



SERVICE POLICY

Last Revised
May 2019

BOLIVAR PENINSULA SPECIAL UTILITY DISTRICT

WATER USE SERVICE POLICY

**A SERVICE POLICY RELATING TO CLASSES OF USERS;
WATER; PROVIDING FOR PERIODIC
REVIEW OF WATER RATES; ESTABLISHING
BILLING PROCEDURES; PROVIDING STANDARDS FOR
NEW CONNECTIONS BEGINNING AS OF THE
EFFECTIVE DATE OF THIS POLICY;
SETTING STANDARDS FOR SERVICE CONNECTIONS
AND EXTENSIONS; PROVIDING FOR THE**

VALIDITY AND SEVERABILITY OF PROVISIONS
OF THE SERVICE POLICY; AND PROVIDING
FOR ENFORCEMENT HEREOF

WHEREAS, the Bolivar Peninsula Special Utility District (the "District") has provided facilities for the production and distribution of potable water to residential and business users within its boundaries;

WHEREAS, such water facilities shall be designed, constructed, and operated for the purpose of providing water service;

WHEREAS, existing policies and regulations for water use must be supplemented in order to meet requirements of the United States Environmental Protection Agency ("EPA") and the Texas Commission on Environmental Quality ("TCEQ");

THEREFORE, any existing water service policy of the District including but not limited to the policies adopted as of September 9, 2001 are hereby amended, modified, and supplemented to read as hereinafter set forth:

SECTION 1

DEFINITIONS

The meaning of terms used in this Service Policy shall be as follows:

- a) Developer. Individual that subdivides land by dividing any lot, tract, or parcel of land, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded or requests more than two water service connections on a single contiguous tract of land.
- b) Connection. A single-family residential unit or each commercial or industrial establishment to which drinking water is supplied from the system.
- c) Cross connection. An actual or potential connection between a drinking water supply and a possible source of contamination.
- d) Customer service inspection. A physical inspection of the property served by the District. Which includes all new construction, where there is a material upgrade to the plumbing system, and when the District believes that a cross connection or other potential contamination exist.
- e) Disconnection of Service. The discontinuance of water service by the District to a customer.
- f) District. The Bolivar Peninsula Special Utility District, a special purpose district created by the Texas Commission on Environmental Quality (“TCEQ”) in accordance with Article XVI Section 59 of the Texas Constitution.
- g) District’s Business Hours. The District’s regular business hours are set by the Board of Directors. Work performed by District personnel outside regular business hours and/or on official District holidays may result in additional charges to the customer.
- h) 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.
- i) Dual connection. More than one home or living area connected to one meter.
- j) Easement. A private perpetual dedicated right-of-way for the installation of water pipelines and necessary facilities which allows access to property for future operation, maintenance, facility installation, repair or replacement and/or installation of additional pipelines.
- k) Hazardous Condition. A condition which jeopardizes or has the potential to jeopardize the health and/or welfare of the customers of the District as determined by the District or regulatory authority.
- l) Liquidated Account. An account that is closed by the District due to non-payment in which the deposit is liquidated (see liquidated deposit).
- m) Liquidated Deposit. A customer deposit which has been applied to delinquent charges not paid by the customer.
- n) Master Metered Account. A complex in which a single meter serves two (2) or more units (i.e. apartments, condominiums, mobile home/RV parks or business center), are all owned by the same person, partnership, cooperative, corporation, agency or public or private organization, are directly inaccessible to public right-of-way, and are considered commercial enterprise (i.e. for business, rental or lease purposes).
- o) Revenues. Any funds received for water 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 system.
- p) Sub metering. Meters installed on individual units in a complex by the owner of a master metered account. The District assumes no responsibility to sub metered units. The District provides service to the master metered account only.
- q) Texas Commission on Environmental Quality (TCEQ). State regulatory agency having jurisdiction over water and sewer service utilities.

- r) Water Service Line. The waterline from the foundation of a business or residence to the District's meter that is generally on property of the residence or business.
- s) Public Utility Commission (PUC). State regulatory agency having jurisdiction over water and sewer rates.

SECTION 2

CLASSES OF USERS

All users of the District's water services shall be grouped into the following classes:

- a) Resident users, consisting of residential users located within the District or private users located outside the District.
- b) Non-resident users, consisting of residential or commercial users located outside the District or the District's CCN.
- c) Commercial users, consisting of users located within the District to which service to a non-residential structure is provided.

All water charges shall be assessed in such a manner that each class of user pays its proportionate share of all debt service and operation and maintenance for water service. Other classes of users shall be added in the future if necessary.

All residential and commercial customers may be grouped into sub-classes according to the meter size provided to their residence and/or commercial establishment.

SECTION 3

WATER CHARGES

Each resident user, non-resident user and commercial user shall pay monthly service charges. The following rates per month shall be the rates charged for the water services furnished to residential and commercial customers within and outside the District or District's Certificate of Convenience and Necessity (CCN).

a) Water Rates

Base Rates:

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallons Included</u>
5/8" x 3/4" meter	\$ 51.00	2000
3/4" meter	\$ 56.00	2000
1" meter	\$ 77.00	2000
1 1/2" meter	\$ 102.00	2000
2" meter	\$ 153.00	2000
3" meter	\$ 204.00	2000
4" meter	\$ 230.00	2000

Gallonage Charges:

2,001 – 6,000	\$3.00 per 1000 gallons
6,001 – 10,000	\$3.25 per 1000 gallons
10,001 – 20,000	\$3.50 per 1000 gallons
20,001 – 50,000	\$3.75 per 1000 gallons
50,001 and over	\$4.00 per 1000 gallons

- b) A regulatory assessment charge of one half percent (1/2%) of retail water charges will be added to the customer's monthly billing in accordance with state requirements. The assessments will be remitted by the District to the Texas Commission on Environmental Quality (TCEQ) and are to be used by the Commission in performing its regulatory duties and in providing training and technical assistance to utilities.
- c) Fire Flow Reserve Fee. Combination meters that provide for fire protection flows shall be billed an annual fee for reserved capacity. The fee shall be calculated using meter flow equivalency times the current base rate for 5/8" meters. Failure to pay the fire flow reserve fee by the due date indicated on the bill may result in termination of water service.
- d) Wholesale Water Service.
1. In the Districts Service Area. - Wholesale water service shall be provided at the discretion of the Board of Directors based on system capacity and future system growth. Wholesale water service shall be provided through a contractual arrangement at rates equivalent to those of other customer classes with comparable service requirements.
 2. Outside the Districts Service Area - Wholesale water service shall be provided at the discretion of the Board of Directors based on system capacity and future system growth. Wholesale water service shall be provided through a contractual arrangement at rates agreed to between the District and the Entity requesting the water service.

