewater System Data

A. Wastewater System Data

1. Design capacity of wastewater treatment plant(s) in gallons per day:

2. List of active wastewater connections by major water use category.

Water Use Category	Metered	Unmetered	Total Connections	Percent of Total Connections
Municipal			0	0.00 %
Industrial			0	0.00 %
Commercial			0	0.00 %
Institutional			0	0.00 %
Agricultural			0	0.00 %
Total			0	100.00 %

3. Percentage of water serviced by the wastewater system: %

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

4. Number of gallons of wastewater that was treated by the utility for the previous five years.

Month	Total Gallons of Treated Water				
	2023	2022	2021	2020	2019
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total					

5. Could treated wastewater be substituted for potable water?

○ Yes ○ No

B. Reuse Data

1. Data by type of recycling and reuse activities implemented during the current reporting period.

Type of Reuse	Total Annual Volume (in gallons)
On-site Irrigation	
Plant wash down	
Chlorination/de-chlorination	
Industrial	
Landscape irrigation (park,golf courses)	0
Agricultural	
Discharge to surface water	
Evaporation Pond	
Other	
Total	0

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

C. Wastewater System Data Comment

Additional comments and files to support or explain wastewater system data listed below.

APPENDIX C:

SHWSC Rate Structure

Springs Hill Water Supply
Rate Schedule as of
February 1, 2022

Standard Residential Meter (5/8 X 3/4")

A. Residential: (R-1) 5/8X3/4"

Demand 20 GPM Basic Charge $41.00 -0- water

0 to 2,500 gallons	$4.00 per thousand
2,501 to 5,000 gallons	$4.65 per thousand
5,001 to 15,000 gallons	$4.90 per thousand
15,001 to 25,000 gallons	$5.40 per thousand
25,001 to 45,000 gallons	$5.90 per thousand
45,001 to 65,000 gallons	$6.00 per thousand
over 65,001 gallons	$6.00 per thousand

Residential: (R-2) 3/4X3/4"

Demand 30 GPM Basic Charge $61.50 -0- water

0 to 2,500 gallons	$4.00 per thousand
2,501 to 5,000 gallons	$4.65 per thousand
5,001 to 15,000 gallons	$4.90 per thousand
15,001 to 25,000 gallons	$5.50 per thousand
25,001 to 45,000 gallons	$5.75 per thousand
45,001 to 65,000 gallons	$6.00 per thousand
over 65,001 gallons	$6.00 per thousand

B. All services must receive prior approval from the Corporation's engineer before installation.

C. The Corporation has adopted an inclining rate structure to encourage conservation and/or to appropriately charge high volume users for production and distribution costs .

Commercial Rate (other than standard meter)

A. **Rates:**

1" meter single hookup C-1

Demand 50 GPM Basic Charge $102.50 -0- water

0 to 15,000 gallons	$4.00 per thousand
15,001 to 30,000 gallons	$4.65per thousand
30,001 to 60,000 gallons	$4.90 per thousand
60,001 to 120,000 gallons	$5.40 per thousand
120,001 and over gallons	$5.65 per thousand

1" meter Multi dwelling/Multi connection demand 50 GPM

For trailer parks & multi- family dwellings number of families per building or number of mobile homes in a mobile home park multiplied by $41.00 for the basic charge. This basic charge includes NO WATER per Equivalent Dwelling Unit (EDU).

Water use fee same as R-1 per dwelling unit

1 ½" meter demand 100 GPM C-2

Basic Charge	$205.00 -0- water
0 to 25,000 gallons	$4.00 per thousand
25,001 to 50,000 gallons	$4.65 per thousand
50,001 to 100,000 gallons	$4.90 per thousand
100,001 to 200,000 gallons	$5.40 per thousand
200,001 and over gallons	$5.65 per thousand

2" meter demand 160 GPM C-3

Basic Charge	$328.00 -0- water
0 to 25,000 gallons	$3.50 per thousand
25,001 to 50,000 gallons	$3.75 per thousand
50,001 to 100,000 gallons	$4.25 per thousand
100,001 to 200,000 gallons	$5.25 per thousand
200,001 and over gallons	$5.50 per thousand

3" meter demand 320 GPM C-4

Basic Charge	$656.00 -0- water
0 to 50,000 gallons	$3.50 per thousand
50,001 to 100,000 gallons	$3.75 per thousand
100,001 to 200,000 gallons	$4.25 per thousand
200,001 to 400,000 gallons	$5.25 per thousand
400,001 and over gallons	$5.50 per thousand

4" meter demand 600 GPM C-5

Basic Charge	$1230.00 -0- water
0 to 500,000 gallons	$3.50 per thousand
500,001 to 1,250,000 gallons	$3.75 per thousand
1,250,001 to 2,000,000 gallons	$4.25 per thousand
2,000,001 to 2,750,000 gallons	$5.25 per thousand
2,750,001 to 3,500,000 gallons	$5.50 per thousand
3,500,001 and over gallons	$6.00 per thousand

2" Fire Hydrant meter demand GPM C-3

Basic Charge	$328.00 -0- water
0-25,000 gallons	$3.75 per thousand
25,001-50,000 gallons	$4.25 per thousand
50,001-100,000 gallons	$4.50 per thousand
100,000-200,000 gallons	$5.25 per thousand
200,001 and over gallons	$5.50 per thousand

DROUGHT CONTINGENCY PLAN

for the

SPRINGS HILL WATER SUPPLY CORPORATION

July 2024

Prepared for:

Springs Hill Water Supply Corporation
5510 S. Hwy 123 Bypass
Seguin, Texas 78155

Prepared by:

Malone/Wheeler, Inc.
Texas Registered Engineering Company No. F-786
5113 Southwest Parkway, Suite 260
Austin, Texas 78735

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Section I: Declaration of Policy, Purpose, and Intent

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the Springs Hill Water Supply Corporation (SHWSC) 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 penalties as defined in this Plan.

Section II: Public Involvement

All customers in the service area of the utilities were provided an opportunity for input through the SHWSC adoption process. If any changes are made to the Plan, a copy of those changes will be made available to all customers.

Section III: Public Education

SHWSC 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 utility bill inserts, press releases, public notice, newsletters, and on the website at www.springshill.org.

Section IV: Coordination with Regional Water Planning Groups

The service area of SHWSC is located within the South Central Texas Region L water planning area, and SHWSC has provided a copy of this Plan to the South Central Texas Region L water planning group. SHWSC will also coordinate with all our water wholesalers using the Triggers found in the GBRA Plan.

Section V: Authorization

The Field Service Manager of SHWSC or staff 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 General Manager shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section VI: Application

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by SHWSC. The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

Section VII: 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 SHWSC.

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.

