



District Service Policy
for

CADDO BASIN SPECIAL UTILITY
DISTRICT

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**ORDER BY CADDO BASIN SPECIAL UTILITY DISTRICT ADOPTING
A SERVICE POLICY ESTABLISHING RATES, FEES,
CHARGES, AND ADOPTING RULES RELATING TO THE
ADMINISTRATION OF ITS UTILITY SERVICES, AND PROVIDING
FOR ENFORCEMENT FOR VIOLATIONS**

WHEREAS, the Caddo Basin Special Utility District (the “District”) operating under Chapter (*the chapter that applies*) and [Chapter 49 of Texas Water Code](#) has provided facilities for the production and distribution of potable water [and/or sewer service] to residential and business users within its authorized service areas;

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

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

NOW THEREFORE,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF CADDO BASIN SPECIAL UTILITY DISTRICT, IN COLLIN & HUNT COUNTIES, TEXAS, that the following Service Policy is adopted and establishes the fees, charges, rules and enforcement procedures for the District’s water/sewer services (“Service Policy”) and shall be effective on February 27, 2024.

SECTION A: AUTHORITY

1. This Service Policy was adopted by an order by the Board of Directors of the District on February 27, 2024. This Service Policy supersedes all utility service policies, adopted or passed by the Board of Directors previously, unless otherwise provided.

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

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

SECTION B: STATEMENTS

1. **Organization.** The Caddo Basin Special Utility District is a Political Subdivision of the State of Texas organized under [Chapters 49](#) and Chapter 65 of the Texas Water Code for the purpose(s) of furnishing potable water (and/or sewer utility) service to Collin & Hunt Counties, Texas. The management of the District is supervised by the Board of Directors, which is responsible for adopting all District service policies, rates and regulations. The members of the Board of Directors are elected by the registered voters residing within the District's boundaries.
2. **Non-Discrimination Policy.** Service is provided to all Applicants who comply with the provisions of this Service Policy regardless of race, color, religion, national origin, disability or sexual orientation.
3. **Policy and Rule Application.** These policies and rules apply to the water and/or sewer services provided by the District. Failure on the part of the Customer or Applicant to observe these policies and rules gives the District the authority to deny or discontinue service and to take any other action deemed appropriate according to the terms of this Policy.
4. **Fire Protection Responsibility.** The District generally does not provide, nor does it imply that fire protection is available throughout the distribution system, except where expressly specified and agreed to by the District. All hydrants or flush valves are for the operation and maintenance of the system and may be used for refill only by authorized fire departments. The District reserves the right to remove any hydrant, due to improper use or detriment to the system as determined by the District, at any time without notice, refund, or compensation to any third party.
5. **Liability.** The District is not liable for damages caused by service interruptions, events beyond its control, nor for normal system failures.
6. **Information Disclosure.** The records of the District shall be kept in the District office in Floyd, 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 and other applicable law. **In no event and under no circumstances shall the District disclose the Social Security Number of any member or customer to any person other than an employee of the District.** Chapter 182, Subchapter B of the Texas Utilities Code makes confidential a water utility customer's address, telephone number, account records, and information relating to the volume or units of utility usage, or the amounts billed to or collected from the individual for utility usage. However, an individual customer may request in writing that this information be released upon request. The District shall give its applicants and customers notice of their right to request disclosure of this information under this policy. The confidentiality provision in Chapter 182, Subchapter B of the Texas Utilities Code does not prohibit the utility 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. Further, such confidentiality does

not prohibit the District from disclosing the name and address of each member entitled to vote on a list to be made available to the District's voting members, or their agents or attorneys, in connection with a meeting of the District's members.

7. ***Customer Notice Provision.*** The District will give written notice of a monthly water rate change by publication, mail or hand delivery to all affected customers within thirty (30) days after the date on which the board authorizes the new rate. The notice shall contain the old rates, new rates, effective date of the new rates, date of Board authorization, and the location where additional information on rates can be obtained. Failure of the District to give the notice shall not invalidate the effective date of the change, the amount of the newly adopted rate nor any charge incurred based on the new rate.
8. ***Customer Service Inspections.*** The District requires that a customer service inspection certification be completed prior to providing water service to new construction and for all new customers as part of the activation of standard and nonstandard service. Customer service inspections are also required on any existing service when the District has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction or addition to the customer's water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contaminant hazards and illegal lead materials. ([30 TAC 290.46\(j\)](#))
9. ***Submetering Responsibility.*** Submetering and non-submetering by master metered accounts may be allowed in the District's water distribution (or sewer collection) system provided the master metered account customer complies with the [Public Utility Commission of Texas \(PUC\) Chapter 24](#), Subchapter I rules pertaining to Submetering. The District has no jurisdiction over or responsibility to the tenants. Tenants receiving water under a master metered account are not considered customers of the District. Any interruption or impairment of water service to the tenants is the responsibility of the master metered account customer. Any complaints regarding submetering should be directed to the PUC.

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

- a) See if they have registered with the PUC, ([Texas Water Code Chapter 13 Subchapter M.](#))
- b) See that they do not charge their tenants more than the total amount of charges billed. If the aggregate bill is greater than the District's charge, the Master Metered Account Customer is considered by the PUC to be a separate Public Water System and will be required to comply with all PUC regulations.
- c) Protect the System's CCN. 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 PUC. ([Texas Water Code Section 13.252](#) and [PUC Rules, Chapter 24 Section 24.255](#))

10. ***Prohibition Against Resell of Water.*** The meter and/or sewer connection is for the sole use of the customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to share or resell water to any other persons, dwellings, businesses, or property, etc., is prohibited.

SECTION C: DEFINITIONS

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

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

Base Rate — The monthly charge assessed each Customer for the opportunity of receiving service. The Base Rate is a fixed rate based upon the meter size as set forth in the equivalency chart in [Section G](#).

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

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

Defined Service Area — That area within which water services are provided to customers and that includes the area within the District's boundaries (and/or the area described within Certificate(s) of Convenience and Necessity CCN Number 10165).

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

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

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

District — The Caddo Basin Special Utility District.

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

Easement — A private perpetual right-of-way dedicated to the District for the installation of water pipelines and necessary facilities that allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable) for both service to a customer/applicant and system-wide service. This may also include restrictions on the adjacent area to limit the installation of sewer lines or other facilities that would restrict the use of any area of the easement. (See Sample Application Packet). The easement will be filed in the real property records of the appropriate county or counties.

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

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

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

Master Meter — A meter used to measure, for billing purposes, all water usage of an apartment house, condominium, multiple use facility, or manufactured home rental community, including common areas, common facilities, and dwelling units. (See PUC Rules [Chapter 24, Subchapter H, Section 24.275\(c\)\(8\)](#))

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

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

Public Utility Commission (PUC) — State regulatory agency having jurisdiction over Certificates of Convenience and Necessity (CNNs) and appellate jurisdiction for rates of utility districts.

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

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

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

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

Rural Utilities Service (RUS) — An agency of the United States Department of Agriculture Rural Development Mission Area that provides loan and grant funds for development of rural water and sewer systems serving communities with a population of less than ten thousand (10,000) people. (See Sample Application Packet, [Form-RUS-TX 442-8](#) (Rev. 6-06) and [Form RUS-TX 442-9](#) (Rev. 6-06))

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

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

Service Investigation Fee — A fee for costs associated with determining if service is available and determining cost of service.

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

Service Unit — The base unit of service used in facilities design and rate making. For the purpose of this District Service Policy, a service unit is a 5/8" X 3/4" water meter and/or a standard 4" sewer service tap. (See District Service Policy [Section G. 7. a.](#))

Standby Fee — As authorized by Water Code Section 49.231, a charge, other than a tax, imposed on undeveloped property for the availability of water, wastewater, or drainage facilities and services.

Subdivide — To divide the surface area of land into lots or tracts primarily for residential use. ([Texas Local Government Code Section 232.021\(11\)](#)).

Subdivider or Person who Subdivides Land — An individual, firm, corporation, or other legal entity that directly or indirectly subdivides land into lots for sale or lease as a part of a common promotional plan in the ordinary course of business. (See [Texas Local Government Code Section 232.021\(12\) Definitions](#) and [Section F, Part II.](#))

Subdivision — An area of land that has been subdivided into lots or tracts. (See [Texas Local Government Code Section 232.021\(13\) Definitions](#))

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

Temporary Service — The classification assigned an Applicant that is in the process of construction. This could also apply to service for uses other than permanent (agricultural, road construction, drilling, livestock, etc.). The board will set the length of time associated with this classification. This classification will change to permanent service after requirements in the District Service Policy Section [E. 2](#), [E. 4](#), [E. 8](#), and [E. 26](#) are met.