SECTION 4

TAP CHARGES

- a) The District shall provide water taps in accordance with the following fee schedule:

<u>Water Meter Size</u>	<u>Fee</u>
5/8" x 3/4"	\$ 1,225.00
3/4"	\$ 1,320.00
1"	\$ 1,700.00
1 1/2"	\$ 2,175.00
2"	\$ 3,125.00
3"	\$ 4,125.00

METERS LARGER THAN 3" WILL BE AT CONTRACTORS COST PLUS 10%

- b) Paved crossings (road bores) will be a minimum charge of \$500.00 or actual cost, whichever is greater.
- c) Any party desiring to make a connection to the District's systems must first make an application to the District in the form approved by the Board as required in Sections 14, 15 and 16.
- c) For new construction, prior to making a new connection to the District's water system, the District's representative shall inspect the connecting line and connections, before they are covered or enclosed with dirt or any other material, to determine whether or not they have been properly installed in accordance with the requirements of this Service Policy and any other applicable governing entities requirements.

SECTION 5

OTHER CHARGES

- a) Service Trip Fee: A trip charge of \$35.00 is required per trip for turning off customer water and/or turning on water at the customer's request during regular District business hours. A service trip fee will also be assessed if District personnel respond to a customer's request for service and it is determined that the problem is not with District equipment but on the customer's property. A service trip fee applies anytime District personnel respond or are dispatched to a customer location at the customer's request (i.e. turn off water, perform inspection, etc.).
- b) After Hours Service Trip Fee: A fee of \$75.00 will be charged for District services after regular business hours. The after hour's service trip fee will be applied if, at a customer's request, water service is turned on/off, or if there is a problem that is determined to be on the customer's property. The after hour's service trip fee will also be applied if service reconnection is requested by the customer after regular business hours and must be paid prior to reconnection of service along with all other applicable fees in accordance with this Service Policy. An afterhours service trip fee applies anytime District personnel respond or are dispatched to a customer location at the customer's request (i.e. turn off water, perform inspection, etc.) after regular business hours and on Holidays.
- c) Insufficient Funds Fee: A service charge of \$25.00 is assessed for handling insufficient fund checks and/or bank drafts.
- d) Late Payment Fee: A delinquent charge of \$5.00 or 15% of the past due amount, whichever is greater, will be added if a bill is not paid on or before the close of business on the due date indicated on the bill.
- e) Connection fee: A connection fee of \$150.00 will be charged when service is connected or restored to any customer disconnected for any reason including the customer's request for disconnection, and service to the location has been disconnected for less than ninety (90) consecutive days. The connection fee will also be assessed when requesting new service
- f) Processing Fee: A processing fee of \$100.00 will be charged when service is connected or restored to any customer disconnected for any reason including the customer's request for disconnection, and service to the location has been disconnected for less than ninety (90) consecutive days. The processing fee will also be assessed when requesting new service. In cases of disconnection for failure to pay user charges, the collection fee (below) will be assessed in lieu of a processing fee. In instances where service has been disconnected for ninety (90) consecutive days or more, a reinstatement fee (below) will be assessed in lieu of a processing fee.
- g) Collection Fee: A collection fee of \$75.00 will be added to a customer's bill if the bill is not paid prior to the disconnection date indicated on a final bill.
- h) Reinstatement Fee: A reinstatement fee of \$700.00 will be charged before service can be restored to a location where service has been disconnected for any reason including the customer's request for disconnection for ninety (90) consecutive days or more.
- i) Pulled Meter Fee: If a customer's meter is pulled for nonpayment or for tampering with the District's meter or equipment, by-passing the meter or equipment, or other diversion of service, a fee of \$75.00 will be assessed to the account.

j) Equipment Damage Fee: An equipment damage fee will be charged in cases of meter tampering or bypassing, service diversion, incidents where service is connected or reconnected without authority, and for damage to District property caused by the customer. The fee charged will be based on the actual cost of all labor, material, equipment, and other costs necessary to repair or replace equipment damaged or costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, plus an additional 20% of the total cost of installation to allow the District to recoup its cost plus administrative charges. Labor will be charged at a rate of \$25.00 per hour for each District employee required, with a minimum charge of one (1) hour. An afterhours service fee will also be assessed if repairs are required after regular business hours.

For incidents of intentional damage to District property or where service is reconnected without authority, the equipment damage fee will be a minimum \$100.00.

k) Duplicate Billing Fee: The District may provide a duplicate bill to a second address at the written request of the customer (account holder). A fee of \$2.00 will be added to the account for each duplicate bill (regular billing and/or final billing) to cover postage and administrative costs. To provide a duplicate billing, the customer (account holder) will be required to complete a "Duplicate Billing Agreement" form provided by the District.

l) Tenant Notification Fee: A fee of \$100.00 will be assessed when a final notice is distributed to tenants of a master metered account (See Section 9e).

m) Customer History Report Fee: A fee of \$5.00 shall be charged to provide a copy of a customer's record of past water purchases in response to a customer's request for such record.

n) Non-Disclosure Fee: A fee of \$5.00 shall be assessed any customer requesting in writing that personal information under the terms of this Service Policy not be disclosed to the public.

o) Public Information Request Fee: All public information, except that which has been individually requested as confidential and permitted to be held confidential in accordance with State and Federal laws, shall be available to the public. Fees will be assessed based on the level of service and costs to provide such information in accordance with the Texas Open Records Act: Chapter 552, Texas Government Code.

p) Customer Service Inspection Fee: If performed by District personnel, an inspection fee of \$35.00 will be assessed each applicant for service before continuous service is provided to new construction. A Customer Service Inspection will be performed as required by the Texas Commission on Environmental Quality rules and regulations. If the applicant fails the inspection, a customer inspection fee will be assessed each time an inspection is performed until the inspection is passed. Customers requiring a CSI will be allowed temporary service up to 90 days. If an inspection

q) Other Fees: Services outside the normal scope of utility operations which the District may be compelled to provide at the request of a customer shall be charged to the recipient based on the cost of providing such service.

r) Temporary Service for Real Estate Inspections Fee: Service can be restored to a residential unit for a twenty-four hour interval for real estate inspection services for a fee of \$50.00. See Section 16(b) for application requirements.

s) Irrigation/Sprinkler System Permit Fee: Installation of an irrigation system on a new or existing connection to the District's water system requires a permit issued by the District prior to installation.