Guadalupe-Blanco River Authority (GBRA): agency that manages the availability of surface water resources from which SHWSC obtains the majority of its water supply. (Lake Placid Water Treatment Plant and CRWA Lake Dunlap Plant)

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

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

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

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

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

Section VIII: Criteria for Initiation and Termination of Drought Response Stages

The Production Manager, Utilities Superintendent, or his/her designee shall monitor water supply and/or demand conditions on a weekly basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

Because of Springs Hill dependence on raw water from the Guadalupe Blanco River Authority (GBRA), we will use their Triggers and follow their guidelines on going into drought response stages. GBRA holds a Certificate of Adjudication from TCEQ that provides GBRA the rights to utilize approximately 386,000 acre-feet of conservation storage, representing the available storage in the reservoir between the low elevation of 800-ft mean sea level (msl) up to a maximum elevation of 909-ft msl. Springs Hill has contract rights through Canyon Regional Water Authority of 1,925 acre feet and 2,850 acre feet directly from GBRA at Springs Hill's Lake Placid Water Treatment Plant.

Permanent Water Use Restrictions
The following restrictions apply to all SHWSC customers on a year-round basis, regardless of water supply or water treatment plant production conditions.

According to the restrictions, a water user must not:

1. Fail to repair a controllable leak, including:
    a. a broken sprinkler head,
    b. a leaking valve,
    c. leading or broken pipes, or
    d. a leaking faucet.
2. Operate an irrigation system with:
    a. a broken head,
    b. a head that is out of adjustment and the arc of the spray head is over a street or parking area, or
    c. a head that is fogging or misting because of excessive water pressure.
3. During irrigation, allow water:
    a. to run off a property and form a stream of water in a street for a distance of 50 feet or greater, or
    b. to pool in a street or parking lot to a depth greater than one-quarter of an inch.
4. Irrigate outdoors using an in-ground irrigation system or hose-end sprinkler outside of the hours of 8:00 pm and 10:00 am. Irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose or faucet filled bucket of five gallons or less.

Stage 1 Triggers -- MILD Water Shortage Conditions

<u>Requirements for initiation</u>
Customers shall be requested to voluntarily conserve water and adhere to the requirements and restrictions on certain non-essential water uses for Stage 1 of this Plan when any of the following triggering criteria is met:

(a) The GBRA initiates Stage 1 of its Drought Contingency Plan.
(b) The water supply or supplies available to SHWSC in any particular service area are equal to or less than 75% of capacity.
(c) Total daily water demand in a service area or sub-area equals or exceeds:

a. 80 percent of the total supply delivery capacity for three consecutive days, or
b. 90 percent of the total supply delivery capacity for a single day.

(d) Source water contamination results in compromised capacity of the treatment and delivery systems.
(e) Mechanical or electrical failure of a system component results in compromised treatment and/or delivery capacity.

Requirements for termination
Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist and the General Manager feels it is appropriate.

Stage 2 Triggers – MODERATE Water Shortage Conditions

Requirements for initiation
Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided for Stage 2 of this Plan when any of the following triggering criteria is met:

(a) The GBRA initiates Stage 2 of its Drought Contingency Plan.
(b) The water supply or supplies available to SHWSC in any particular service area are equal to or less than 80% of capacity.
(c) Total daily water demand equals or exceeds:
    a. 85 percent of the total supply delivery capacity for three consecutive days, or
    b. 95 percent of the total supply delivery capacity for a single day.
(d) Source water contamination results in compromised capacity of the treatment and delivery systems.
(e) Mechanical or electrical failure of a system component results in compromised treatment and/or delivery capacity.

Requirements for termination
Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist and the General Manager feels it is appropriate. Upon termination of Stage 2, Stage 1, or the applicable drought response stage based on the triggering criteria, becomes operative.

Stage 3 Triggers – SEVERE Water Shortage Conditions

Requirements for initiation
Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan when any of the following triggering criteria is met:

(a) The GBRA initiates Stage 3 of its Drought Contingency Plan.
(b) The water supply or supplies available to SHWSC in any particular service area are equal to or less than 90% of capacity.
(c) Total daily water demand equals or exceeds:
    a. 90 percent of the total supply delivery capacity for three consecutive days, or
    b. 100 percent of the total supply delivery capacity for a single day.
(d) Source water contamination results in compromised capacity of the treatment and delivery systems.
(e) Mechanical or electrical failure of a system component results in compromised treatment and/or delivery capacity.

Requirements for termination
Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist and the General Manager feels it is appropriate. Upon termination of Stage 3, Stage 2, or the applicable drought response stage based on the triggering criteria, becomes operative.

Stage 4 Triggers – CRITICAL Water Shortage Conditions

Requirements for initiation
Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when any of the following triggering criteria is met:

(a) The GBRA initiates Stage 4 of its Drought Contingency Plan.
(b) The water supply or supplies available to SHWSC in any particular service area are equal to or less than 90% of capacity.
(c) Total daily water demand equals or exceeds:
    a. 90 percent of the total supply delivery capacity for three consecutive days, or
    b. 100 percent of the total supply delivery capacity for a single day.
(d) Source water contamination results in compromised capacity of the treatment and delivery systems.
(e) Mechanical or electrical failure of a system component results in compromised treatment and/or delivery capacity.

Requirements for termination
Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist and the General Manager feels it is appropriate. Upon termination of Stage 4, Stage 3, or the applicable drought response stage based on the triggering criteria, becomes operative.

Stage 5 Triggers – EXTREME Water Shortage Conditions

Requirements for initiation
Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 5 of this Plan when any of the following triggering criteria is met:

(a) The GBRA initiates Stage 5 of its Drought Contingency Plan.
(b) Major line breaks, pump, or system failure, which causes loss of capability to provide water service.
(c) Source water contamination results in compromised capacity of the treatment and delivery systems.
(d) Mechanical or electrical failure of a system component results in compromised treatment and/or delivery capacity.

Requirements for termination
Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist and the General Manager feels it is appropriate. Upon termination of Stage 5, Stage 4, or the applicable drought response stage based on the triggering criteria, becomes operative.

Stage 6 Triggers – EMERGENCY Water Shortage Conditions

Requirements for initiation
Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 6 of this Plan when any of the following triggering criteria is met:

(a) The GBRA initiates Stage 6 of its Drought Contingency Plan.
(b) Major line breaks, pump, or system failure, which causes loss of capability to provide water service.
(c) Source water contamination results in compromised capacity of the treatment and delivery systems.
(d) Mechanical or electrical failure of a system component results in compromised treatment and/or delivery capacity.

Requirements for termination
Stage 6 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist and the General Manager feels it is appropriate.

Section IX: Drought Response Stages
The Production Manager, Utilities Superintendent, or his/her designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe, emergency or water shortage condition exists and shall implement the following notification procedures:

Notification
Notification of the Public:
The General Manager, or his/her designee, shall notify the public by means of the following methods as appropriate to each condition:

- Direct mail to each customer, notes placed in billing envelopes.
- Public service announcements on television or radio, or through signs posted in public places throughout the SHWSC service area.
- Notification through the use of telephone networks to neighborhood associations and other public entities.
- Posting on the SHWSC website www.springshill.org.

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

- Members of the Board of Directors.
- Fire Chiefs and/or County Emergency Management Coordinator(s).
- State Disaster District and/or Department of Public Safety.
- Texas Commission on Environmental Quality (required when mandatory restrictions are imposed).
- Major water users.
- Critical water users, (i.e., hospitals).