Texas Commission on Environmental Quality (TCEQ) — State regulatory agency having general supervision and oversight of water districts, including:

- Monitoring water district activities and their compliance with state laws.
- Providing information to district customers, consultants, board members, and employees.
- Reviewing applications and petitions for appointment to district boards.
- Reviewing the issuance of bonds that finance certain district infrastructure.

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

1. **Actual Usage** – Amount billed or to be collected based on actual meter reading.
2. **Estimated Usage** – Amount billed or to be collected based on either the customer's historical average usage for the prior month or for the same month of the prior year where date is available. (See [Section E. 6.b.](#); See also [PUC Rules 16 TAC §24.165\(i\)](#) regarding estimated bills.)

Water Conservation Penalty — A penalty that may be assessed under [Section H](#) of this Policy to enforce customer water conservation practices during drought contingency or emergency water demand circumstances. (See [Section H](#) Sample Drought and Contingency Plan item 7)

SECTION D: GEOGRAPHIC AREA SERVED

SECTION E: DISTRICT SERVICE RULES

1. **Activation of Nonstandard Service.** Activation of Nonstandard Service shall be conducted as prescribed by the terms of [Section F.](#) of this service policy.
2. **Activation of Standard Service.** Before receiving service, applicants must comply with all the following requirements, as applicable:
 - a. **New Tap** — The District shall charge a non-refundable service installation fee and a deposit as required under [Section G.](#) of this service policy. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid, or a deferred payment contract signed in advance of installation.
 - b. **Re-Service** — On property where service previously existed, the District shall charge the deposit and other costs necessary to restore service. When re-service is requested by an Applicant, any debt owed to the District must be paid before re-servicing procedures can begin. In no event will a capital improvement fee or capital impact fee be charged for a re-service event.
 - c. **Performance of Work** — After approval is granted by proper authorities, all tap and equipment installations specified by the District shall be completed by the District staff or designated representative. No person, other than the properly authorized agent of the District, shall be permitted to tap or make any connection to the mains or distribution pipes of the District's water system, or make any repairs or additions to or alterations in any tap, pipe, cock or other fixture connected with the water service pipe. The tap for a standard service request shall be completed within five (5) working days after approval and receipt of payment of quoted fees on the property designated to receive service. This time may be extended for installation of equipment for Nonstandard Service Request. (See [Section F.](#), [\(16 TAC 24.161\(a\)\(4\)\)](#))
 - d. **Inspection of Customer Service Facilities** — The facilities at the service connection shall be inspected to ensure compliance with state required Minimum Acceptable Operating Practices for Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. The customer must, at his or her expense, properly install and provide certification of maintenance on any backflow prevention device required by the District. (See [30 TAC 290.46\(j\)](#))
3. **Applicant's Recourse.** In the event the District refuses to serve an Applicant under the provisions of this service policy, the District must notify the applicant, in writing, of the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the District.
4. **Application Procedures and Requirements.** 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 or sewer tap located on that designated real estate unless otherwise approved by the board. Service shall be divided into the following two classes:

- a. **Standard Service** is defined as service on a specific property designated to receive service from an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines or 4" gravity sewer taps, or pressure collection facilities installed or connected to collection lines no more than five feet in depth.
- b. **Nonstandard Service** is defined as any service request that requires a larger meter service, service to a master metered account ([see E.4.d.iv.](#)) of this section), or an addition to the supply, storage and/or distribution/collection system. The service requirements as prescribed by [Section F](#) of this service policy shall be required of the Nonstandard Service Applicant prior to providing service. The District shall make a determination as to the appropriate size and type of meter to serve nonstandard applicants.
- c. **Requirements for Standard and Nonstandard Service.**
 - i. The District's Service Application and Agreement Form shall be completed in full and signed by the Applicant.
 - ii. A Right-of-Way Easement Form or other such easement form, approved by the District, must be provided by the applicant (properly executed by the person or persons having legal authority to convey an easement) for the purposes of providing water and or sewer service to the applicant and to facilitate current and future system-wide service ([Texas Water Code 49.218\(d\),\(f\)](#)). *See also [Uniform Partition of Heirs Property Act, Property Code Chapter 23A](#)*.
 - iii. As set forth in [Section B.9](#) of this service policy, the District shall install individual meters owned by the District in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction began after January 1, 2003, unless the District determines that installation of individual meters is not feasible. If the District determines that installation of meters is not feasible, the property owner or manager shall install a plumbing system that is compatible with the installation of submeters or individual meters. The District shall be entitled to the payment of costs, including the costs of individual meter installations, as provided in [Section G.5](#). The cost of individual meter installation shall be prepaid by the property owner as well as the cost of any additional facilities or supply occasioned by the total water/sewer service demand represented by full occupancy of the property, as determined under applicable provisions of [Section G](#).
 - iv. Master Meter for multiple use facilities. The District may install a master meter

for water service and/or nonstandard sewer service to apartments, condominiums, business centers or other multiple use facilities on which construction began prior to January 1, 2003, or at an Applicant's request provided the total number of units to be served are:

1. owned by the same person, partnership, cooperative, corporation, agency, public or private organization of any type but not including a family unit; and
 - considered a commercial enterprise; i.e. for business, rental, or lease purposes; or
 - not directly accessible to public right-of-way (such as but not limited to gated communities).
- v. Individual meters for multiple use facilities. On request by the property owner or manager, the district shall install individual meters owned by the District in apartments, condominiums, business centers or other multiple use facilities on which construction began after January 1, 2003, unless the District determines that installation of meters is not feasible. If installation of meters is not feasible, the District shall have no obligation to install meters until the property owner or manager installs a plumbing system, at the property owner's or manager's expense, that is compatible with the installation and service of meters. Each individual meter will require a Service Application and Agreement pursuant to this service policy.
- vi. The District shall install a master meter for recreational vehicle and mobile home parks and charge the same rate as other commercial businesses that serve transient customers and receive non-submetered master metered utility service. (See [Texas Water Code Section 49.2122\(a-1\)](#))
- vii. Notice of application approval and costs of service determined by the District shall be presented to the applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the applicant must re-apply for service.
- viii. The Corporation shall post on its website or provide to each service applicant or transferee a copy of the Disclosure of Personal Information Request Form. See [Section J](#), Miscellaneous Transaction Forms. See also, [Texas Utilities Code Section 182.052\(c\)](#). *Note to utilities: if the form is posted on the website, the utility must provide customers with a way to return the form either by mail or electronically.*
- ix. 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 an easement or easements to the District for the purpose of installing the water main and appurtenances, and the District has documentation of such refusal, the Applicant, prior to receiving the requested service, shall grant the

easements required under this service policy and in addition to the normally required fees for new customer service, shall pay such sums as are reasonably necessary to cap the existing line in the right-of-way (ROW) and construct the appropriate line or lines within those easements for the District's system-wide service (See [Miscellaneous Transaction Forms](#)).

5. **Back-billing.** The District may back-bill a customer for up to forty-eight (48) consecutive months for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a customer's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service. (See [16 TAC 24.165\(h\)](#))

6. **Bill Adjustment.**

- a. Due to Meter Error. The District shall test any customer's meter upon written request of the customer. In the event the meter tests within the accuracy standards of the American Water Works Association, a test fee as prescribed in [Section G](#) of this service policy shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The customer shall complete a meter test request form prior to the test. (See [Section J](#). Misc. Transaction Forms)
- b. Due to Estimated Billing. If the District has estimated usage because the District is unable to access the meter due to circumstances beyond the District's control, such as a natural disaster, or because access is hindered or denied by a Customer, the District shall adjust the bill once access has been regained and actual usage is determined. (See [Section E. 12. a.](#)).
- c. Due to Leak - If a customer's monthly bill is higher than normal due to a leak on the customer's side of the meter, the customer may submit a written leak adjustment request to the District. Upon approval of a leak adjustment by the District, the customer shall be charged the amount of one month's average bill for the previous twelve (12) months. Any additional consumption above the customer's average bill shall be charged at the District's current lowest-tier rate that fully covers the cost of service associated with the additional consumption. The District may grant an adjustment if each of the following apply:
 - (1) the amount of excess water usage reflected in the contested bill is at least three (3) times the customer's average monthly usage;
 - (2) the leak has been verified by the District's manager or other representative;
 - (3) the customer submits documentary evidence that the leak has been repaired within ninety (90) days of repair, including a statement from a plumber and/or receipt(s) for parts purchased to repair the leak; and
 - (4) the customer has not requested a leak adjustment during the previous twenty-four (24) months regardless of the number of meters serving the customer's

property or properties.