The permit fee of \$50.00 includes the permit and a customer service inspection. Testing of the backflow device upon installation is also required. Refer to Section 14 of this policy. The Irrigation System Permit can be issued to a certified Landscape Irrigator upon presentation of proper credentials to the District. Permits can also be issued to anyone exempt from licensing requirements in accordance with Texas Administrative Code Chapter 30, Subchapter D, §30.129. Failure to obtain a permit prior to installation of irrigation/sprinkler system will result in termination of service until permit is obtained. And a reconnection fee of \$75.00.

SECTION 6

SERVICE DEPOSITS

- a) At the time a Service Application is approved, a deposit shall be paid to the District. Service cannot be established until the deposit is made.
- b) Notwithstanding the right of the District to establish such other deposits as it may deem appropriate for residential or commercial customers, any customer requesting service shall be required to establish a deposit of \$150.00. Further, any customer who is requesting service at a commercial property shall be required to establish such deposit as may be determined by the District that shall not be less than \$150.00 or the estimated two months water service charges to such commercial property, whichever is greater.
- c) Residential customers already receiving service that have deposits of less than \$150.00, and commercial customers that have deposits less than an estimated two months water service charges or \$150.00 (whichever is greater), will be required to increase the deposit to current amounts if service is disconnected for any valid reason, including the customer's request for disconnection of service or for failure to pay user charges. If disconnection of service is for failure to pay user charges, customers will be required to upgrade the deposit as follows:

Residential

- 1st Disconnect for non-payment, deposit must be upgraded to \$200.00.
- 2nd Disconnect for non-payment, deposit must be upgraded to \$300.00.

Commercial

- 1st Disconnect for non-payment, deposit must be upgraded to three times average usage or \$200.00 (whichever is greater).
- 2nd Disconnect for non-payment, deposit must be upgraded to four times average usage or \$300.00 (whichever is greater).

- d) Transfer of deposits is not authorized or allowed.
- e) The District has determined that no interest shall be paid on deposits established by District customers.
- f) The District issues deposit refund checks after our end of the month closeout.

SECTION 7

PERIODIC REVIEW OF RATES

a) The District shall review the water rates annually on the basis of expenditures incurred in providing services. Expenditures shall be calculated separately for the following services;

- 1) Water service, including supply, treatment, and distribution;
- 2) Debt service for water facilities.

Calculated expenditures for water service shall include:

- 1) Direct operation and maintenance expense;
- 2) Allowances for replacement of major system components;
- 3) Allowances for vehicle replacement;
- 4) Administration and billing expenses.

b) Water rates shall be determined on the basis of calculated expenditures required for water supply. Allowances shall be made for contingencies and for excess or deficient revenues collected during the preceding year.

c) All water charges prescribed in Section 3 of this Service Policy (including debt service) shall be adjusted on the basis of this review.

SECTION 8

METERING

- a) The District will provide and install and will continue to own and maintain all meters necessary for the measurement of water to its customers. The District will determine the type and size meter required for service to the customer. Master metered accounts will require a minimum of a 1” meter.
- b) The District will, upon request of a customer or upon its own recognition of an accuracy concern, test the accuracy of the customer’s meter. If upon testing the meter because of customer request, the meter is found to be accurate, the District will charge the customer a fee of \$35.00 to cover the cost of the test, and trip fee(s) to the service location. If the meter is found to be inaccurate, there will be no charge to the customer. If a customer requests that a meter be pulled and tested for accuracy and the meter is found to be accurate, the customer will be responsible for all costs incurred by the District in removing and testing the meter.
- c) If any meter is found to be outside of the accuracy standards established by the American Water Works Association, proper correction will be made of previous reading for the period of 2 months immediately preceding the removal of the meter from service for the test, but not exceeding 2 months, and adjusted bills will be rendered. If the meter is found not to have registered for any period, to have been bypassed or tampered with, to have not been installed, or is, for any reason, unable to be located, the District will estimate the charge for usage based on amounts used under similar conditions during the preceding or subsequent period or during corresponding periods in previous years, or used by similar users under similar circumstances.
- d) The District will, upon request of a customer, re-read the customer’s meter. If the meter reading proves accurate, the customer will be billed for the cost of the service trip to re-read the meter. If the original reading is found to be incorrect, there will be no charge to the customer and the customer's bill will be adjusted accordingly.
- e) The District will charge for all labor, material, equipment, and other costs necessary to repair or replace equipment damaged due to meter tampering or bypassing, and/or service diversion. The District will charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. The minimum charge in these instances will be \$100.00.
- f) Meter Relocation: Relocation of services shall be allowed by the District provided that no transfer of customer is involved, an easement for the proposed location has been granted to the District, service capacity is available at the proposed location and the customer pays all costs associated with relocation and an administrative fee of \$50.00. Costs for relocation will include all tap charges, paved crossings, labor, material and equipment.
- g) Sub metering by Master Metered accounts may be allowed in the District's water distribution system provided the Master Metered account customer complies with the Texas Commission on Environmental Quality's Chapter 291, Subchapter H rules pertaining to sub metering. The District has no jurisdiction or responsibility to tenants; tenants receiving water under a Master Metered account are not considered customers of the District. Complaints regarding sub metering should be directed to the Texas Commission on Environmental Quality. The District will protect the Certificate of Convenience and Necessity (CCN) and should a Master Metered account customer violate the District's policies or State regulations, the District will request a Cease and Desist Order from the TCEQ.

h) Customers shall provide District personnel with access to meters at all times. If access to a meter is denied or hindered preventing the reading of the meter, an estimated bill shall be rendered to the customer for the month. A notice shall then be mailed informing the customer that access to the meter could not be gained. If access is denied for three (3) consecutive months, service will be discontinued and the meter shall be pulled with no further notice. Reconnection will be subject to all applicable fees and policies of the District. If an obstruction to the meter causes the District to be unable to pull the meter (i.e. vehicle parked on box, dogs near meter box, etc.) the District will disconnect service at the tap and future service will require a new tap. All fees associated with removing the tap and installing a new tap must be paid by the customer prior to reinstatement of service.

i) Construction uses of District water is permitted at the discretion of the District based on available capacity. Requests for construction use should be made at the District office. An application, a \$150.00 deposit for service and \$1,000.00 meter deposit will be required. The District will provide a meter for measuring consumption and payment will be due on a weekly basis unless otherwise stated in a written agreement. Requests to fill a portable tank or tank-truck should be made in the District office. Fill-ups must be made at sites designated by the District and will be charged on a per 1000 gallon basis with a minimum fee of \$25.00 that includes 2000 gallons.

j) No more than one (1) residential, commercial, or industrial service connection is allowed per meter. The meter installed at each residential or business dwelling shall be limited to serving one dwelling only. No other dwelling, whether located on the same parcel or on an adjoining parcel, shall be served through the same service meter. Buildings connected by a deck or porch are classified as two separate dwellings and require separate meters.

k) The following residential dwellings applying for service shall be required to have a separate meter FOR EACH LIVING UNIT AND/OR SPACE:

- Duplexes (two meters), triplexes (three meters) and multiplexes (four or more meters)
- Condominiums
- Apartments
- Mobile Home Parks

Recreational Vehicle (RV) parks are not required to have separate meters for each unit if the following conditions are met:

- The property is owned by a single owner.
- All RV's located on the property have current registration and are licensed by the Texas Department of Motor Vehicles.
- The application for water service indicates the property is commercial and will be for RV use only.
- A master-metered account is required with an approved meter size for the number of units to be served.
- Failure to meet all of the requirements above will result in termination of service.