Stage 1 Response – MILD Water Shortage Conditions

Target: Achieve a voluntary 5 percent reduction in daily water demand.

Best Management Practices for Supply Management:

SHWSC shall:

- Reduce or discontinue flushing of water mains.
- Notify customers by mail with suggestions for ways to reduce usage.
- Review meter readings for high usage.
- Initiate voluntary water use restrictions.
- Issue warnings as necessary.

Voluntary Water Use Restrictions for Reducing Demand:

(a) Water customers are requested to voluntarily limit the irrigation of landscaped areas to twice a week and to irrigate landscapes only between the hours of 8:00 pm and 10:00 am. 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.

(b) No washing of parking lots, driveways, sidewalks, or streets unless for health or safety reasons.

(c) Swimming pools must be at least 25 percent covered by evaporation shields when not in active use.

(d) No person may wash a vehicle anywhere other than a commercial vehicle wash facility except on Monday and Friday between the hours of 8:00 pm and 10:00 am. Such washing must be done on a lawn of other pervious surface using a bucket or hand-held hose with an automatic shutoff nozzle.

(e) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

Stage 2 Response – MODERATE Water Shortage Conditions

Target: Achieve a 10 percent reduction in daily water demand.

Best Management Practices for Supply Management:

SHWSC shall:

- Reduce or discontinue flushing of water mains.
- Notify customers by mail with suggestions for ways to reduce usage.
- Field personnel to monitor and report excessive usage.
- Initiate mandatory water use restrictions.

- Issue warnings and fines as necessary as provided in the tariff rules.
- Ensure all production equipment is operating at maximum capacity.

Water Use Restrictions for Demand Reduction:

Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

(a) All the prohibitions applicable in Stage 1 apply in Stage 2, except to the extent replaced by more restrictive conditions imposed by this stage.

(b) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Tuesdays and Saturdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Mondays and Fridays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 8:00 pm and 10:00 am 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.

(c) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is prohibited except on designated watering days between the hours of 8:00 pm and 10:00 am. Such washing, when allowed, shall be done on a lawn of other pervious surface using with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. 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 is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

(d) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 8:00 pm and 10:00 am.

(e) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.

(f) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the SHWSC.

(g) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours of 8 pm and 10:00 am. However, if the golf course utilizes a water source other than that provided by the SHWSC, or uses reclaimed water, the facility shall not be subject to these regulations.

(h) All restaurants are prohibited from serving water to patrons except upon request of the patron.

(i) The following uses of water are defined as non-essential and are prohibited:

1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
2. use of water to wash down buildings or structures for purposes other than immediate fire protection;
3. use of water for dust control;
4. flushing gutters or permitting water to run or accumulate in any gutter or street; and
5. 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 Response – SEVERE Water Shortage Conditions

Target: Achieve a 15 percent reduction in daily water demand.

Best Management Practices for Supply Management:

SHWSC shall:

- Reduce or discontinue flushing of water mains.
- Notify customers by mail with suggestions for ways to reduce usage.
- Field personnel to monitor and report excessive usage.
- Initiate severe mandatory water use restrictions.
- Issue warnings and fines as necessary.
- Prohibit nearly all outside watering unless using recycled water.
- Prohibit non-essential uses.
- Ensure all production equipment is operating at maximum capacity.
- Activate interconnects and purchase water from neighboring utilities if available.

Water Use Restrictions for Demand Reduction:
Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

(a) All the prohibitions applicable in Stages 1 and 2 apply in Stage 3, except to the extent replaced by more restrictive conditions imposed by this stage.

(b) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Tuesdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Mondays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 8:00 pm and 10:00 am 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.

(c) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the SHWSC. However, if the golf course utilizes a water source other than that provided by the SHWSC, or uses reclaimed water, the facility shall not be subject to these regulations.

(d) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

(e) The use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 am and 10:00 am and between 8:00 pm and 10:00 pm.

(f) The filling, refilling, or adding of water to swimming pools, wading pools, or spas are prohibited.

Stage 4 Response – CRITICAL Water Shortage Conditions

Target: Achieve a 15 percent reduction in daily water demand.

Best Management Practices for Supply Management:

SHWSC shall:

- Reduce or discontinue flushing of water mains.
- Notify customers by mail with suggestions for ways to reduce usage.
- Field personnel to monitor and report excessive usage.
- Initiate severe mandatory water use restrictions.
- Issue warnings and fines as necessary.
- Prohibit nearly all outside watering unless using recycled water.
- Prohibit non-essential uses.
- Ensure all production equipment is operating at maximum capacity.
- Activate interconnects and purchase water from neighboring utilities if available.

Water Use Restrictions for Demand Reduction:
Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

(a) All the prohibitions applicable in Stages 1 and 2 apply in Stage 3, except to the extent replaced by more restrictive conditions imposed by this stage.

(b) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Tuesdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Mondays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 8:00 pm and 10:00 am 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.

(c) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the SHWSC. However, if the golf course utilizes a water source other than that provided by the SHWSC, or uses reclaimed water, the facility shall not be subject to these regulations.

(d) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

(e) The use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 am and 10:00 am and between 8:00 pm and 10:00 pm.

(f) The filling, refilling, or adding of water to swimming pools, wading pools, or spas are prohibited.

Stage 5 Response – EXTREME Water Shortage Conditions

Target: Achieve a 30 percent reduction in daily water demand.

Best Management Practices for Supply Management:

SHWSC shall:

- Discontinue flushing water mains.
- Activate inter-connections and purchase water from neighboring utilities if available.

Water Use Restrictions for Reducing Demand:

Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

(a) All the prohibitions applicable in Stages 1, 2, and 3 apply in Stage 4, except to the extent replaced by more restrictive conditions imposed by this stage.

(b) Irrigation of landscaped areas is absolutely prohibited unless using recycled water or by means of a hand-held hose or faucet filled water can of five (5) gallons or less.

(c) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is absolutely prohibited, unless with recycled water.

Stage 6 Response – EMERGENCY Water Shortage Conditions

Target: Achieve a 30 percent reduction in daily water demand.

Best Management Practices for Supply Management:

SHWSC shall:

- Discontinue flushing water mains.
- Activate inter-connections and purchase water from neighboring utilities if available.

Water Use Restrictions for Reducing Demand:

Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

(a) All the prohibitions applicable in Stages 1, 2, and 3 apply in Stage 4, except to the extent replaced by more restrictive conditions imposed by this stage.

(b) Irrigation of landscaped areas is absolutely prohibited unless using recycled water or by means of a hand-held hose or faucet filled water can of five (5) gallons or less.

(c) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is absolutely prohibited, unless with recycled water.