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

8. ***Changes in Service Classification.*** If at any time the District determines that the customer service demands have changed from those originally applied for to a different service classification and the District determines that additional or different facilities are necessary to provide adequate service, the District shall require the customer to re-apply for service under the terms and conditions of this service policy. Customers failing to comply with this provision shall be subject to the disconnection with notice provisions of this service policy. (See [Section E.25.a](#))

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

10. ***Connection of Water Service.***
 - a. Applications for water service connections shall be filed with the District upon application forms made available from the District. Applicants for water service shall meet all District requirements for service including the granting of any necessary water easements (as determined by the District) to serve the connection and to enable the

District to provide systemwide service. In addition, the District shall install a customer service isolation valve at the expense of the service applicant.

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

11. Customer's Responsibility.

- a. The customer shall provide access to the meter as per the easement and service agreement. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the customer for the month; and a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification to the customer, then service shall be discontinued, and the meter removed with no further notice. Conditions that may hinder access include, but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals. ([Section E.2.d.](#))
- b. The customer shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
 - i. All water service connections shall be designed to ensure against back-flow or siphonage into the District's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. ([30 TAC 290.46](#), [Texas Health & Safety Code Chapter 366](#))
 - ii. The use of pipe and pipe fittings that contain more than 0.25% 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](#); [RUS-TX Bulletin 1780-9 \(Rev. 05/17\)](#))

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

Requirements for Traps:

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

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

- c. The District's ownership and maintenance responsibility of water supply and metering and sewer equipment shall end at the meter or other service equipment as installed. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned

and maintained by the District shall be subject to charges as determined by this service policy.

- d. The District shall require each customer to have a cut-off valve on the customer's side of the meter for purposes of isolating the customer's service pipeline and plumbing facilities from the District's water pressure. This cut-off valve may be installed as a part of the original meter installation by the District. The valve shall meet AWWA standards (a ball valve is preferred). The customer's use of the District's curb stop or other similar valve for such purposes is prohibited. Any damage to the District's equipment shall be subject to service charges.
- e. The customer is required to notify the system 48 hours prior to digging or excavation activities along or near water/sewer lines and appurtenances.

12. *Deferred Payment Agreement.* The District may offer a deferred payment plan to a customer who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the District, including any late penalty fees or interest on the monthly balance to be determined as per the agreement (See [Section J. Miscellaneous Transaction Forms](#)).

14. *Denial of Service.* The District may deny service for any of the following reasons:

- i. Failure of the Applicant to provide all required easements and forms and to pay all required fees and charges;
- ii. Failure of the Applicant to comply with rules, regulations, policies, and bylaws of the District;
- iii. Existence of a hazardous condition at the Applicant's property that would jeopardize the welfare of other customers of the District upon connection;
- iv. Failure of Applicant to provide representatives or employees of the District reasonable access to property for which service has been requested;
- v. Applicant's service facilities are known to be inadequate or of such condition that satisfactory service cannot be provided;
- vi. Failure of Applicant 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](#);
- vii. Failure of the Applicant to pay any previous outstanding delinquent account(s) in full. This could be delinquencies resulting from the same account location or other service location(s) within the system where the Applicant received service.

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

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

- a. The District shall mail all bills on or about the last business day of the month. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in [Section G](#). The time for payment by a political subdivision may be different than your regular due date. (See [Texas Government Code 2251.021](#)) A bill is delinquent if not paid on or before the past due date. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposes shall be the next day the District office is open for business after said weekend or holiday.
- b. Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the District shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15-day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings (See [Texas Utilities Code Section 182.001 - 182.005](#))

All insufficient fund checks, accounts closed, or money orders that have had a “stop payment order” issued for payment of a water bill will be deemed delinquent as if no payment was received and the meter is subject to disconnection with notice on the regular disconnection day.

17. *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 bypassed or tampered with, the District shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years. If the meter is inoperative due to bypassing or tampering, the District will proceed with disconnection.

18. *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. Violation of the utility’s rules pertaining to operation of nonstandard equipment or unauthorized attachments that interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said rules;

- c. Failure to pay a bill of another customer as guarantor thereof, unless the guarantee was made in writing to the utility as a condition precedent to service;
- d. Failure to pay the bill of another customer at the same address except where a change of customer identity is made to avoid or evade payment of a utility bill;
- e. Failure to pay for the restoration of a tap removed by the utility at its option or removed as the result of tampering or delinquency in payment by a previous customer;
- f. The service applicant or customer chooses to use a type of backflow prevention assembly approved under [30 TAC §290.44\(h\)](#) (relating to Water Distribution) even if the assembly is not the one preferred by the utility; or
- g. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations or sewer hookup requirements.

19. *Line Extension Reimbursement.* An approved Applicant may have to pay on a prorated basis a line reimbursement fee to the District for the purpose of reimbursing a customer or other party that made the capital outlay to extend service to that area. (See [Section J](#). Miscellaneous Transaction Forms).

20. *Meter Tampering and Damage to Property.*

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

The burden of proof of Tampering is on the District. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the District’s staff when any action regarding Tampering is initiated. A court finding of Tampering may be used instead of photographic or other

evidence, if applicable. Unauthorized users of services of the District shall be prosecuted to the extent allowed by law under the [Texas Penal Code Sections 28.03, 12.21 and 12.22](#).

- b. If the District determines under subsection (a) that Tampering has occurred, the District shall disconnect service without notice as set forth in [Subsection E.25.b](#), and charge the person who committed the Tampering the total actual loss to the District, including the cost of repairs, replacement of damaged facilities, and lost water revenues. Any person who destroys, defaces, damages or interferes with District property will be charged the total actual loss to the District, including but not limited to the cost of repairs, replacement of damaged facilities, and lost water revenues.

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

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

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

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

23. Prohibited Plumbing Practices.

- a. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination will be isolated from the public water system by an air gap or an appropriate backflow prevention device.
- b. No cross-connection between the water supply and a private water system is permitted. These potential threats to the public drinking water supply must be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
- c. No connection which allows water to be returned to the public drinking water supply is permitted.
- d. No pipe or pipe fitting which contains more than 0.25% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

- e. No solder or flux which contains more than two-tenths of one percent (0.2%) lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

24. *Prohibition of Multiple Connections to a Single Tap.*

- a. No more than one (1) residential, commercial, or industrial service connection is allowed per meter. For purposes of this section a master meter for a multiple use facility is considered a commercial meter. (Refer to [Section E.4.d.iv-vi](#)). If the District has sufficient reason to believe a multiple connection exists, the District shall discontinue service under the disconnection without notice provisions of this service policy.
- b. For purposes of this section, the following definitions shall apply:
 - A “multiple connection” is the connection to any portion of a customer’s water or sewer system that is connected to a primary delivery point already servicing one residence, one commercial or industrial facility of a water or sewer line serving another residence or commercial or industrial facility. Water or sewer 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.
 - A “primary delivery point” shall mean the physical location of a meter or sewer tap that is installed in accordance with this Service Policy and applicable law and which provides water or sewer service to the residence or commercial or industrial facility of a customer.
 - A “residence” shall mean any structure used for human habitation, which may include kitchen and bathroom facilities, or other evidence of habitation as defined by the District.
 - “Commercial” facility shall mean any structure or combination of structures at which any business, trade, occupation, profession, or other commercial activity is conducted. 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 an additional meter installation. If the customer routinely has more than one visitor at a time with recreation vehicles or travel trailers or has multiple visitors throughout the year, the District may require that a second or additional meter(s) be purchased. The customer must submit a written request to the District’s business office at least 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.

25. Rules for Disconnection of Service. The following describes the rules and conditions for disconnection of service. Notwithstanding any language to the contrary in the Service Application and Agreement Form, the District may only discontinue service for the reasons set forth in this Section. For the purposes of disconnecting sewer service under these policies, water service will be terminated in lieu of disconnecting sewer service. In instances of nonpayment of sewer service or other violations by a customer who is not a water customer, the District has the option to disconnect the sewer tap or take other appropriate actions.

a. **Disconnection with Notice** — Water utility service may be disconnected for any of the following reasons after proper notification has been given.

i. **Returned Checks** — The District shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the District office. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service (See [Section J: 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 deposit or failure to comply with the terms of a deferred payment agreement (See [Section J: Miscellaneous Transaction Forms](#)).
- iii. Violation of the District’s rules pertaining to the use of service in a manner that interferes with the service of others or the operation of nonstandard equipment if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation.
- iv. Failure of the customer to comply with the terms of the District’s service agreement, service policy, bylaws, or special contract provided that the District has given notice of said failure to comply, and customer has failed to comply within a specified amount of time after notification.
- v. Failure to provide access or hindering 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 a hazardous condition or policy violation exists for which access is necessary to verify. Conditions that may hinder access include, but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals.