SECTION 9

Tampering/Diversion/Defacement of District Property

A. *Violation.* Any and every instance of tampering, bypassing and/or diversion, as defined in subsection B below, constitutes a separate violation and breach of the District's rules and regulations as established by the District's Statement of Policy.

B. *Definition.* For purposes of this section and all other sections of the District's Statement of Policy, the phrase "meter tampering, bypassing and/or diversion" and the phrase "tampering, bypassing, diversion, and/or defacement" shall each be defined as knowingly or intentionally performing any of the following acts or causing or allowing another person to perform any of the following acts:

- a.). Disconnecting a meter owned or operated by the District, or causing or allowing any meter owned or operated by the District to be disconnected;
- b.). Removing or causing or allowing the removal of, a locking or shut-off device used by the District to discontinue service;
- c.). Physically disorienting, or causing or allowing the physical disorienting of, the meter;
- d.). Attaching, or causing or allowing the attachment of, objects to the meter to divert service or to bypass the District's service equipment;
- e.). Inserting objects into the meter;
- f.). Implementing any electrical and/or mechanical means resulting in the alteration or modification of the District's service equipment, the bypass of the District's service equipment, or the diversion of service in any manner;
- g.). Tapping onto or connecting any pipe with any water main or line owned or operated by the District, or causing or allowing another person to tap onto or connect any pipe with any water main or line owned or operated by the District;
- h.). Altering, changing, defacing, damaging, removing, interfering with, opening, or closing any water meter or other property or equipment owned or controlled by the District;
- i.). Marring or defacing any building, equipment, or other property owned or operated by the District;
- j.). Damaging, removing, destroying or interfering with any fence, gate, or other enclosure owned or controlled by the District, or damaging, removing, destroying, or interfering with any sign or emblem on any structure or equipment owned or operated by the District; or
- k.). Defacing, writing or marking, cutting, printing, stamping, indenting or displaying any word, sentence, symbol or figure on property owned or operated by the District.

C. *Defense.* A person does not violate the District rules if:

- a). the act of tampering, bypassing and/or diversion is conducted by a District employee authorized to perform the activity;
- b). the District acting by and through its board of directors or its officers or employees grants permission to the person to conduct the activity, the person conducts the activity to prevent the waste of water,

D. *Disconnection, Fees and Charges.* Any and every instance of tampering, bypassing, diversion, and/or defacement may result in the disconnection of service and the subsequent denial of service. In the event that service is disconnected due to an incident of tampering, bypassing, diversion, or defacement all applicable fees, penalties and related expenses must be paid, in full, prior to reconnection of service. Such fees, penalties and expenses shall include, but not be limited to, unpaid water charges, lock-off fee, disconnection of service fee, service trip fee, equipment damage fee and all out-of-pocket expenses incurred by the District in connection with the incident.

- E. *Civil Penalty.* In addition, for each and every instance of tampering, bypassing, diversion, and/or defacement the District may impose a civil penalty in an amount not to exceed \$5,000.00, the imposition and enforcement of which is authorized by Texas Water Code §49. Any and every civil penalty imposed by the District may be enforced by a complaint filed in an appropriate court of jurisdiction. In the event that the District prevails in a suit to enforce one or more civil penalties, the District shall be entitled to recover reasonable fees for attorneys, expert witnesses, and any and all other costs incurred by the District in prosecution of the suit.
- F. *Evidence.* The District shall bear the burden of proof in support of any action taken by the District in connection with tampering, bypassing, diversion, or defacement. Photographic evidence or any other reliable and credible evidence may be used by the District to satisfy its burden of proof. In every instance in which action is taken by the District in connection with tampering, bypassing, diversion, or defacement, evidence used by the District to satisfy its burden of proof shall be accompanied by an affidavit sworn to by a member of the District's staff. A court finding of tampering, bypassing, diversion, and/or defacement may alone satisfy the District's burden of proof.
- G. *Prosecution.* Any and every instance of tampering, bypassing, diversion, and/or defacement shall be prosecuted to the fullest extent allowed by law under Texas Penal Code §28, and Texas Water Code §49, as those laws are currently in effect or as amended or superseded from time to time.
- H. *Presumption.* Whenever the evidence shows the commission of any tampering, bypassing, diversion, and/or defacement as defined by this section, the District will presume, and the same will constitute prima facie (true and authentic) evidence of the fact, that the person who subscribed to water service, as well as any person having the custody, control or management of the premises receiving water service from the District is subscribed, had knowledge that the act or acts were performed and that such customer and such other person having the custody, control or management of the premises committed such act or acts or caused or occasioned the commission of the act or acts.
- I. *Responsibility.* The term "person" as used in this section has the meaning provided by the general law and includes individuals and corporations of every sort. If a person commits a violation of this section as an agent of another person, both the agent and the principal are subject to the sanctions described in this section.

Note: If any court of competent jurisdiction rules that any portion of the new Tampering, Diversion, and Defacement of Property Policy as set forth is invalid or unconstitutional, any such portion shall be deemed a separate, distinct, and independent provision and any such ruling shall not affect the validity of the remaining portions thereof.