WATER ALLOCATION (Stages 4 - 6)

In the event that water shortage conditions threaten public health, safety, and welfare, the General Manager is hereby authorized to allocate water according to the following water allocation plan:

Single-Family Residential Customers

The allocation to residential water customers residing in a single-family dwelling shall be as follows:

Persons per Household	Gallons per Month
1 or 2	5,000
3 or 4	6,000
5 or 6	7,000
7 or 8	8,000
9 or 10	9,000
11 or more	10,000

"Household" means the residential premises served by the customer's meter. "Persons per household" includes only those persons currently physically residing at the premises and expected to reside there for the entire billing period. It shall be assumed that a particular customer's household is comprised of two (2) persons unless the customer notifies the SHWSC of a greater number of persons per household on a form prescribed by the General Manager. The General Manager shall give his/her best effort to see that such forms are mailed, otherwise provided, or made available to every residential customer. If, however, a customer does not receive such a form, it shall be the customer's responsibility to go to the SHWSC office to complete and sign the form claiming more than two (2) persons per household. New customers may claim more persons per household at the time of applying for water service on the form prescribed by the SHWSC. When the number of persons per household increases so as to place the customer in a different allocation category, the customer may notify SHWSC on such form and the change will be implemented in the next practicable billing period. If the number of persons in a household is reduced, the customer shall notify the SHWSC in writing within two (2) weeks. In prescribing the method for claiming more than two (2) persons per household, the SHWSC shall adopt methods to insure the accuracy of the claim.

Residential water customers shall pay the following surcharges:

5% of base for the first 1,000 gallons over allocation.
8% of base for the second 1,000 gallons over allocation.
10% of base for the third 1,000 gallons over allocation.
25% of base for each additional 1,000 gallons over allocation.

Surcharges shall be cumulative.

Master-Metered Multi-Family Residential Customers

The allocation to a customer billed from a master meter which jointly measures water to multiple permanent residential dwelling units (example: apartments, mobile homes) shall be allocated 5,000 gallons per month for each dwelling unit. It shall be assumed that such a customer's meter serves two dwelling units unless the customer notifies the SHWSC of a greater number on a form prescribed by the General Manager. The General Manager shall give his/her best effort to see that such forms are mailed, otherwise provided, or made available to every such customer. If, however, a customer does not receive such a form, it shall be the customer's responsibility to go to the SHWSC office to complete and sign the form claiming more than two (2) dwellings. A dwelling unit may be claimed under this provision whether it is occupied or not. New customers may claim more dwelling units at the time of applying for water service on the form prescribed by the General Manager. If the number of dwelling units served by a master meter is reduced, the customer shall notify the SHWSC in writing within two (2) weeks. In prescribing the method for claiming more than two (2) dwelling units, the General Manager shall adopt methods to insure the accuracy of the claim. Customers billed from a master meter under this provision shall pay the following monthly surcharges:

5% of base for 1,000 gallons over allocation up through 1,000 gallons for each dwelling unit.
8% of base, thereafter, for each additional 1,000 gallons over allocation up through a second 1,000 gallons for each dwelling unit.
10% of base, thereafter, for each additional 1,000 gallons over allocation up through a third 1,000 gallons for each dwelling unit.
25% of base, thereafter for each additional 1,000 gallons over allocation.

Surcharges shall be cumulative.

Commercial Customers

A monthly water allocation shall be established by the General Manager, or his/her designee, for each nonresidential commercial customer other than an industrial customer who uses water for processing purposes. The non-residential customer's allocation shall be approximately 75% of the customer's usage for corresponding month's billing period for the previous 12 months. If the customer's billing history is shorter than 12 months, the monthly average for the period for which there is a record shall be used for any monthly period for which no history exists. The General Manager shall give his/her best effort to see that notice of each non-residential customer's allocation is mailed to such customer. If, however, a customer does not receive such notice, it shall be the customer's responsibility to contact the SHWSC office to determine the allocation. Upon request of the customer or at the initiative of the General Manager, the allocation may be reduced or increased if, (1) the designated period does not accurately reflect the customer's normal water usage, (2) one nonresidential customer agrees to transfer part of its allocation to another nonresidential customer, or (3) other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the General Manager or alternatively, a special water allocation review committee. Nonresidential commercial customers shall pay the following surcharges:

Customers whose allocation is 1,000 gallons through 10,000 gallons per month:

5% of base per thousand gallons for the first 1,000 gallons over allocation.
10% of base per thousand gallons for the second 1,000 gallons over allocation.
20% of base per thousand gallons for the third 1,000 gallons over allocation.
25% of base per thousand gallons for each additional 1,000 gallons over allocation.

Customers whose allocation is greater than 10,000 gallons per month or more:

1.2 times the block rate for each 1,000 gallons in excess of the allocation up through 5 percent above allocation.
1.5 times the block rate for each 1,000 gallons from 5 percent through 10 percent above allocation.
1.8 times the block rate for each 1,000 gallons from 10 percent through 15 percent above allocation.
2.0 times the block rate for each 1,000 gallons more than 15 percent above allocation.

The surcharges shall be cumulative. As used herein, "block rate" means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer's allocation.

Industrial Customers

A monthly water allocation shall be established by the General Manager, or his/her designee, for each industrial customer, which uses water for processing purposes. The industrial customer's allocation shall be approximately 90% percent of the customer's water usage baseline. Ninety (90) days after the initial imposition of the allocation for industrial customers, the industrial customer's allocation shall be further reduced to 85% percent of the customer's water usage baseline. The industrial customer's water use baseline will be computed on the average water use for the 12 month period ending prior to the date of implementation of Stage 2 of the Plan. If the industrial water customer's billing history is shorter than 12 months, the monthly average for the period for which there is a record shall be used for any monthly period for which no billing history exists. The General Manager shall give his/her best effort to see that notice of each industrial customer's allocation is mailed to such customer. If, however, a customer does not receive such notice, it shall be the customer's responsibility to contact SHWSC to determine the allocation, and the allocation shall be fully effective notwithstanding the lack of receipt of written notice. Upon request of the customer or at the initiative of the General Manager, the allocation may be reduced or increased, (1) if the designated period does not accurately reflect the customer's normal water use because the customer had shutdown a major processing unit for repair or overhaul during the period, (2) the customer has added or is in the process of adding significant additional processing capacity, (3) the customer has shutdown or significantly reduced the production of a major processing unit, (4) the customer has previously implemented significant permanent water conservation measures such that the ability to further reduce water use is limited, (5) the customer agrees to transfer part of its allocation to another industrial customer, or (6) if other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the General Manager or alternatively, a special water allocation review committee. Industrial customers shall pay the following surcharges:

Customers whose allocation is 1,000 gallons through 10,000 gallons per month:

5% of base per thousand gallons for the first 1,000 gallons over allocation.
10% of base per thousand gallons for the second 1,000 gallons over allocation.
20% of base per thousand gallons for the third 1,000 gallons over allocation.
25% of base per thousand gallons for each additional 1,000 gallons over allocation.

Customers whose allocation is 10,000 gallons per month or more:

1.2 times the block rate for each 1,000 gallons in excess of the allocation up through 5 percent above allocation.
1.5 times the block rate for each 1,000 gallons from 5 percent through 10 percent above allocation.
1.8 times the block rate for each 1,000 gallons from 10 percent through 15 percent above allocation.
2.0 times the block rate for each 1,000 gallons more than 15 percent above allocation.