- vi. Misrepresentation by any applicant of any fact on any form, document, or other agreement required to be executed by the District.
 - vii. Failure of customer to re-apply for service upon notification by the District that the customer no longer meets the terms of the service classification originally applied for under the original service application.
 - viii. Failure to pay for sewer utility service or solid waste provided by [Name of Utility] pursuant to the District's agreement with the [Name of Utility] (See [Section J. Miscellaneous Transaction Forms for sewer utility agreement; 16 TAC 24.167\(e\), 24.165\(g\); Texas Water Code 13.147, 13.250\(b\)\(2\)](#)).
 - ix. Violation of any applicable regulation or statute pertaining to on-site sewage disposal systems if the District has been requested in writing to disconnect service by the TCEQ or the TCEQ's designated representative under [Chapter 366 of the Texas Health and Safety Code](#).
 - x. Failure to pay charges arising from a service trip fee as defined in [Section G.12](#), meter re-read fee, or meter read fee when a customer on self-read plan failed to submit their meter reading.
 - xi. Failure by a customer to pay for all repair or replacement costs resulting from the customer damaging system facilities including, but not limited to water or sewer lines, service taps, meter boxes, valves, or meters by engaging in activities such as property excavations, installment of a driveway or roadway requiring encasements, lowering or re-routing of lines or system components, or by any other action. The notice will detail the extent of the damage, the location of the damage, the cost of repair, and whether the damage occurred on private property or on a public right-of-way. Failure to pay the cost of repair or replacement will result in the customer's service being disconnected. Service will remain disconnected until payment is received or an acceptable payment plan is approved.
 - xii. Failure to disconnect or secure additional service tap(s) for an RV or other service connection (See [E.24](#) of this Section) after notification by the District of violation of the prohibition of multiple connections.
- b. **Disconnection Without Notice** — Water utility service may be disconnected without notice for any of the following conditions:

- i. A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to, a public health nuisance as defined in [Sections 341.011 or 343.011 of the Texas Health and Safety Code](#). ([Section E.2.d.](#), [E.12](#), [E.24](#); [30 TAC 290.46 \(j\)](#)). If there is reason to believe a dangerous or hazardous condition exists, the District may conduct a customer service inspection (CSI) to verify the hazardous condition and may notify the local county health office. The District will disconnect without notice if the customer refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition ([30 TAC 290.46\(i\)](#) and [30 TAC 290.46\(j\)](#)). Service will be restored when a CSI confirms no health hazard exists, the health hazard has been removed or repaired, or the health hazard has been isolated from the District's water system by the installation of a backflow prevention device.
- ii. A line leak on the customer's side of the meter is considered a potential hazardous condition under paragraph (b)(i). If the District conducts a CSI and discovers that the line leak has created a hazardous condition, the District will provide the customer up to five (5) business days, or another time period determined reasonable under the circumstances, to repair the line prior to disconnection of service.
- iii. Service is connected without authorization or has been reconnected without authorization following termination of service for nonpayment; and
- iv. Tampering with the District's meter/sewer tap or equipment, bypassing the meter or equipment, or other unauthorized diversion of water or sewer service as set forth in [Section E. 21](#).
- v. When a returned check is received on an account that was scheduled for disconnection, service shall be immediately disconnected.

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

- c. **Disconnection Prohibited** — Utility service may not be disconnected for any of the following reasons:
 - i. Failure of the customer to pay for merchandise or charges for non-utility service provided by the District, unless an agreement exists between the applicant and the District whereby the customer guarantees payment of non-utility service as a condition of service;
 - ii. Failure of the customer to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
 - iii. Failure of the customer to pay charges arising from an underbilling occurring due to

any misapplication of rates more than six (6) months prior to the current billing;

- iv. Failure of the customer to pay the account of another customer as guarantor thereof, unless the District has in writing the guarantee as a condition precedent to service;
 - v. Failure of the customer to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the inoperative meters subsection [E.18](#). of this service policy.
 - vi. Failure of the customer to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the District is unable to read the meter due to circumstances beyond its control.
- d. **Disconnection on Holidays and Weekends** — Unless a dangerous condition exists or the customer requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the District are not available to the public for the purpose of taking collections and reconnecting service.
- e. **Disconnection Due to Utility Abandonment** — The District may not abandon a customer or a certificated service area without written notice to its customers and all similar neighboring utilities and approval from the Texas Commission on Environmental Quality.
- f. **Disconnection for Ill Customers** — The District may not discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. To avoid disconnection under these circumstances, the customer must provide a written statement from a physician to the District prior to the stated date of disconnection. Service may be disconnected in accordance with [Subsection \(a\)](#) of this Section if the next month's bill and the past due bill are not paid by the due date of the next month's bill, unless the customer enters into a deferred payment agreement. (See [Section J](#), Miscellaneous Transaction Forms)
- g. **Disconnection of Master-Metered Accounts and Nonstandard Sewer Services** — When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the following shall apply:
- i. The District shall send a notice to the customer as required. This notice shall also inform the customer that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.
 - ii. At least five (5) days after providing notice to the customer and at least five (5) days prior to disconnection, the District shall post notices stating "Termination Notice" in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.

- iii. The tenants may pay the District for any delinquent bill on behalf of the owner to avert disconnection or to reconnect service to the complex.
 - h. **Disconnection of Temporary Service** — When an applicant with a temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this service policy, service may be terminated with notice.
 - i. **Seasonal Disconnection**— A customer may, in a written request, voluntarily suspend service for a period not exceeding nine months within a twelve-month period. If service is reestablished before the end of the ninth month, the customer will be assessed for a Seasonal Reconnect Fee. If service is not reestablished after the ninth month, then service may be reestablished in accordance with the reservice requirements set forth in [Section E.2.b.](#) of this Service Policy.
26. **Service Entitlement.** An applicant requesting service within the boundaries of the District or the District’s defined service area shall be considered qualified and entitled to water (and/or sewer) utility service when proper application has been made, terms and conditions of service have been met and continue to be met, and all fees have been paid as prescribed. An applicant requesting service outside the District’s boundaries or defined service area shall be considered for service in accordance with current District policies on providing service outside the District boundaries or CCN service area.
27. **Service Facility Relocation.** Relocation of service facilities on the same property shall be allowed by the District provided that:
- a. An easement for the proposed location has been granted to the District; and
 - b. The customer pays the actual cost of relocation plus administrative fees.
28. **Standards for Water Service Lines.**
- a. In addition to compliance with this service policy, all connections shall comply with the rules and regulations for public water systems issued by the Texas Commission on Environmental Quality set forth in [30 TAC 290](#). In the event of a conflict between this service policy and TCEQ Rules, the more stringent rule shall apply.
 - b. Water pipe and fittings shall be of brass, copper, cast iron, galvanized malleable iron, galvanized wrought iron, galvanized steel, or other approved materials.
 - c. Water service lines and wastewater service lines shall not be less than three (3) feet apart horizontally and shall be separated by undisturbed or compacted earth.
 - d. Water service lines or any underground water pipe shall not be run or laid in the same trench with non-metallic sewer or drainage piping unless all three of the following conditions are met:
 - i. The bottom of the water service line at all points shall be at least twelve inches (12”) above the top of the wastewater line.

- ii. The water service line shall be placed on a solid shelf excavated at one side of the common trench and the two lines shall be separated by a minimum of eighteen inches (18").
 - iii. The water service line shall be installed with watertight joints tested to a minimum of 150 PSI.
- e. A minimum of four feet (4') of type "L" soft copper pipe shall be installed at the end of the water service line at the connection to the water meter.
- f. Water service lines shall be bedded in washed sand to provide six inches (6") of cushion below the line. The trench bottom and walls shall be cleared of all protruding rocks which could damage the pipe before the sand bedding is placed.
- g. A District-owned water meter and a District approved meter box shall be installed by a District representative.
- h. Potable water supply piping, water discharge outlets, backflow prevention devices, or similar equipment shall not be located so as to make possible the submergence of such equipment in any contaminated or polluted substance.
- i. Lawn sprinkling systems shall be equipped with an approved vacuum breaker installed in the discharge side of each of the last valves. The vacuum breaker shall be installed at least six inches (6") above the surrounding ground and above a sufficient number of heads so at no time will the vacuum breaker be subjected to back pressure or drainage.
- j. The District's water system shall be protected from swimming pool makeup water by means of an approved backflow preventer or an adequate air gap.
- k. Upon the installation of a service line, a request for inspection shall be made to the District's office forty-eight (48) hours in advance for request of inspection, and no back filling of the lines may be made until inspection has been made by the District, its agents or employees.
- l. Back filling of service line trenches must be accomplished within twenty-four (24) hours of inspection and approval, and no debris will be permitted in any service line trench.