SECTION 10

BILLING PROCEDURES

- a) The District shall issue an itemized monthly bill to each water customer, indicating the amount due for water service. Bills will be mailed on or about the first of the month. All bills shall be due and payable upon receipt and are past due if not paid by the close of business on the date indicated on the bill (allowing a minimum of 15 days to pay).
- b) A bill is considered delinquent if not paid by the close of business on the due date indicated on the bill. Bills not paid by the close of business on the due date will be assessed a late fee.
- c) Final notices will be mailed allowing an additional ten (10) days for payment prior to disconnection of service. The ten additional days shall begin the day the final notice is deposited with the U.S. Postal Service with sufficient postage. (See below for final notices regarding Master Metered accounts).
- d) If the date due for the regular bill or final notice is on a weekend or District holiday, the date due will be the next business day after the weekend or holiday.
- e) Master Metered accounts will receive a final notice allowing ten (10) additional days for payment prior to tenant notification. If the final bill is not paid by the close of business on the tenth day, tenants will receive notification that service will be disconnected in ten (10) additional days. Also, a tenant notification fee will be assessed to the account. If payment is not received by the final due date, service will be disconnected as described in Section 11.
- f) If billings for District services are found to differ from the District's rates for the services, or if the District fails to bill the customer for services, a billing adjustment will be calculated by the District. If the customer is due a refund, an adjustment will be made for the actual gallons used during the entire period of the overcharges. If the customer was undercharged, the District will back bill the customer for the amount of actual gallons used by the customer and may back bill at the actual cost. If the under billing is \$25.00 or more, the District will offer the customer a deferred payment plan option for the same length of time as the under billing. The statute of limitation for this billing procedure is (1) one year.
- g) In cases of meter tampering, bypass, or diversion, the District will not offer a deferred payment plan.
- h) A customer may advise the District that a bill is in dispute by written notice to the District. A dispute must be registered with the District prior to the date of proposed discontinuance for a customer to avoid discontinuance of service. Upon registration of the dispute, the District will investigate and report the results in writing to the customer. In order to avoid discontinuance, the customer must pay the customer's average monthly usage at the current rates and will not be required to pay the disputed portion above the average monthly rate until the results of the investigation are complete. The customer's monthly average usage is based on the preceding 12-month period or if there is no previous usage information, consumption will be estimated by the District based on the usage levels of similar customers under similar conditions.
- i) Customer Leaks and Adjustments: The District will make one (1) adjustment per customer account per year if the customer encounters a leak causing high usage. To receive the adjustment, the customer must complete a "Request for Adjustment Form" provided by the District. The adjustment will lower the charges for all gallons used to the minimum cost per 1000 gallons. All gallons used must be paid at the adjusted rate. Customers needing additional time to pay the charges may request a Deferred Payment Agreement.

SECTION 11

PAYMENT METHODS

a) Customers may make payment to the District by cash, credit card, debit card, check, money order, or bank draft. Payments can be mailed, paid in person or placed in the drop box at the District office. Payments must be received by the close of business on the due date. No grace period will be allowed for payment post mark. Payments placed in the drop box after the close of business on the due date will be subject to late fees and/or collection fees. Customers may make payment by credit card through the District website (see below). Over-payments to an account cannot be refunded and will be applied as a credit on the water account.

b) Returned Check/Draft Procedure: If a check, credit card, debit card or bank draft submitted to the District for regular billing or final billing is returned for insufficient funds, a notice shall be sent to the customer via the United States Postal Service. The notice shall allow ten (10) days from the date of the notice for redemption of the returned check and payment of the Insufficient Funds Fee. Redemption of the returned instrument and payment of the Insufficient Funds Fee shall be made by cash, money order or certified check. Failure to pay by the close of business on the tenth day from the date of the letter shall result in termination of service with no additional notice provided. If a check submitted to the District for reconnection of service after disconnection for nonpayment is returned for insufficient funds, immediate termination of service will occur. Service cannot be reinstated until full payment of past due amount and all applicable fees are made by cash, money order or certified check. Any such instruments returned as insufficient or non-negotiable, for any reason, for any two billing periods within a twelve month period shall be considered evidence of bad credit risk by the District. Customers classified as a credit risk will be placed on a “cash only” basis for a period of twelve (12) months and may only make payment by cash, certified check or money order.

c) Payment by Bank Draft: Customers choosing to participate in the Automatic Bank Draft Service will continue to receive a monthly bill, except “DO NOT PAY – BANK DRAFT” will appear on the bill. Bills will be mailed on or about the 30th of the month. Bills are due before the close of business on the due date printed on the bill which allows a minimum of fifteen (15) days to pay. Payment will be drafted from the Customer’s bank account on or about the tenth day of the month. Customers participating in this automatic drafting service will need to examine their monthly bill and post their check register accordingly prior to the draft being charged to their account. If the amount being billed should be questioned, the Customer should contact the District office to discuss any discrepancies prior to automatic draft occurring. If a credit is due the customer after the draft has been deposited by the District, the credit will be in the form of an adjustment to the customer’s account. No cash or check refunds will be made to the customer. The return of a preauthorized draft check will initiate the implementation of the District’s Insufficient Funds (NSF) Policy in accordance with the current Service Policy. The customer will be notified by mail of insufficient funds and the customer’s account will be assessed the NSF charge. Two NSF drafts in any six month period will cause the customer to be ineligible for the automatic bank draft policy and will require payments to the District by cash, certified check or money order for one year. Customers requesting preauthorized bank draft must provide the following to the District office:

- 1) Completed “Authorization Agreement for Preauthorized Payments” form (available at District office).
- 2) A voided check.

d) Credit Card Payments Online: Customers may make payment by credit card through the District website. Payment by credit card will be posted to the customer’s water account the following business day. A convenience fee applies to payments made by credit card. The convenience fee is determined by the credit card company, is paid directly to the credit card company, and is charged to the customer’s credit card at the time of payment. Customers with multiple water accounts must pay each account

separately through the website. Over-payments to an account cannot be refunded and will be applied as a credit on the water account.

e) Credit Card Payments in District Office. Customers may make a one-time payment by credit card in the District Office. Payment by credit card will be posted to the customer's water account the following business day. A convenience fee applies to payments made by credit card. The convenience fee is determined by the credit card company, is paid directly to the credit card company, and is charged to the customer's credit card at the time of payment. Customers with multiple water accounts must pay each account separately.

f) Deferred Payment Agreements: The District can provide, in certain situations, a deferred payment agreement to a customer who has experienced an emergency beyond his/her control and having expressed an inability to pay all of the outstanding balance on his/her account. The customer must personally come to the office and sign a payment contract. A payment schedule will be agreed upon by both parties and indicated in the payment contract. Service will not be disconnected unless the terms of the contracted agreement are broken or upon request of the customer. No more than three (3) deferred payment agreements can be issued to a customer within a twelve month period.