The surcharges shall be cumulative. As used herein, "block rate" means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer's allocation.

Section X: Enforcement

(a) No person shall knowingly or intentionally allow the use of water from the SHWSC for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the General Manager, or his/her designee, in accordance with provisions of this Plan.

(b) Except as otherwise provided in this Section X, any person who violates this Plan shall be subject to the following surcharges and conditions of service:
   a. Following the first documented violation, the violator shall be given a notice specifying the type of violation and the date and time it was observed.
   b. Following the second documented violation, the violator shall be sent, by certified mail, a notice of violation and shall be assessed a surcharge of $200.
   c. Following the third documented violation, the violator shall be sent, by certified mail, a notice of violation and shall be assessed a surcharge of $700.
   d. Following the fourth documented violation, the Board of Directors or it's designee shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a reconnection charge, hereby established at $500, and any other costs incurred by a SHWSC water utility system in discontinuing service, and any outstanding charges including late payment fees or penalties. In addition, suitable assurance in the amount of a deposit of $500 must be given to the Board of Directors or it's designee, that the same action shall not be repeated while the Plan is in effect. The Board of Directors or it's designee may apply the deposit to any surcharges or penalties subsequently assessed under this Plan against a customer. Any remaining amount of such deposit, if any, shall be returned to the customer at the time of the customer's voluntary disconnection from the utility system.

(c) Compliance with this Plan also may be sought through injunctive relief in district court. Each day that one or more of the provisions in this Plan is violated shall constitute a separate violation. Any person, including one classified as a water customer of the SHWSC, in apparent control of the property where a violation occurs or originates, shall be presumed to be the violator. Any such person, however, shall have the right to show that he or she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children, but any such parent may be excused if he or she proves that he or she had previously directed the child not to use the water in violation of this Plan and that there is no reasonable expectation that parent could have known about the violation. Table 1 shows the progressive steps of the drought response enforcement process for retail customers.

Table 1: Drought Response Enforcement Process

Documented Violation	Response
First	Notice of violation issued. Customer is notified of actions to be taken if violations continue.
Second	Penalty - $200
Third	Penalty - $700
Fourth and on	Service Disconnection. $500 reconnection fee and $500 deposit required.

Section XI: Variances

The General Manager may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

(a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
(b) Alternative methods can be implemented which will achieve the same level of reduction in water use.
(c) The person or entity requesting the variance can demonstrate that severe financial hardship or property damage will result if the variance is not granted.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the General Manager within 5 days after the Plan or a particular drought response stage has been invoked. The SHWSC staff will make every effort to work with customers to establish a satisfactory solution to water use problems. 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) Specific provision(s) of the Plan from which the petitioner is requesting relief.
(d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
(e) Description of the relief requested.
(f) Period of time for which the variance is sought.
(g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
(h) Other pertinent information.

Variances granted by the SHWSC shall be subject to the following conditions, unless waived or modified by the General Manager or his/her designee:

(a) Variances granted shall include a timetable for compliance.
(b) Variances granted shall expire when the Plan is no longer in effect, unless the petitioner has failed to meet specified requirements.
(c) No variance shall be retroactive or otherwise justify any violation of this plan occurring prior to the issuance of the variance.

Section XII: Severability

It is hereby declared to the intention of the Board of Directors of SHWSC that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph, or section of the Plan shall be declared unconstitutional by the valid judgement of decree of any court of competent jurisdiction, such as unconstitutionality this Plan, since the same would not have been enacted by the Board of Directors of SHWSC without the incorporation into this Plan of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SPRINGS HILL
SPECIAL UTILITY DISTRICT

PO BOX 29 / 5510 123 Bypass
Seguin, TX 78156-0029
(830) 379-7683

OFFICE USE ONLY
Date Approved: _____
Service Classification: _____
Cost: _____
Work Order Number: _____
Eng. Update: _____
Account Number: _____
Service Inspection Date: _____

SERVICE APPLICATION AND AGREEMENT

Please Print: DATE: Click here to enter a date.

APPLICANT'S NAME: _____

CO-APPLICANT'S NAME: _____

SERVICE ADDRESS: _____ BILLING ADDRESS: SAME

_____ _____

PHONE NUMBER: _____

EMAIL ADDRESS: _____

☐ BY CHECKING THIS BOX, YOU ARE VERIFYING THAT ALL FUTURE COMMUNICATIONS WILL BE SENT TO THIS EMAIL. IF YOU CHOOSE TO RECEIVE ELECTRONIC STATEMENTS ALL BILLING STATEMENTS WILL BE SENT TO THIS EMAIL AS WELL. FAILURE TO RECEIVE NOTIFICATIONS WILL BE THE CUSTOMERS RESPONSIBILITY TO NOTIFY SHWSC IMMEDIATELY.

PROOF OF OWNERSHIP PROVIDED BY: TITLE CO._____

DRIVER'S LICENSE NUMBER OF APPLICANT: _____

IF YOUR PROPERTY IS LOCATED IN A SUBDIVISION, WHAT IS THE NAME? _____

LEGAL DESCRIPTION OF PROPERTY (Include name of road, subdivision with lot and block number) _____

BUILDERS MUST INCLUDE *PHASE* OR *UNIT NUMBER* OF PROPERTY WHEN REQUESTING METER INSTALLATION

_____

PREVIOUS OWNER'S NAME AND ADDRESS (if transferring) _____

ACREAGE: _____

NUMBER IN FAMILY: _____ LIVESTOCK ON PROPERTY & NUMBER: _____

DO YOU HAVE AN UNDERGROUND SPRINKLER SYSTEM? _____

☐ I HAVE RECEIVED A COPY OF THE SERVICE POLICY AND AGREE TO THE TERMS. (FOR ONLINE USE ONLY, DISREGARD IF YOU APPLY IN PERSON)

AGREEMENT made this Choose an item.Day of Choose an item., Choose an item., between

Springs Hill Special Utility District (SUD)**,** a corporation organized under the laws of the State of Texas (hereinafter called the SUD**)** (hereinafter called the Applicant and/ or member)
Witnesseth:
The SUD shall sell and deliver water service to the Applicant and the Applicant shall purchase, receive, and/or reserve service from the SUD in accordance with the bylaws and service policy of the SUD as amended from time to time by the Board of Directors of the SUD. Upon compliance with said policies, including payment of a Security Deposit Fee, the Applicant qualifies as a new applicant.

The customer shall pay the SUD for service hereunder as determined by the SUD's service policy and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which the customer 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 service and cancel the customer's account if they are not complying with any policy or not paying any utility fees or charges as required by the SUD's published rates, fees, and conditions of service. At any time service is discontinued, terminated or suspended, the SUD shall not re-establish service unless it has a current, signed copy of this agreement.

If this agreement is completed for the purpose of assigning utility service as a part of a rural domestic water and/or wastewater system loan project contemplated with the Rural Development, an Applicant shall pay an Indication of Interest Fee in lieu of a Security Deposit Fee for the purposes of determining:

a. The number of taps to be considered in the design and

b. The number of potential ratepayers considered in determining the financial feasibility of constructing
   1) a new water system or
   2) expanding the facilities of an existing water system.