SECTION F: DEVELOPER, SUBDIVISION AND NONSTANDARD SERVICE REQUIREMENTS

Part I. General Requirements.

This section details the requirements for all types of nonstandard service requests.

1. *District's Limitations.*

All applicants shall recognize that the District must comply with local, state, and federal rules and regulations as promulgated from time to time, and with covenants of current indebtedness.

2. *Purpose.*

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

3. *Application of Rules.*

This section sets forth the terms and conditions pursuant to which the District will process nonstandard service requests. This section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required for a single tract of property. Examples of nonstandard services for a single tract of property include, but are not limited to, road bores, extensions to the distribution system, meters larger than 5/8" X 3/4", water service lines exceeding 3/4" diameter and exceeding 10 feet in length. For the purposes of this service policy, applications subject to this section shall be defined as nonstandard. In cases of service to a single tract, the board of directors shall determine whether or not an applicant's service request shall be subject to all or part of the conditions of this section. Nonstandard service to subdivisions is governed by this section.

4. *Nonstandard Service Application.*

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

- a. The applicant shall provide the District a completed Nonstandard Service Application (see [Section I](#) of this service policy). The applicant shall specify any special service needs, such as large meter size, size of subdivision or multi-use facility, or the required level of fire protection requested, including the flow and pressure requirements and specific infrastructure needs such as line size and system capacity.
- b. The applicant must be authorized to enter into a contract with the District setting forth terms and conditions pursuant to which nonstandard service will be furnished to a property or subdivision. The Specific terms and conditions pursuant to which the District

will provide nonstandard service in response to any request will depend upon the nature of such request and may be set forth in a legally enforceable, contractual agreement to be entered into by the District and the service applicant. A non-standard service contract may not contain any terms or conditions that conflict with this section.

- c. A plat acceptable to the District must accompany the application showing the applicant's requested service area. (See [Section C, Definition of Final Plat](#)) The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
- d. A nonstandard service Investigation Fee shall be paid to the District in accordance with the requirements of [Section G](#) for purposes of paying initial administrative, legal, and engineering fees. The District shall refund any balance that remains after it has completed its service investigation and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all reasonable expenses incurred by the District, the applicant shall pay to the District all remaining expenses that have been or will be incurred by the District and District shall have no obligation to complete processing of the request until all remaining expenses have been paid.
- e. If after the service investigation has been completed, the District determines that the applicant's service request is for property located, in whole or in part, outside the area described in the District's defined service area, service may be extended provided that:

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

- i. The service location is not within another retail public utility's Certificate of Convenience and Necessity (CCN); and
- ii. The District's defined service area shall be amended to include the entirety of applicant's property for which service is requested. Applicant shall pay all reasonable costs incurred by District for annexation or for amending its CCN, including but not limited to engineering and professional fees. The District may extend service prior to completing the amendment to its CCN but will do so only upon applicant's legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including administrative, legal, surveying and engineering fees incurred by District in securing the amendment). If the District determines to annex the property, the applicant shall secure written requests for annexation from all

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

5. *Design.*

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

- a. The District's engineer shall design, or review and approve plans for, all on-site and off-site service facilities for the applicant's requested level and manner of service within the District's specifications, incorporating any applicable municipal or other governmental codes and specifications.
- b. The engineer's fees shall be paid out of the Nonstandard service Investigation Fee under section 4.
- c. The engineer shall submit to the District a set of detailed plans, specifications, and cost estimates for the project.
- d. The District's Engineer shall ensure all facilities for any applicant are of proper size and type to meet the level and manner of service specified in the nonstandard service application. The District reserves the right to upgrade design of service facilities to meet future demands provided however, that the District shall pay the expense of such upgrading in excess of what is reasonably and directly allocable to the applicant's facility requirements.
- d. The District's engineer will determine the fire flow design for any nonstandard service request, including new subdivisions, based on density, type of structure, and other factors.

6. *Nonstandard Service Contract.*

Applicants requiring nonstandard service may be required to execute a nonstandard service contract, drawn up by the District's consultants, in addition to submitting the District's Nonstandard Service Application. Service to any subdivision shall require a nonstandard service contract. Said contract shall define the terms, including the level and manner of service and the date for commencing service, prior to construction of any facilities. The nonstandard service contract may include, but is not limited to:

- a. Specifying the costs for contract administration, the design, construction, and inspection of facilities, securing additional water supply, and terms by which these costs are to be paid.
- b. Procedures by which the applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
- c. Terms by which service capacity adequate to the level and manner of service requested shall be reserved for the applicant following construction of facilities and duration of reserved service taking into consideration the impact the

applicant's service demand will have upon the District's overall system capability to meet other service requests, as well as assessment of any base rate following construction of facilities (if applicable).

- d. Terms by which the District shall administer the applicant's project with respect to:
 - i. Design of the on-site and off-site facilities;
 - ii. Securing and qualifying bids;
 - iii. Requirements for executing the nonstandard service agreement;
 - iv. Selection of a qualified bidder for construction;
 - v. Dispensing funds advanced prior to initiation of construction;
 - vi. Inspecting facilities following construction; and
 - vii. Testing facilities and closing the project.
- e. Terms by which the applicant shall indemnify the District from all third-party claims or lawsuits in connection with the project.
- f. Terms by which the applicant shall convey facilities to the District and by which the District shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the applicant's project.
- g. Terms by which the applicant shall grant title or easements for use of property during construction and for ongoing service thereafter.
- h. Terms by which the board of directors shall review and approve the nonstandard service contract pursuant to current rules, regulations, and bylaws.
- i. Agreement to enforceable remedies in the event applicant fails to comply with all contract obligations, including specific performance.

In the event that the applicant undertakes any construction of any such facilities prior to execution of a nonstandard contract with the District, the District may refuse to provide service to the applicant or to any portion of the applicant's property (or require payment of all costs for replacing/repairing any facilities constructed without prior execution of a contract from any person requesting service within the applicant's service area, such as a person buying a lot or home within the subdivision), require that all facilities be uncovered by the applicant for inspection by the District, require that any facilities not approved by the District be replaced, or take any other lawful action determined appropriate by the board of directors of the District.

7. *Property and Right-of-Way Acquisition.*

With regard to construction and subsequent maintenance and operation of facilities, the District shall require exclusive easements or title to property as appropriate.

- a. If the District determines that easements or facility sites outside the applicant's property are required, the applicant shall secure such easements or title to facility sites exclusively for the District. All easements and property titles shall be researched, validated, and filed by the District at the expense of the applicant (See Sample Application Packet).
- b. In the event the applicant is unable to secure any easements or title to any sites required by the District, and the District determines to acquire such easements or title by eminent domain, all reasonable costs incurred by the District shall be paid by the applicant, including administrative, legal fees, appraisal fees, court costs, and the condemnation award.
- c. The District shall require exclusive dedicated easements on the applicant's property as appropriate for the level and manner of service requested by the applicant and system-wide service by the District. All such easements shall be adequate to authorize the District to construct, install, maintain, replace, upgrade, inspect, or test any facility necessary for service to the applicant as well as system-wide service within the District generally. Easements for subdivisions also must be sufficient for service throughout the subdivision when the subdivision is fully occupied. Title to any portion of applicant's property required for on-site facilities will be provided and exclusive to the District.
- d. Easements and facilities sites shall be prepared for the construction of all District facilities in accordance with the District's requirements at the expense of the applicant.

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

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

9. *Bids for Construction.*

The District's consulting engineer shall solicit or shall advertise for bids for the construction of the applicant's proposed facilities in accordance with law and generally accepted practices. Plans and specifications shall be made available, with or without charge, to prospective bidders. Although the District reserves the right to reject any bid or contractor, the District shall generally award the contract to the lowest and best bidder in accordance with the following criteria:

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

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

As a general rule, applicant shall be required to pay all anticipated costs of construction, easement and title acquisition, legal and engineering fees, and other costs associated with extending nonstandard service prior to these costs being incurred by District. District shall promptly remit any and all unexpended prepaid funds, without interest, upon completion of the nonstandard service extension and commencement of service. While the District will make every reasonable effort to work with applicant, prepayment of costs shall be provided in a manner acceptable to District.