SECTION 12

DISCONNECTION OF SERVICE

- a) The District may disconnect service to any customer for the following reasons:
- 1) Written request of the customer
 - 2) Failure to pay all water charges by due date indicated on bill.
 - 3) Existence of a known hazardous condition that could adversely affect the District or the customer at whose property an adverse condition has been found.
 - 4) Service established through meter bypassing, unauthorized connection, or unauthorized re-connection.
 - 5) Tampering with water meter or other District facilities.
- b) If disconnection is solely due to failure of a customer to pay monthly charges or upon the failure of a customer to pay other charges, the District will:
- 1) Give at least ten (10) days' notice prior to disconnection.
 - 2) Have District personnel available to make reconnection by the next normal working day after the delinquent amount and reconnection fees are paid.
 - 3) The District may provide reconnection of service after regular business hours for an additional fee of \$75.00.
- c) Should payment by check or bank draft for Account set up, reconnection of service be returned for insufficient funds, immediate disconnection of service will occur. Service reconnection will then require payment by cash, certified check or money order and will require payment of all fees in accordance with this Service Policy.
- d) If payment has not been made thirty (30) days after service disconnection, a "Liquidation of Account Notice" will be issued to the customer. The notice will inform the customer that if payment is not received within ten (10) business days, the account will be liquidated. If payment is not rendered by the tenth day, the account will be liquidated and the meter will be pulled. Future service to the customer will require payment of past due amount, pulled meter fee, a new Service Agreement and a new deposit.

SECTION 13

USE OF COLLECTED FUNDS

All water revenues collected by the District shall be placed in not less than two separate funds for (1) debt service and (2) water system operation and maintenance. Each fund shall be spent only for its designated purpose. The District shall maintain such accounting procedures and control of expenditures as necessary to ensure that all funds are spent as designated.

SECTION 14

WATER CONSERVATION AND DROUGHT CONTIGENCY PLAN

All use of water within the District shall be subject to the Water Conservation and Drought Contingency Plan adopted by the Board of Directors of the District and any future amendments or modifications to the Water Conservation and Drought Contingency Plan adopted by the Board of Directors of the District. Copies of the District's Water Conservation and Drought Contingency Plan are available from the District office for a fee assessed in accordance with this Service Policy.

SECTION 15

BACKFLOW PREVENTION AND CROSS CONNECTIONS

In accordance with 30 TAC Section 290.44, the following backflow prevention and cross connection program will be enforced by the District:

- a) A backflow prevention device must be installed at any residence or establishment where an actual or potential contamination hazard exists as assessed in Appendix 1 of 30 TAC 290.47(i).
- b) All outside hose fittings must have a hose bib vacuum breaker installed.
- c) All irrigation systems must have a proper backflow prevention device installed and the system must be installed by a qualified Landscape Irrigator unless exempted by Texas Administrative Code Chapter 30, Subchapter D, §30.129. The backflow device must be tested upon installation and depending on the type required, may require annual testing.
- d) The District will determine the necessity of other backflow prevention devices necessary during Customer Service Inspections.
- e) Testing of a backflow device upon installation is required and can be performed by qualified District personnel or any State of Texas Certified Backflow Prevention Tester. A copy of the test results must be submitted to the District within ten (10) days of installation or annual testing or disconnection of water service will occur with no further notice. If District personnel perform the testing, the fee for testing shall be paid prior to testing.
- f) The District will refer to Appendix 1 of 30 TAC 290.47(i) to determine if a backflow prevention device is required and to determine what type of backflow prevention device shall be installed.
- g) Where backflow prevention devices are required, at the expense of the customer, they shall be inspected annually and tested by a certified backflow prevention assembly tester, whose report shall be filed with the District.
- h) Annually, the District will send a notice to any residence or establishment that has a backflow prevention device requesting the device be certified. Thirty (30) days will be allowed to submit the certification to the District office. Failure to do so may result in termination of water service.
- i) The District will attempt to educate customers on potential hazards of cross connections through mail-outs, public speaking engagements and informative brochures.

SECTION 16

SUBDIVISION POLICY

- a) The District is not required to extend retail utility service to an applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property has failed to comply with the terms of this policy.
- b) This section is applicable to subdivisions, developments, or whenever additional service facilities are required.
- c) Any Applicant/Developer subject to this section is required to pay all applicable costs necessary to provide service to the requested area including the cost of facilities, legal expenses, engineering expenses, construction expenses, inspection expenses, and administration expenses.
- d) This Section may be altered or suspended for planned facility expansions when the District extends its indebtedness. The District Directors shall interpret on an individual basis whether or not the Applicant/Developer's service request shall be subject to all or part of the conditions of this section on a non-discriminatory basis and a manner that is equitable to current users and future users.
- e) The Applicant/Developer shall complete a Service Application and Agreement including the completion of the item titled "Special Service Needs of the Applicant/Developer". The Application must include a final plat that shows the Applicant/Developers requested service area. The plat must be approved by all regulatory authorities having jurisdiction over lot sizes, sewage control, drainage, right-of way, and other service facilities. Plans, specifications, and special requirements of such regulatory authorities shall be submitted with the plat. Detailed plans of the proposed development and associated water line(s) and facilities, certified by a Professional Engineer registered in the State of Texas, must be submitted at the time of application. Water lines and facilities shall be in accordance with District specifications as provided in Appendix A of this Service Policy.
- f) At the time the Applicant/Developer submits the Application, an Administrative and Plan Review Fee as indicated below shall be paid to the District.

2 to 10 lots.....	\$825
11 to 50 lots.....	\$1400.00
Over 50 lots.....	\$1400.00 plus \$20.00 per lot over 50
- g) Upon receipt of the signed service application and Administrative Fee, the District shall investigate the service requirements for the requested area by reviewing all plans submitted to ensure compliance with the District's detailed specifications for water utilities as contained in Appendix A.
- h) The District may require a plan review by the District's Consulting Engineer. The Applicant/Developer shall be responsible for reimbursing the District for engineering fees incurred from this review. The District will provide a statement of fees to the Applicant/Developer. Plans will not be approved until reimbursement is received.
- i) The District reserves the right to upgrade design of service facilities to meet future demands; provided however, that the District pays the expense of such upgrading above the Applicant/Developer's facility requirements.

j) All Applicant/Developers falling under this section shall enter into a written contract, drawn up by the District's attorney, in addition to submitting the District's Service Application and Agreement. The Applicant/Developer shall be required to reimburse the District for all legal costs associated with obtaining a contract. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to:

- 1) All cost associated with required administration, design, construction, and inspection of facilities for utility service to the Applicant/Developer's service area and terms by which these costs are to be paid.
- 2) Procedures by which the Applicant/Developer shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
- 3) Terms by which the District shall administer the Applicant/Developer's project with respect to:
 - Design of the Applicant/Developer's service facilities;
 - Securing and qualifying bids;
 - Execution of the Service Agreement;
 - Selection of a qualified bidder for construction;
 - Dispensing advanced funds for construction of facilities required for the Applicant/Developer's service;
 - Inspecting construction of facilities; and
 - Testing facilities and closing of the project.
- 4) Terms by which the Applicant/Developer shall indemnify the District from all third party claims or lawsuit in connection with the project contemplated.
- 5) Terms by which the Applicant/Developer shall deed all constructed facilities to the District and by which the District shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with the construction of the Applicant/Developers project.
- 6) Terms by which the Applicant/Developer shall grant title or easement for right-of-ways, constructed facilities, and facility sites and/or terms by which the Applicant/Developer shall provide for the securing of required right-of-ways and sites.
- 7) Terms by which the District shall review and approve the Service Contract pursuant to current rules, regulations, and policies.