The Applicant hereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the SUD's policies, shall further qualify as a customer and the Indication of Interest Fee shall then be converted by the SUD to a Security Deposit. Applicant further agrees to pay, upon becoming a customer, the monthly charges for such service as prescribed in the SUD's service policy. Any breach of this agreement shall give cause for the SUD to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the SUD may assess a lump sum of $300.00 as liquidated damages to defray any losses incurred by the SUD. If delivery of service to said location is deemed infeasible by the SUD as a part of this project, the Applicant shall be denied a customer account in the SUD and the Indication of Interest Fee, less expenses, shall

be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the SUD's Security Deposit Fees.

All water shall be metered by meters to be furnished and installed by the SUD. 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 SUD shall have the right to locate a water service meter and the pipe necessary to connect the meter on the customer's property at a point to be chosen by the SUD, and shall have access to its property and equipment located upon customer'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 SUD shall have the right to remove any of its equipment from the customer's property. The customer shall install, at their own expense, any necessary service lines from the SUD's facilities and equipment to the point of use, including any customer service isolation valves, backflow prevention devices, clean-outs, and other equipment as may be specified by the SUD. The SUD shall also have access to the customer's property for the purpose of inspecting 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 and the corporation's tariff and service policies.

The SUD 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 SUD 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 air gap 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 air gap 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 8.0 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, 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 on or after July 1, 1988, at any connection which provides water for human consumption.

The SUD shall maintain a copy of this agreement as long as the customer and/or premises is connected to the public water system. The customer 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 SUD or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the SUD's normal business hours.

The SUD shall notify the customer in writing of any cross-connections or other undesirable practices which have been identified during the initial or subsequent inspection. The customer shall immediately correct any undesirable practice on their premises. The customer shall, at their expense, properly install, test, and maintain any backflow prevention device required by the SUD. Copies of all testing and maintenance records shall be provided to the SUD as required. Failure to comply with the terms of this service agreement shall cause the SUD to either 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 customer.

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

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

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

By execution hereof, the Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns. Said guarantee shall pledge any and all Security Deposit Fees against any balance due the SUD. Liquidation of said Security Deposit Fees shall give rise to discontinuance of service under the terms and conditions of the SUD's service policy.

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

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 SUD's service policy.

_____ _____

Applicant Member (Sign above) Date Signed

_____ _____

Approved and Accepted (Springs Hill SUD Rep) Date Signed

ALTERNATE BILLING AGREEMENT FOR RENTAL ACCOUNTS

NAME: _____ LOCATION #:_____

ADDRESS: _____ HOME PHONE #_____

EMAIL ADDRESS: _____ CELL PHONE # _____

I hereby authorize Springs Hill Special Utility District to send all billings on my account to the person(s) and address below until further written notice:

_____

_____

_____

I understand that under this agreement that I will be given notice by the District of all delinquencies on this account prior to disconnection of service.

I understand that if I request that my security deposit be canceled at this location, thereby discontinuing service to an occupied rental property, that the S.U.D. will provide the above listed person with written notice of disconnection five (5) days prior to the scheduled disconnection date.

I also understand that I am responsible to see that this account balance is kept current, as is any other account in the District. This account shall not be reinstated until all debt on the account has been retired.

Signature_____ Date_____

Would you like to have your renter pay $150.00 deposit? (Initials) _____ _____
Yes No

YOU CAN NOW REQUEST THAT PERSONAL INFORMATION CONTAINED IN OUR UTILITY RECORDS BE RELEASED TO UNAUTHORIZED PERSONS

The Texas Legislature has enacted a bill, which was effective June 18, 2021, prohibiting government-owned utilities from disclosing personal information in a customer's account record, or any information relating to the volume or units of utility usage or the amounts billed to or collected from the individual for utility usage, unless the customer requests that the government-operated utility disclose the information. (Texas Utilities Code § 182.052)

A customer may request disclosure of the information described above by delivering a completed form to:

Springs Hill Special Utility District
P O Box 29
Seguin, TX 78156-0029

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 authorize Springs Hill Special Utility District to disclose my information pursuant to Texas Utilities Code § 182.052.

_____ _____
Name of Account Holder *Account Number*

_____ _____
Address *Area Code/Telephone Number*

_____ _____
City, State, Zip Code *Signature*

SPRINGS HILL WSC
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 corporation 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.

_____ Account#_____
Customer Signature

_____ Due Date _____
Date

_____

Springs Hill Special Utility District's Authorized Representative

SPRINGS HILL SPECIAL UTILITY DISTRICT

AN AGREEMENT made this _____ day of _____, 20____, between Springs Hill Special Utility District, a district organized under the laws of the State of Texas (hereinafter called the District) and _____, (hereinafter called the Applicant and/or customer).

By execution of this Agreement, the undersigned customer agrees to payment of outstanding debt for water utility service rates, fees, and charges, as set forth in the District's Service policy, until the _____ (Equity Buy-In Fee, High water bill from a leak, or other connection fee) 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.

APPROVED AND ACCEPTED this _____ day of _____, 20____ at the regular monthly meeting of the Board of Directors of the Springs Hill Special Utility District.

_____ _____

President, Springs Hill S.U.D. Sec/Treasurer, Springs Hill S.U.D.

THE STATE OF TEXAS COUNTY OF _____

IN WITNESS WHEREOF the said Customer/Applicant has 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 _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

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

_____ _____

Notary Public in and for _____ Customer/Applicant

County, Texas.
Commission Expires _____/_____/_____

SPRINGS HILL SPECIAL UTILITY DISTRICT
LINE EXTENSION REFUND AGREEMENT

The Springs Hill Special Utility 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 to understand 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 of the Corporation may charge applicants for service from said line extension.

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

Springs Hill Special Utility District

_____
Signed by President

_____
address

_____
city zip

_____
Signed by Applicant

_____
address

_____
city zip

_____
Witness

Date filed: _____/_____/_____

THE STATE OF TEXAS, COUNTY OF _____
IN WITNESS WHEREOF the said Customer/Applicant and President of Springs Hill S.U.D. has 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

SPRINGS HILL SPECIAL UTILITY 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 initial 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 at no charge. Customer agrees to pay $25.00 for subsequent tests plus any outstanding water utility service. 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

SPRINGS HILL S.U.D.
NOTICE TO OWNER OF RENTAL PROPERTY

You are hereby given notice that your renter/lessee is past due on your account with the district. The renter/lessee has been sent a second and final notice, a copy of which is enclosed herein, and the utility service will be scheduled for disconnection unless the bill is paid by the final due date. If disconnection occurs, the district's service policies under the terms and conditions of its service policy shall govern restoration of disconnected service. A fee of $___.00 has been posted to the account for mailing this notice. Any unpaid bills, service fees, or reconnect fees (service trip fees) are chargeable to the owner. If you have any questions concerning the status of this account, please do not hesitate to call.