11. *Construction.*

- a. All roadwork pursuant to state, county and/or municipal standards (as applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage of applicant's facilities during construction.
- b. The District shall, at the expense of the applicant, inspect the facilities to ensure compliance with District standards.
- c. Construction plans and specifications shall be strictly adhered to, but the District reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate construction or operation of the applicant's facility. All change-order amounts shall be charged to the applicant.

Part II. Request for Service to Subdivided Property

This section contains additional requirement for applicants that are developers as defined in [Section C](#) Definitions.

1. ***Sufficient Information*** – Applicants shall provide the District sufficient information describing the level and manner of service requested and the timeline for initiation of this service. The following is the minimum information needed for an engineering evaluation of the requested service to the property described in the application.
 - a. Completion of requirements described in [Section F. Part I](#), including completing the *Nonstandard Service Application*.
 - b. Applicant shall provide the District with details concerning access to the property during evaluation of application.
 - c. Applicant shall be notified in writing by the District or designated representative the timeframe within which the requested service can be provided and the costs for which the applicant will be responsible, in accordance with the details described on the Applicant's request for service.

2. ***Service within Subdivisions.***

The District's obligation to provide service to any customer located within a subdivision governed by this section is strictly limited to the level and manner of the service specified by the applicant developer for that subdivision. The applicant developer is responsible for paying for all costs necessary for nonstandard service to a subdivision as determined by the District under the provisions of this service policy and specifically the provisions of this section. If the applicant developer fails to pay these costs, the District has the right to require payment of these costs by any one or more of the persons purchasing lots or homes within such subdivision before the District is obligated to provide retail utility service to any customer service applicant within the subdivision. In addition, District may elect to pursue any remedies provided by the nonstandard service contract if one has been executed. Applicant developer is advised that purchasers of lots also may have legal recourse to the applicant developer under Texas law, including but not limited to [Section 13.257, Texas Water Code](#), and the [Texas Deceptive Trade Practices–Consumer Protection Act, Chapter 17, Subchapter E, Business and Commerce Code](#).

- a. The applicant developer must provide all information otherwise required under this section and must ensure that the District has been provided complete information sufficient to determine whether the level and manner of service requested by the applicant developer can be provided within the time frame specified by the applicant developer and to determine what capital improvements, including expansion of capacity of the District's production, treatment and/or storage facilities and/or general transmission facilities properly and directly allocable to the requested level and manner of service, will be needed. At a minimum, and in addition to information otherwise required under this section, the applicant developer must provide:

- i. Map and legal description of the area to be served complying with the map requirements of [PUC Rules, Chapter 24, Subchapter G, Section 24.257\(a\)\(1-4\)](#).
 - ii. Time frame for:
 - a. Initiation of service; and
 - b. Service to each additional or projected phase following the initial service.
 - iii. Detailed description of the nature and scope of the project/development for:
 - a. Initial service; and
 - b. Phased and final needs, including a map showing each phase, and the projected land uses that support the requested level of service for each phase.
 - iv. Flow and pressure for anticipated level of fire protection requested, including line size and capacity;
 - v. Specific infrastructure needs for anticipated level of fire protection requested, including line size and capacity;
 - vi. Copies of all required approvals, reports and studies done by or for the applicant developer to support the viability of the proposed subdivision.
 - vii. The proposed improvements to be constructed by the applicant developer including time lines for the construction of these improvements.
 - viii. A map or plat of the subdivision depicting each phase and signed and sealed by a licensed surveyor or registered professional engineer.
 - ix. Intended land use of the development, including detailed information concerning types of land use proposed;
 - x. The projected water and/or sewer demand of the development when fully built out and occupied, the anticipated water/sewer demands for each type of land use, and a projected schedule of build-out;
 - xi. A schedule of events leading up to the anticipated date upon which service from the District will first be needed;
 - xii. A proposed calendar of events, including design, plat approval, construction phasing and initial occupancy; and
 - xiii. Any additional information requested by the District necessary to determine the capacity and the costs for providing the requested service.
- b. Applicant developer must establish that current and projected service demands justify the level and manner of service being requested.
- c. The applicant developer must advise the District that he/she may request expedited decertification from the PUC.
- d. The application will be processed on a time frame that should ensure final decision by the District within ninety (90) days from the date of the nonstandard service application and the payment of all fees required by this section.
- i. Upon payment of all required fees, the District shall review applicant developer's service request. If no additional information is required from applicant developer, the District will prepare a written report on applicant developer's service request, subject to any final approval by the District's governing body (if applicable)

which must be completed within the ninety (90) days from the date of application and payment of the required fees. The District's written report will state whether the requested service will be provided, whether the requested service can be provided within the time frame specified by the applicant developer, and the costs for which the applicant developer will be responsible (including capital improvements, acquisition of any additional water supply/sewer treatment capacity, easements and land acquisition costs, and professional fees).

- ii. In the event the District's initial review of the applicant developer's service application shows that additional information is needed, the District will notify applicant developer of the need for such additional information. Notice of the need for additional information will be made in writing within 30 days of the date the District receives the applicant developer's payment of the required fees and completed application for nonstandard service. Applicant developer should respond to the District's request for additional information within 15 days of receipt of the District's written request. In any case, the District will provide the written report, including any final approval by the District's Board (if applicable) within ninety (90) days from the date of the initial written application and payment of all required fees.
- iii. By mutual written agreement, the District and the applicant developer may extend the time for review beyond the ninety (90) days provided for expedited petitions to the PUC. The applicant developer is advised that failure to timely provide the information required by this section, including this Subsection, may cause the PUC to reject any subsequent petition for decertification of applicant developer's property. The applicant developer is further advised that if the applicant developer makes any change in level or manner of service requested, the time frame for initiation of service, or the level or manner or time frame for any phase of service, the applicant developer's original application for nonstandard service will be deemed withdrawn, and the change may be considered a new application for nonstandard service for all purposes, including the times specified herein for processing.
- iv. Following ninety (90) days and final approval by the District and acceptance of the District's terms for service by the applicant, a nonstandard service contract will be executed, and the District shall provide service according to the conditions contained in the nonstandard service contract.

SECTION G: RATE AND SERVICE FEE ORDER

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

1. Classes of Users.

All users of the District's water and/or sewer services shall be classified as either standard or nonstandard service, as further defined in [Section E](#) and [Section F](#) of this service policy. Either class of users may be further classified into customer classes according to the type of service, cost or risk associated with each individual customer class. (See [Texas Water Code 49.2122](#).)

2. Service Investigation Fee.

The District shall conduct a service investigation for each service application submitted to the District. An initial determination shall be made by the District, without charge, as to whether the service request is standard or nonstandard. 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 nonstandard service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees required by the District to:
 - i. provide cost estimates of the project,
 - ii. develop detailed plans and specifications as per final plat,
 - iii. advertise and accept bids for the project,
 - iv. execute a nonstandard service contract with the applicant, and
 - v. provide other services as required by the District for such investigation.

3. Deposit.

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

- b. If the District is not provided with a suitable address to send the balance of a deposit or if after sending the balance it is returned by the postal service, the District will hold the funds for the customer to claim for a period of one 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 deposit once deposited with the Comptroller's Office.

4. Easement Fee.

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

5. Installation Fee.

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

- a. **Standard Service** shall include:

- i. Tap Fees — all current labor, materials, necessary to provide individual metered water (or wastewater),
- ii. Engineering Fees,
- iii. Legal Fees,
- iv. Customer Service Inspection Fees, and
- v. Administrative Costs.
- vi. Any additional site-specific equipment or appurtenances necessary to provide water or wastewater service.

Standard Service fees shall be charged per service unit as follows:

Meter Size	Water Installation (Tap) Fee	\$750.00
5/8" X 3/4"		
	System Access Fee	<u>\$2,600.00</u>
	Total New Service Connection Fee	\$3,500.00

- b. **Nonstandard service** shall include:

1. Facility improvement costs: including but not limited to tanks, piping, main lines, hydrants and other labor materials necessary to provide service at the level required by water code and as requested by the applicant;
2. line and facility inspection fees;
3. administrative costs, including but not limited to, contract administration costs, processing invoices, disbursement of checks to contractors;
4. legal fees, including but not limited to, contract development, easements, water

- rights, permits, and CCN amendments for the area;
5. engineering fees; and
 6. any additional site-specific equipment or appurtenances necessary to provide water or wastewater service as determined by the District under the terms of [Section F](#) of this policy (includes tap fee(s)).

All fees will be determined by the District under the rules of [Section F](#) of this service policy.