k) With regard to construction of facilities, the District shall require private right-of-way easements on private property. The District shall require an exclusive dedicated right-of-way on the Applicant/Developer's property (as required by the size of the planned facilities and as determined by the District) and title to property required for other on-site facilities. If the District determines that right-of-way easements or facility sites outside the Applicant/Developer's property are required, the District shall require the Applicant/Developer secure easements or title to facility sites in behalf of the District. All right-of-way easements and property titles shall be researched, validated, and filed by the District at the expense of the Applicant/Developer.

l) Easements and facility sites shall be prepared for the construction of the District's pipeline and facility installations in accordance with the District's requirements and at the expense of the Applicant/Developer.

m) Should the District extend service utilities, the Applicant/Developer shall advertise for bids for the construction of the proposed facilities in accordance with 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 most qualified bidder in accordance with the following criteria:

- 1) The Applicant/Developer shall sign the Service Contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project; such as: Inspections, flushing, and all bacterial testing.
- 2) The Contractor shall provide an adequate bid bond under terms acceptable to the District;
- 3) The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the District;
- 4) The Contractor shall supply favorable references acceptable to the District;
- 5) The Contractor shall qualify with the District as competent to complete the work, and
- 6) The Contractor shall provide adequate certificates of insurance as required by the District.

n) After the Applicant/Developer has executed the Service Agreement, the Applicant/Developer shall pay to the District all costs necessary for completion of the project prior to construction and in accordance with the terms of the service contract.

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

p) The District shall, at the expense of the Applicant/Developer, inspect the facilities to ensure that District standards are achieved. Prior to construction, the District shall set an inspection schedule with the contractor. Failure to comply with the inspection schedule may result in refusal of service to the subdivision.

q) Applicant/Developer will be required to pay a deposit to the District for the estimated costs of inspection, flushing, and sampling of the system prior to the commencement of construction. The deposit will be estimated based on the size of the development. The actual costs of inspection, flushing, and sampling will be deducted from the deposit and any unused portion will be reimbursed to the Applicant/Developer after project completion. Should the actual costs exceed the deposit amount, Applicant/Developer will be required to pay the remaining portion prior to the District's acceptance of the subdivision.

r) Construction plans and specification 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 operation of the Applicant/Developers facility. All change-order amounts shall be charged to the Applicant/Developer.

s) After construction, the Applicant/Developer must provide a set of "As-Built" plans to the District. Applicant/Developer must coordinate a date for hydro testing, line flushing and water line sampling with the District. All flushing and sampling will be performed by District personnel and the Applicant/Developer will be responsible for reimbursement of District expenses related to flushing and sampling. Hydro testing must be performed in the presence of District personnel and a Professional Engineer registered in the State of Texas or the engineer's designee. The engineer must submit a certification to the District that the new water lines were properly hydro tested and passed all testing.

t) After all of the above requirements are met, and within ninety (90) days after a final inspection is performed, Applicant/Developer shall submit a bill of sale and one-year maintenance bond for 25% of the value of the improvements to the District's Board of Directors at their next regularly scheduled meeting. After acceptance by the Board, the District will operate and maintain the water line infrastructure.

However, the Applicant/Developer will be financially responsible for all operations and maintenance for a minimum of one year after acceptance by the District. Applicant/Developer will be required to renew the maintenance bond and maintain it in effect until 5% of the approved meters are set by the District in the subdivision.

SECTION 17

CONNECTION OF WATER SERVICE

a) Applications for water service connections shall be filed with the District upon application forms made available from the District. All applicants for water service shall meet all District requirements for service including the granting of any easements necessary (as determined by the District) to serve the connection to the District. The District will provide an approved easement form or the customer may submit an easement form and survey indicating the easement granted (minimum fifteen foot easement). All forms and surveys submitted by the customer must be approved by the District's Board of Directors prior to receiving service from the District. Customers must also ensure the installation of a customer service isolation valve at the expense of the service applicant prior to obtaining service. District personnel will install a customer isolation valve at the written request of the customer for a fee of \$50.00.

b) Temporary Service for Real Estate Inspection: An agent may request that service be connected for a twenty-four (24) hour period Monday through Thursday each week (excluding holidays) for inspection purposes. The agent must complete a Temporary Service Form provided by the District and pay all fees in advance. By completing this form, the agent agrees to be responsible for any water usage during the twenty-four hour period and must pay for this usage within ten (10) days of termination of temporary service. The fee for Temporary Service includes 2000 gallons and usage over this amount will be billed.

c) 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.

d) 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.

e) The customer must, at his or her expense, properly install any backflow prevention device required by the District.

f) Water Line Extensions. The District may extend water lines in the streets, right-a-ways or easements, within the Districts boundary, in order to permit connections by persons desiring and seeking water service. A charge shall be made against each lot or tract of land, and the owner thereof, whose water line shall be hereafter connected with any water line in the District.

Procedures for extension. When water service is not available to a lot located on a street in the District, and the owner desires water service, the owner may request such extension after paying the total per foot charge (cost) for the water line extension. The District will then extend water service to the lot upon which the building is to be constructed. The extension will be made to the applicant's most distant property line from the extension's originating point measured along the street, right-a-way, or easement.

Procedures for Payments. All material cost, plus labor and equipment as estimated by the District for the entire length of the line extension will be paid by the property owner before the work will be performed. If an overrun of estimated cost of materials, labor, and equipment occurs, the customer shall remit additional cost to the District before service is provided. When cost of materials, labor, and equipment is overestimated, the District shall reimburse the customer.

New Subdivisions. Where extensions of water lines are required to serve property which has not be subdivided or platted for development and resale, the District may construct lines under the terms of this Resolution upon deposit of the required amount as set forth herein to cover extensions to such subdivisions and across the frontage of the tract of land. Under no conditions will this Resolution be interpreted to allow line extensions, laterals or appurtenances under the terms of this Resolution within a new development or subdivision. All line extensions under this section will be subject to the approval of

the Board of Directors of the District. Subdivisions and Developers will make application for extension to the Board through the General Manager. Complete maps of the proposed extensions must be submitted for evaluation. The owner of a development or subdivision shall pay for and install all water lines and necessary appurtenances thereto within the boundaries of the development or subdivision. Services Outside District Boundaries. The District reserves the right to accept or reject any applications for water service outside District boundaries. Water service outside the District boundaries must be approved by the Board of Directors of the District.

