

SPRINGS HILL SPECIAL UTILITY DISTRICT

SERVICE POLICY

Adopted October 22, 2024

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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 Master 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 of 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 Application Fee may include the District’s engineering, legal, and administrative costs, and may require an Engineering Deposit and/or Legal Deposit. 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 must 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 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 three 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.

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 applicable 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 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 3.7 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 3.8 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 3.9 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 3.10 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 3.11 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 3.12 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 3.13 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 3.14 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 3.15 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 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 3.16 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 3.17 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 3.18 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 3.19 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 3.20 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 3.21 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 device 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 3.22 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 3.23 Prohibition of Multiple Connections to a Single Tap.

- a. 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). 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 _____. (see Sample Application Packet)
- b. For purposes of this section, the following definitions shall apply:
 - i. A "multiple connection" is the connection to any portion of a Customer's system that is connected to a primary delivery point already servicing one residence, one commercial or industrial facility of a water line serving another residence or commercial or industrial facility. Water lines to outbuildings, barns or other accessory structures shall not be consider 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 a meter that is installed in accordance with this Service Policy and applicable law and which provides water service to the residence or commercial or industrial facility of a 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.
- c. 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 3.24 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 3.25 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. Required installation and testing of backflow prevention assemblies where appropriate. 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). If an irrigation system and septic system using Springs Hill water are present within the property an RPZ (Reduced Pressure Zone Valve) must be installed and backflow testing must be done annually. The costs associated with the program are borne by the customer. (30 TAC § 290.46, Health & Safety Code Chapter 366).

- 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 3.26 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 a 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, legal, and engineering fees. The District shall refund any balance that remains after it has completed its service investigation, and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all expenses incurred by the District, the Applicant shall pay to the District upon the District's request all additional expenses that have been, or will be incurred by the District and District shall have no obligation to complete processing of the Application until all remaining expenses have been paid. The District may require the Applicant to execute an agreement to memorialize Applicant's reimbursement of the District's 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.

Applicants requesting or requiring Non-Standard Service shall execute a written contract, drawn up by the District's Attorney, in addition to submitting the District's Non-Standard Service Application. Said Non-Standard Service Contract shall define the terms of service prior to construction of required service facilities. The Non-Standard Service Contract may include, but is not limited to:

- a. 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.
- b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
- c. Reservation Fees and Impact Fees required by the District in addition to the other costs required under this Section.
- d. Monthly Reserved Service Charges as applicable to the service request.
- e. 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.
- f. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates, Reservation Fees, and/or Impact Fees.
- g. Terms by which the District shall administer the Applicant's project with respect to:
 - i. Design of the Applicant's service facilities;
 - ii. Securing and qualifying bids;
 - iii. Execution of the Non-Standard Service Contract and Addendums;
 - iv. Selection of a qualified bidder for construction;
 - v. Dispensing advanced funds for construction of facilities required for the Applicant's service;
 - vi. Inspecting construction of facilities; and
 - vii. Testing facilities and closing the project.
- h. Terms by which the Applicant shall indemnify the District from all third party claims or lawsuits in connection with the project.

- i. 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.
- j. Terms by which the Board of Directors shall review and approve the Non-Standard Service Contract pursuant to applicable rules and regulations.

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, legal, and engineering fees associated with investigation of the District's ability to deliver service to the Applicant to;
 - i. provide cost estimates of the project,
 - ii. to present a Non-Standard Service Contract to the Applicant, and
 - iii. to provide other services as required by the District for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project.

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. \$6,215.00 – 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 including but not limited to, water supply, transmission facilities, pumping facilities and water treatment. This fee shall be assessed immediately prior to providing service on a per EDU basis for each property or concurrent development and shall be assigned and restricted to that property or development for which service was originally requested. Impact Fees are non-refundable under any circumstances.
- c. Impact Fees are assessed on a per EDU basis. 1 EDU = 248 gallons per day of demand. 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. 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 SHWSC for Impact Fee Assessment
 - i. EDU calculations using the EDU Calculation Spreadsheet available on the SHWSC 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.
- e. The Impact Fee is **\$6,215.00 per EDU**.
- i. Any subdivision's with a final plat dated before the effective date of this Service Policy and that previously executed a Non-Standard Service Contract with the District's predecessor, Springs Hill Water Supply Corporation, shall be assessed an Impact Fee of \$6,215.00 per EDU, consistent with the terms of the Non-Standard Service Contract and Springs Hill Water Supply Corporation's fees at the time the Non-Standard Service Contract was assigned to the District.

Section 5.6 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	\$41.00
3/4" X 3/4"	1.5	\$61.50
1"	2.5	\$102.50
1 1/2"	5.0	\$205.00
2"	8.0	\$328.00
3"	16.0	\$656.00
4"	30.0	\$1230.00

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. Standard Residential Meter**Residential 5/8" x 3/4" – Demand 20 GPM (R-1)**

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 3/4" x 3/4"- Demand 30 GPM (R-2)

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

ii. Commercial Rate (other than standard meter)**1" Meter Single Hookup – Demand 50 GPM (C-1)**

0 to 15,000 gallons	\$4.00 per thousand
15,001 to 30,000 gallons	\$4.65 per 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 50GPM

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 \$40.80 for the basic charge. This basic charge includes *NO WATER* per EDU. Gallonage charges are the same as R-1 per dwelling unit.

1 ½" Meter – Demand 100 GPM (C-2)

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)

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)

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)

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

iii. Contractors Metered Water

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	\$300
Service Availability Charge	\$328.00 -0- water
0 to 25,000 gallons	\$3.75 per thousand
25,001 to 50,000 gallons	\$4.25 per thousand
50,001 to 100,000 gallons	\$4.50 per thousand
100,001 to 200,000 gallons	\$5.25 per thousand
200,001 and over gallons	\$5.50 per thousand

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 5.7 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 5.8 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 (46th) 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 5.9 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 5.10 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 5.11 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 5.12 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 5.13 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 \$500.00 penalty. This fee and penalty 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 5.14 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 5.15 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 5.16 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 5.17 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 5.18 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 5.19 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 5.20 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 5.21 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 5.22 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 5.23 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 5.24 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 5.25 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 5.26 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 5.27 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 5.28 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 5.29 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 5.30 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