- c. **Standard and nonstandard service installations** shall include all costs of any pipeline relocations as per [Section E.4.d.ix.](#) of this service policy or other system improvements.
6. **Line Extension Reimbursement Fee.** An approved Applicant may have to pay on a prorated basis a line reimbursement fee to the District for the purpose of reimbursing a customer or other party who made the capital outlay to extend service to that area.

7. **Monthly Charges.**

a. **Base Rate**

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

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$42.00
3/4"	1.5	\$52.50
1"	2.5	\$87.50
1 1/2"	5.0	\$175.00
2"	8.0	\$280.00
3" DISP.	15.0	\$525.00
3" CMPD.	16.0	\$560.00
3" TURB.	17.5	\$612.50
4" CMPD.	25.0	\$875.00
4" TURB.	30.0	\$1050.00
6" CMPD.	50.0	\$1750.00
6" TURB.	62.5	\$2187.50
8" CMPD.	80.0	\$2800.00

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

- b. **Gallonge Charge** - In addition to the Base Rate, a gallonge charge shall be added at the following rates for water charges during any one (1) billing period.

i. Water –

Residential Rates:

- \$ 6.26 per 1,000 gallons for 0 to 5,000 gallons
- \$ 10.12 per 1,000 gallons for 5,001 -15,000 gallons
- \$ 13.25 per 1,000 gallons 15,001 gallons and over

Institutional / Church Rate:

- \$ 6.26 per 1,000 gallons for 0 to 5,000 gallons
- \$ 10.12 per 1,000 gallons for 5,001 gallons and over

Industrial Rate:

- \$11.00 per 1,000 gallons

Irrigation Meters:

- Rates are charged at the residential rate structure.

- ii. The District shall, as required by [Section 5.701, Texas Water Code](#), collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water or wastewater service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to [Section G.7](#). monthly charges of this Service Policy.

9. ***Late Payment Fee.***

Once per billing period, a penalty of \$10.00, 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: The District cannot charge political subdivisions and state agencies the late payment fee. ([Texas Government Code Chapter 2251.021](#))

10. ***Returned Check Fee.***

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

11. ***Reconnect Fee (Re-service 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 policy except for activation of service under [Section E.2.b](#). Re-service.

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 (unless the service call is in response to damage of the District's or another customer's facilities) or for the purpose of disconnecting or collecting payment for services.

13. ***Meter Tampering and Damage to Property Penalty.***

In addition to the Equipment Damage Fee, the District may charge a penalty for "Tampering" as defined in [Section E.18](#) in the amount of \$ 125.00. The penalty may only be assessed against the person who committed the Tampering. An owner cannot be assessed for the Tampering committed by their tenant.

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

14. ***Fee for Unauthorized Actions.***

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

15. ***Customer History Report Fee.***

A fee of \$10.00 shall be charged to provide a copy of the customer's record of past water (or sewer service) purchases in response to a customer's request for such a record.

16. ***Meter Test Fee.***

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

17. ***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 the Texas Government Code, [Section 552.261](#) et. seq.

18. ***Equipment Damage Fee.***

If the District facilities or equipment have been damaged by tampering, bypassing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other District. This fee shall be charged and paid before service is re-established. 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. If the District facilities or equipment has been damaged due to negligence or unauthorized use of the District's equipment, right-of-way, or meter shut-off valve, or due to other acts for which the District incurs losses or damages, the Customer shall be liable for all labor and material charges incurred as a result of said acts or negligence

19. ***Customer Service Inspection Fee.***

A fee of \$25.00 will be assessed each applicant before permanent continuous service is provided to new construction if an additional inspection is required in addition to the initial inspection included with the installation or tap fee.

20. ***Regulatory Assessment.***

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

21. ***Additional Assessments.***

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

22. ***Temporary Activate Fee.***

A fee of \$50.00 will be paid by any Applicant wanting water service for a minimum of one (1) day but no more than thirty (30) days.

23. ***Other Fees.***

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

SECTION H: DROUGHT CONTINGENCY AND EMERGENCY WATER DEMAND MANAGEMENT PLAN

1. Introduction

The goal of this plan is to cause a reduction in water use in response to drought or emergency conditions so that the water availability can be preserved. Since emergency conditions can occur rapidly, responses must also be enacted quickly. This plan has been prepared in advance considering conditions that will initiate and terminate the water use restriction program.

A Drought/Emergency Management committee consisting of two board members and the system manager will monitor usage patterns and public education efforts and will make recommendations to the board on future conservation efforts, demand management procedures or any changes to this plan. The committee will develop public awareness notices, bill stuffers, and other methods that will begin and continue as a constant type of reminder that water should be conserved at all times, not just during a drought or emergency. This committee will also review and evaluate any needed amendments or major changes due to changes in the District service area population, distribution system or supply. This review and evaluation will be done on a regular basis of five years unless conditions necessitate more frequent amendments.

The plan will be implemented according to the three stages of water use restrictions as imposed by the board. Paragraph 4 describes the conditions that will trigger these stages.

2. Public Involvement

Opportunity for the public to provide input into the preparation of the plan was provided by the board by scheduling and providing public notice of a public meeting to accept input on the plan. Notice of the meeting was provided to all customers. In the adoption of this plan, the board considered all comments from customers.

3. Coordination with Regional Water Planning Group

Being located within the Region C and the Northeast Texas regional water planning areas, a copy of this plan has been provided to that regional water planning group.

4. Trigger Conditions

The Drought Emergency Management Committee is responsible for monitoring water supply and demand conditions on a monthly basis (or more frequently if conditions warrant) and shall determine when conditions warrant initiation or termination of each stage of the plan, that is, when the specified triggers are reached. The committee will monitor monthly operating reports,

water supply or storage tank levels and/or rainfall as needed to determine when trigger conditions are reached. The triggering conditions described below take into consideration: the vulnerability of the water source under drought of record conditions, the production, treatment and distribution capacities of the system, and customer usage based upon historical patterns.

- a. Stage I - Mild Condition:** Stage I water allocation measures may be implemented when one or more of the following conditions exist:
 - 1) Water consumption has reached 80 percent of daily maximum supply for three (3) consecutive days.
 - 2) Water supply is reduced to a level that is only 20 percent greater than the average consumption for the previous month.
 - 3) There is an extended period (at least eight (8) weeks) of low rainfall and daily use has risen 20 percent above the use for the same period during the previous year.
- b. Stage II - Moderate Conditions:** Stage II water allocation measures may be implemented when one of the following conditions exist:
 - 1) Water consumption has reached 90 percent of the amount available for three consecutive days.
 - 2) The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days.
- c. Stage III - Severe Conditions:** Stage III water allocation measures may be implemented when one of the following five conditions exist:
 - 1) Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of twenty-four (24) hours or longer.
 - 2) Water consumption of 95 percent or more of the maximum available for three (3) consecutive days.
 - 3) Water consumption of 100 percent of the maximum available and the water storage levels in the system drop during one 24-hour period.
 - 4) Natural or man-made contamination of the water supply source(s).
 - 5) The declaration of a state of disaster due to drought conditions in a county or counties served by the District.
 - 6) Reduction of wholesale water supply due to drought conditions.
 - 7) Other unforeseen events which could cause imminent health or safety risks to the public.

5. Stage Levels of Water Allocations

The stage levels of water allocations are to be placed in effect by the triggers in Paragraph 4. The system shall institute monitoring and enforce penalties for violations of the drought plan for each of the stages listed below. The water allocation measures are summarized below.

a. Stage I - Mild Conditions

- 1) Alternate day, time of day, or duration restrictions for outside water usage

- allowed. (system will notify Customers which restriction is in effect)
- 2) The system will reduce flushing operations.
 - 3) Reduction of customers' water use will be encouraged through notices on bills or other method.

b. Stage II - Moderate Conditions

- 1) All outside water use is prohibited (except for a livestock or other exemption or variance granted under this section).
- 2) Make public service announcements as conditions change via local media (TV, radio, newspapers, etc.).

c. Stage III - Severe Conditions

- 1) All outside watering prohibited.
- 2) Water use will be restricted to a percentage of each customer's prior month usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
- 3) District shall continue enforcement and educational efforts.

NOTE:

- There may be additional restrictions imposed by governmental entities.
- Meters will be read as often as necessary to ensure compliance with this program for the benefit of all the customers.

6. *Initiation and Termination Procedures*

Once a trigger condition occurs, the District, or its designated responsible representative, shall, based on recommendation from the chairperson of the Drought Emergency Management Committee, decide if the appropriate stage of water use restrictions shall be initiated. The initiation may be delayed if there is a reasonable possibility the water system performance will not be compromised by the condition. If water allocation is to be instituted, written notice to the customers shall be given.