SPRINGS HILL S.U.D. MANAGEMENT

Amount Due Including Service Charges _____

Final Due Date _____

SPRINGS HILL S.U.D.
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 $35.00 Returned Check Fee. Redemption of the returned check and payment of 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, your utility service will be disconnected unless other arrangements have been made with management.

SPRINGS HILL S.U.D. MANAGEMENT

SPRINGS HILL SPECIAL UTILITY DISTRICT
REQUEST FOR SERVICE DISCONTINUANCE

I_____, hereby request that my water meter on Location number _____ located on _____, be disconnected from Springs Hill Special Utility District service and that my security deposit be refunded to me. I understand that if I should ever want my service reinstated, I may have to reapply for service as a new customer and I may have to pay all costs as indicated in a then current copy of the Water Supply S.U.D. service policy. Future ability to provide service will be dependent upon system capacity, which I understand may be limited and may require capital improvements to deliver adequate service. I further represent to the district that my spouse joins me in this request, and I am authorized to execute this Request for Service Discontinuance on behalf of my spouse.

_____
Signature

_____
Date of Signature

NOTE: Charges for service will terminate when this signed statement is received by the Springs Hill S.U.D. office. A $____.00 fee will be assessed for the processing of this transaction and deducted from the membership fee in addition to final charges.

Forwarding Address Information:

_____ _____
Name Phone

_____
Address

_____
City State Zip code

EASEMENT DENIAL LETTER AND AFFIDAVIT

Date

(Name of Property Owner
and Property Owners
Address)

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

Dear _____:

Springs Hill Special Utility 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 which 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 Springs Hill Special Utility District for authority to construct/operate a water 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 Springs Hill Special Utility 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:

_____.

SPRINGS HILL S.U.D.
TERMINATION NOTICE

TO:
LOCATION NUMBER: _____
ACCOUNT NUMBER: _____

DATE:

DATE OF SCHEDULED TERMINATION:

You are hereby advised that the delinquent status of your account is jeopardizing your security deposit with the Corporation. 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 a new service and pay all costs applicable under the terms of the District's service policy. If you have no intention 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.

SPRINGS HILL S.U.D. MANAGEMENT

SPRINGS HILL SPECIAL UTILITY DISTRICT
P O BOX 29 SEGUIN, TX 78156-0029
(830) 379-7683
Customer/Owner: _____

APPLICANT'S NOTICE OF INSUFFICIENT INFORMATION

TO:
LOCATION NUMBER: _____
ACCOUNT NUMBER: _____

DATE:

DATE OF SCHEDULED DISCONNECTION: _____

You are hereby advised that the INCOMPLETE status of your (SEE LIST BELOW FOR WHICH) FORMS is jeopardizing your account with the district. 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 intention 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/Customer.

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

SPRINGS HILL SUD MANAGEMENT

Signed by: _____

DEDICATION, BILL OF SALE AND ASSIGNMENT
(Individual Service Form)

THE STATE OF TEXAS	§
	§
	§
COUNTY OF GUADALUPE	§
	§
	§
KNOW ALL BY THESE PRESENTS	§

This Dedication, Bill of Sale and Assignment is entered into and effective as of _____, 20__, by and between Springs Hill Special Utility District, a Texas special utility district operating under Texas Water Code, Chapters 49 and 65, for the purposes and consideration set forth herein.

R E C I T A L S:

District and customer have previously entered into that certain Non-Standard Service Agreement dated _____ (the "Agreement"). Pursuant to Section ___ of the Agreement, Member has agreed to dedicate and convey to District the water lines, hydrants, valves, fittings and other appurtenances constructed to provide water service to the Customer's property located at_____, in _____ County, Texas, together with all rights and interests therein or appurtenant thereto as more particularly described in Exhibit "A" hereto (the "Facilities"), and all easements, rights-of-way and permits, licenses or approvals, if any, related to the Facilities as more particularly described in Exhibit "B" hereto (the "Related Rights").

The Facilities and the Related Rights are collectively referred to as the "Transferred Properties."

DEDICATION, ASSIGNMENT AND AGREEMENT

For and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Member does hereby DEDICATE, TRANSFER, CONVEY, SET OVER AND ASSIGN forever unto District and District's successors and assigns the Transferred Properties TO HAVE AND TO HOLD the Transferred Properties, together with all and singular the rights and appurtenances thereto in anywise belonging, and Customer does hereby bind himself/herself, his/her successors and assigns to WARRANT AND FOREVER DEFEND, all and singular, the Transferred Properties unto District, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

In addition, the Springs Hill Water Special Utility District, through its authorized representative, having agreed at accept the Facilities described in Exhibit "A", shall hold harmless Customer from this day forward, from any costs for repairs or maintenance of said Facilities or any part of said Facilities.
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 _____ [MEMBER]

_____
Notary Public - State of Texas

Printed Name:_____

My Commission Expires:_____

FOR SPRINGS HILL S.U.D.:

By: _____

Printed Name: _____
Title: _____

THE STATE OF TEXAS

THE COUNTY OF _____

This instrument was acknowledged before me on the ___ day of _____, 20__, by _____.

_____
Notary Public - State of Texas

Printed Name: _____
My Commission Expires: _____
AFTER RECORDING RETURN TO:

Springs Hill Special Utility District

P O Box 29
Seguin, Texas 78156-0029

SPRINGS HILL
SPECIAL UTILITY DISTRICT

PO BOX 29 / 5510 123 Bypass
Seguin, TX 78156-0029
(830) 379-7683

Customer Service Inspection Certificate

Date / Time	Account Number
Customer Name	ADDRESS
PHONE	MAILING ADDRESS

Reason for Inspection: ☐ New Construction ☐ Existing service with suspected contaminant hazard

☐ Major renovation or expansion of distribution facilities

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

	Compliance	*Non Compliance*
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.	☐	☐
NO CROSS CONNECTIONS between the public drinking water supply and a private water system exist. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention inspector.	☐	☐
NO CONNECTIONS EXIST which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.	☐	☐
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 and prior to Jan. 4, 2014	☐	☐
PLUMBING installed after Jan. 4,2014 bears expected labeling indicating <0.25% lead content. If not properly labeled, please provide written comment	☐	☐
NO SOLDER OR FLUX which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988.	☐	☐

Water service shall not be provided or restored to the private plumbing facilities until the above conditions are determined to be in compliance.

Comments: _____

_____

I further certify that the following materials were used in the installation of the plumbing facilities:

SERVICE LINE	Lead	☐	Copper	☐	PVC	☐	Other	☐
SOLDER / FLUX	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.

Signature of Inspector _____ Registration Number _____

Title _____ Type of Registration _____

STATE OF TEXAS AGREEMENT TO PROVIDE FIREFLOW

_____ COUNTY IN DESIGNATED AREAS

This Agreement ("Agreement") is executed by and between _____ Volunteer Fire Department ("Department"), an emergency service organization, and Springs Hill Special Utility District ("District"), a Texas special utility district operating under Texas Water Code, Chapters 49 and 65, for the purposes and consideration set forth herein.