Written notice of the proposed water use restrictions measure shall be mailed or hand-delivered to each affected customer upon the initiation of each stage. Notice may be provided electronically if the District has access to an affected customer's valid email address and the customer chooses the option to receive email notices instead of mailed notices. If notice is mailed, the water use restrictions can be enforced seventy-two (72) hours after mailing. If hand-delivered or emailed, enforcement can begin twenty-four (24) hours after notice is provided. In addition, upon adoption of Stage II or Stage III, a notice will be placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:

- a. The date water restriction shall begin,
- b. The expected duration,
- c. The stage (level) of water allocations to be employed,

- d. Penalty for violations of the water allocation program, and
- e. Affected area or areas.

A sample customer notice of water restrictions conditions is included in Miscellaneous Transaction Forms of this District Service Policy.

If the water allocation program extends 30 days, then the chairperson of the Drought Emergency Management Committee or manager shall present the reasons for the allocations at the next scheduled board meeting and shall request the concurrence of the board to extend the allocation period.

When the trigger condition no longer exists then the responsible official may terminate the water allocations provided that such an action is based on sound judgment. Written notice of the end of allocations shall be given to customers. A water allocation period may not exceed 60 days without extension by action of the board.

7. Penalties for Violations

- a. **First Violation** – The District will assess a penalty of up to \$50.00. The customer will be notified by a written notice of their specific 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. The notice will show the amount of penalty to be assessed and inform the customer that failure to pay the penalty will result in termination of service. Reconnection will require payment of the penalty and a charge for the service call to restore service. The notice will also inform the customer that additional violations will trigger more severe penalties and may result in termination of service regardless of whether the customer pays the penalties.
- b. **Subsequent Violations** - The District may terminate service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is less. The notice of termination will show the date on which water service will be terminated and the date on which service will be restored, unless the customer has failed to pay delinquent penalties, assessments or charges. Service will remain off until any delinquent penalty or other assessment is fully paid including a charge for the service call to restore service.

8. Exemptions or Waivers

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

- a. Compliance with this plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the plan is in effect.

- b.** Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this plan shall file a petition for variance with the Drought Emergency Management Committee within five (5) days after the plan or a particular drought response stage has been invoked or after a condition justifying the variance first occurs. All petitions for variances shall be reviewed by the committee and shall include the following:

- Name and address of the petitioner(s).
- Purpose of water use.
- Specific provision(s) of the plan from which the petitioner is requesting relief.
- Detailed statement as to how the specific provision of the plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this plan.
- Description of the relief requested.
- Period of time for which the variance is sought.
- Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this plan and the compliance date.
- Other pertinent information, as requested by the committee.

Variances granted by the committee shall be subject to the following conditions, unless specifically waived or modified by the committee or board of directors:

- Variances granted shall include a timetable for compliance.
- Variances granted shall expire when the water allocation is no longer in effect, unless the petitioner has failed to meet specified requirements. No variance allowed for a condition requiring water allocation will continue beyond the termination of water allocation under [Section F](#). Any variance for a subsequent water allocation must be petitioned again. The fact that a variance has been granted in response to a petition will have no relevance to the committee's decision on any subsequent petition.

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

9. Implementation

The board establishes a Drought Emergency Management Committee by resolution, the chairperson of which will be the responsible representative to make drought and emergency water management actions. This committee will review the procedures in this plan annually or more frequently. Modifications may be required to accommodate system growth, changes in water use demand, available water supply and/or other circumstances.

This plan was adopted by the board at a properly noticed meeting held on February 27, 2024.

SECTION I: DISTRICT POLICIES

1. **LOCATION OF LINE** The District installs all water lines and appurtenances on private property with easement where practical.
2. **MINIMUM LINE SIZE** The District requires a minimum line size of six (6) inch or like size where larger lines already exist on all line extensions. Single service crossing may be two (2) inch line size. Exceptions must be with Board of Director approval.
3. **CONSTRUCTION CONTRACTS** All District construction projects for providing water supply facilities to provide water service shall be done in accordance with a mutually executed contract.
4. **DISTRICT CONSTRUCTION** All District construction for projects estimated to be under \$15,000 shall be performed by District personnel with District equipment (or a bonded contractor approved by the District should the District not be able to do the construction). If the estimated amount of the construction project is \$15,000 or more but less than \$25,000 competitive bids on uniform written specifications must be requested from at least three (3) bidders. If the estimated amount of construction project is \$25,000 or more, open bids on uniform specifications must be requested.
5. **SERVICE AGREEMENT** Prior to providing service to an applicant, an applicant shall execute a service agreement which will remain on file at the District's office.
6. **METER TESTS** The District shall, upon request of a customer, and, if he so desires, in his presence or in that of his authorized representative, make without charge a test of the accuracy of the customer's meter. The test shall be made during the District's normal working hours at a time convenient to the customer if he desires to observe the test. The test shall be made preferably on the customer's premises, but may, at the District's discretion, be made at the District's test laboratory. If the meter has been tested by the District, or by an authorized agency, at the customer's request, and within a period of four years the customer requests a new test, the District shall make the test, but if the meter is found to be within the accuracy established by the American Water Works Association, the District may charge the customer a fee which reflects the cost to test the meter, but this charge shall in no event be more than twenty five dollars (\$25.00) for a residential customer. Following the completion of any requested test, the District shall promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.
7. **BILL ADJUSTMENT** If any meter is found to be outside of the accuracy standards established by the American Water Works Association, proper correction shall be made of previous readings for the period of six months immediately preceding the removal of such meter from service for test, or from the time the meter was in service since last tested, but not exceeding six months, and adjusted bills shall be rendered. No refund is required from the District except to the customer last served by the meter prior to the testing. If a meter is found not to register for any period, unless bypassed or tampered with, the District shall make a charge for units used, but not metered, for a period not to exceed three months based on amounts used

under similar conditions during periods preceding or subsequent thereto, or during corresponding periods in previous years.

8. **LEAK POLICY** If a customer has an underground leak on their personal line, the bill reflecting the leak may be adjusted to the customer's average monthly usage and District cost of the remaining water plus 10%.

9. **LEAK CREDIT** If a customer reports a leak which is later verified by district personnel on the District's distribution lines, that customer is entitled to a credit on the next applicable water bill. The credit applies only to the first customer to report a given leak.

10. **INCREMENTAL CHARGE** If a customer has more than one dwelling or a dwelling and a business connected to one meter, that customer may choose to pay a non-refundable incremental charge per connection instead of the service connect fee for as long as the added connection exists. The incremental charge does not apply towards payment of the service connect fee or towards payment of any of the usage through the meter.

11. **RELOCATIONS** There shall be no relocation of water service or meter once that meter has been installed on the water main.

12. **DAMAGE TO DISTRICT WATER LINES AND FACILITIES CAUSED BY EXCAVATION OR DIGGING.**

If the District's facilities or equipment have been damaged in any respect due to excavation, digging, or any other activity that damages District water lines and facilities, a fee shall be charged equal to the actual costs for all labor, materials, and equipment necessary for repair or replacement of the District's water lines and facilities. In addition to the fee for the costs of all labor, materials, and equipment, an automatic penalty of \$3000.00 shall also be assessed, and shall apply upon each occurrence of a violation of this section. A penalty under this section is an addition to any other penalty or remedy provided by the laws of the State of Texas or this Rate Order.

Approved by the Board of Directors on September 24, 2024, **Section I, Page 54 of 56.**

Minimum Line Size

Six (6) inch

Approved by the Board of Directors on October 22, 2024, **Section G, Page 46 of 56.**

Gallonge Charge

0-10,000 gallons \$6.26 per 1,000 gallons

10,001 & up \$9.83 per 1,000 gallons

Approved by the Board of Directors on September 23, 2025, **Section G, Page 46 of 56.**

Gallonge Charge - In addition to the Base Rate, a gallonge charge shall be added at the following rates for water charges during any one (1) billing period.

Residential Rates:

- \$ 6.26 per 1,000 gallons for 0 to 5,000 gallons

- \$ 10.12 per 1,000 gallons for 5,001 -15,000 gallons

- \$ 13.25 per 1,000 gallons 15,001 gallons and over

Institutional / Church Rate:

- \$ 6.26 per 1,000 gallons for 0 to 5,000 gallons

- \$ 10.12 per 1,000 gallons for 5,001 gallons and over

Industrial Rate:

- \$11.00 per 1,000 gallons

Irrigation Meters:

-Rates are charged at the residential rate structure.