RECITALS

WHEREAS Department is a volunteer fire department organized and operating under the provisions of _____ and within the meaning of Section 101.001(3)(C), Civil Practice & Remedies Code; and

WHEREAS SHSUD is a special utility district operating under Texas Water Code, Chapters 49 and 65, and furnishes a water supply in Guadalupe County and specifically in the area described in Texas Commission on Environmental Quality ("TCEQ") Certificate of Convenience and Necessity No. 10666; and

WHEREAS SHSUD acknowledges the benefits of fire suppression services provided by Department and is willing to provide water supply for use in fire suppression by Department through facilities in the area and under conditions more particularly described herein; and

WHEREAS Department desires to utilize SHSUD's water supply for fire suppression purposes within the area [through the facilities] and under the conditions set forth herein;

NOW, THEREFORE, Department and SHSUD enter into this Agreement for the purposes and consideration set forth herein, acknowledging that these purposes and consideration are sufficient for purposes of this Agreement and are mutually beneficial to one another as contemplated by Section 67.0105(c), Water Code:

I.
PARTIES

1.1 This Agreement is entered into by and between Guadalupe County Volunteer Fire Department, domiciled and conducting business in Guadalupe County, Texas, and Springs Hill Special Utility District, domiciled and conducting business in Guadalupe County, Texas.

1.2 Department is authorized to enter into this Agreement pursuant to _____.

1.3 SHSUD is authorized to enter into this Agreement pursuant to Sections 67.010 and 67.0105, Water Code.

II.
PROVISION OF FIREFLOW

2.1 SHSUD will make available to Department the use of fire hydrants located on water transmission facilities operated by SHSUD in [description of subdivision, portion of County, street boundaries, etc.] as more particularly set forth in the attached map of "Fire Flow Facilities" ("Map") which is incorporated herein and made a part of this Agreement for all purposes.

2.2 Department will use only those fire hydrants installed and maintained by SHSUD which are clearly marked by [description of marking] and are located at those points indicated on the Map.

2.3 Corporation SHSUD will install fire hydrants that are compatible with Department's fire suppression vehicles and equipment, and Department will review and approve the selection of fire hydrants prior to SHSUD's installation.

2.4 In accordance with the laws of the State of Texas, SHSUD will maintain a minimum static residual pressure of 35 pounds per square inch ("psi") during normal flow, and will maintain a minimum static residual pressure of no less than 20 psi during fire flow conditions, in the water transmission facilities described in the Map.

2.5 SHSUD will notify Department prior to any interruption in water flow through the transmission facilities (or as soon as SHSUD is aware of any interruption due to unforeseen circumstances).

2.6 Department will notify SHSUD prior to use of any fire hydrant to the extent Department reasonably is able to do so. SHSUD acknowledges that in the event of emergencies, it may not be feasible for Department to provide prior notice, in which case notification shall be provided as soon as practicable.

2.7 No obligation other than the duties set forth in this Section II of the Agreement are recognized nor are any obligations or duties to be implied under this Agreement.

2.8 The duties set forth under this Section II of the Agreement are duties of the parties to this Agreement to one another only, solely for their mutual benefit, and it is the express intention of the parties that these duties are not enforceable by any third party or alleged third party beneficiary.

2.9 The Department will supply a monthly water usage to SHSUD for the sole purpose of figuring the SHSUD's water loss.

2.10 The Department will not utilize water provided under this agreement for any purpose other than for suppressing fires. Prohibited uses of "free" water include, but are not limited to, filling swimming pools, car wash fundraisers, and potable use in a structure used to house fire trucks and personnel.

III.
COMPENSATION

3.1 Department will not be charged for use of SHSUD's water supply for fire suppression purposes. Department will be charged for water used for any other purpose.

IV.
TERMINATION OF AGREEMENT

4.1 Either party to this Agreement may terminate this Agreement at any time, with or without case.

4.2 Termination shall be by written notice a minimum of thirty (30) days in advance of the date of termination.

4.3 Termination is the sole remedy for breach of any and all obligations under this Agreement, whether such obligation(s) is express or implied.

V.
MISCELLANEOUS

5.1 This Agreement is the sole agreement between the parties. No modifications of this Agreement will be of any force or effect whatsoever unless such modification shall be in writing signed by both parties.

5.2 Any notice required or permitted to be given under this Agreement by one party to the other shall be in writing and shall be deemed to have been served and delivered if (a) delivered in person to the address set forth below, or (b) placed in the United States mail, first class postage paid, addressed to the address set forth below.

The address for the Department for all purposes under this Agreement shall be:

The address for SHSUD for all purposes under this Agreement shall be:

5.3 This Agreement may not be assigned without the express written consent of the non-assigning party.

5.4 This Agreement shall be effective upon the later of the two dates of execution below and shall continue in full force and effect until amended or terminated by the parties.

5.5 The signatories hereto represent and affirm that each has full authority to execute this Agreement on behalf of the respective party.

EXECUTED AND AGREED TO in duplicate originals by the parties hereto.

Springs Hill Special Utility District	County Volunteer Fire Department
By:_____	By:_____
Title:_____	Title:_____
Attest:_____	Attest:_____
Date:_____	Date:_____

RENTER SERVICE AGREEMENT

LOCATION #_____

RENTERS NAME _____

MAILING ADDRESS _____

_____

EMAIL ADDRESS _____

HOME NUMBER _____

CELL NUMBER _____

SERVICE ADDRESS _____

The Owner/Customer of service located at the above address has authorized **SPRINGS HILL SPECIAL UTILITY** to bill the above mentioned **RENTER** for water service at this location. The **RENTER** agrees to pay the renters deposit in the amount of $_____, which will be held by SHSUD until the time the renter moves from this location in the SHSUD service area.

_____
Signature of Renter

_____
Date

TRWA RECOMMENDED 5/8" X 3/4" METER EQUIVALENTS BASED ON AWWA SPECIFICATIONS AND DESIGN CRITERIA

METER SIZE	RECOMMENDED CONTINUOUS RATE OF FLOW	RESIDENTIAL METER EQUIVALENTS
5/8" X 3/4"	10.0 GPM	1.00
3/4"	15.0 GPM	1.50
l"	25.0 GPM	2.50
1 1/2"	50.0 GPM	5.00
2"	80.0 GPM	8.00
3" DISP.	90.0 GPM	9.00
3" CMPD	160.0 GPM	16.00
3" TURB.	175.0 GPM	17.50
4" CMPD	250.0 GPM	25.00
4" TURB.	300.0 GPM	30.00
6" CMPD	500.0 GPM	50.00
6" TURB.	625.0 GPM	62.50
8" CMPD	800.0 GPM	80.00
10" CMPD	1,150.0 GPM	115.00

NOTE: ALTHOUGH AWWA DOES NOT RECOMMEND A CONTINUOUS FLOW OF GREATER THAN 50 PERCENT FOR DISPLACEMENT AND MULTIJET METERS, METER EQUIVALENTS ARE CALCULATED ON A PROPORTIONAL BASIS AND REMAIN THE SAME REGARDLESS OF ALLOWABLE RATES.