Pro-Rata Cost Determination. Pro-Rata cost per front foot will be calculated by actual cost of extension per foot times frontage, divided by two (2). This formula allows for both abutting sides of the extension to pay and equal share.

Plan for Reimbursement. The following plan of reimbursement will be utilized to help defray the costs to lot owners for amount expended in the making of water line extensions which are of benefit and value to property laying along and contiguous to said water line extensions between the point where said line extension connected to existing water lines of the District to the ending point.

(a). Reimbursement. A reimbursement amount as herein and after set forth will be returned to the person bearing the initial cost for the water line extension construction as taps are made on the water line extension during the period of five (5) years after completion and acceptance of the water lines and payment of the extension fee.

(b). Reimbursement Amount. When a person who has property abutting a line extension desires to connect to said water line extension, the District will impose a pro-rata charge of the original cost per foot of land which the person requesting the connection has abutting the water line extension.

(c). Cost Not Subject to Reimbursement. No reimbursement shall be made to the lot owner for the lot owners' pro-rata front footage abutting the water line extension. No reimbursement shall be made to the owner for his tap fees and other miscellaneous fees. The only item that qualifies for reimbursement is the actual line extension.

(d). Total to be reimbursed. In no event shall the applicant be refunded any amount that would represent any part of the pro-rata charges against his own property that can be served by the given extension nor any amount in excess of pro-rata charges paid in by abutting property owners.

(e). Corner lots that already have water service to said corner lot shall be exempt from the charges provided for herein for such corner lot.

Tap Fee Charge. When owners of the property have contributed to the cost of the line extension in accordance with the provisions of this policy, they shall not be relieved of any tap charges when connections are made to their property.

Future Extensions. Once water line extensions has been installed, approved and accepted by the District then the water line extensions shall be deemed to be an existing line for the purpose of future extensions and the person making such future extensions shall not bear the cost of any reimbursement other than for such future extensions of the water lines.

For Property Abutting Extensions. When water service is requested from any water line extended hereunder, the property owner shall pay the per foot pro-rata charge, for the property he owns abutting the water line extension. All line that are installed within the existing County, State or District streets, right-of ways and easements shall be deemed the property of the District.

Cost for Crossing Street. When it becomes necessary to cross any street, the cost will be calculated and included in the extension charge.

Specifications of Lines to be Set by the District. The design, the size, the location, the grade and point of connection of all water lines shall be set by the District, and the District may pay the difference in cost of any water line required by them in excess of 6" lines.

When Owner may Install. All water extensions herein provided for shall be laid, constructed, and installed by the District directly or by contract, except that the owner, or his duly authorized agent, of tract of land may exercise the option of installing an extension to serve his property, including all lines, valves, hydrants, and other appurtenance as specified by the District at his own expense or through a private contact, in which event that particular property would not be charged or subjected to any

additional pro-rata charges for the water lines; nor will property owner and/or the person so constructing such water lines be entitled to any refunds under this policy.

(a). When an owner or his duly authorized agent installs water line extensions, the specifications in this Policy will be met.

(b). A fee of fifty(.50¢) cents per lineal foot of extension will be paid by the owner to the District as an inspection fee prior to any work being performed.

(c). If the District performs the taps on the existing water lines, the property owner shall pay the cost plus (+) 10%.

No Vested Rights. No person shall acquire any vested rights under the terms and the provisions of this Policy except the right of payment of pro-rata charges as provided herein.

SECTION 18

PROHIBITED PLUMBING PRACTICES

- a) No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination will be isolated from the public water system by an air gap or an appropriate backflow prevention device.
- b) No cross-connection between the water supply and a private water system is permitted. These potential threats to the public drinking water supply must be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
- c) No connection which allows water to be returned to the public drinking water supply is permitted.
- d) No pipe or pipe fitting which contains more the eight percent (8.0%) lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
- e) No solder or flux which contains more than two-tenths of one percent (0.2%) lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

SECTION 19

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 31 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 lead free brass and copper or cast iron, galvanized steel, or other approved materials.
- c) Water service lines and wastewater service lines shall not be less than nine (9) 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:
- (1) The bottom of the water service line at all points shall be at least twelve inches (12") above the top of the wastewater line.
 - (2) 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").
 - (3) The water service line shall be installed with watertight joints tested to a minimum of 150 PSI.
- e) 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.
- f) A District-owned water meter and a District approved meter box shall be installed by a District representative.
- g) All customers are required to have a valve on their side of the meter so not to use the valve on the Districts side of the meter for shutting the water off to the residence.
- 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 24 hours of inspection and approval, and no debris will be permitted in any service line trench.
- m) Appendix A of this policy provides details of the District's Standard Specifications for Service.

SECTION 20

UTILITY EASEMENT

Permanent structures, trees, plants and/or shrubs are not permitted within the limits of a utility easement. If such structures and/or shrubberies are encountered within an easement and work on the District's water system is necessary, the structure and/or shrubbery or driveways shall be removed at the owner's expense. The District assumes no responsibility for repair and/or replacement of the structure and/or shrubbery or driveways.

SECTION 21

AGENDA POLICY

The Board of Directors of Bolivar Peninsula Special Utility District sets policies concerning the District. This includes a policy on how the agenda for Board meetings is set.

A member of the public wishing to have an issue placed on the agenda for consideration by the Board must submit a written request to the District's General Manager by the close of business on the last Friday of the month. After receiving the request, the General Manager will schedule a meeting with the requestor to discuss the issue and attempt to find resolution. If no resolution is made, the agenda request will be given to the President of the Board. He/she will determine if the request shall be placed on the agenda. The requestor will be notified in writing of the President's decision and the Board President's decision will be final.

A member of the District's Board of Directors may request that an item be placed on the agenda by providing a written request, signed by the requesting Board member and two additional Board members, to the District's General Manager. The item will be placed on a future agenda and is not subject to the President's approval.

SECTION 22

VALIDITY

All policies or parts of policies in conflict herewith are hereby repealed. If any section or provision of this Service Policy, or the application of same to any person or set of circumstances is invalidated or rendered unenforceable by a court of competent jurisdiction, such judgment shall not affect the validity of any remaining parts of the Service Policy which can be given effect without the invalidated part or parts, or their application to other persons or sets of circumstances.

This Service Policy shall take precedence over any agreements or any portions of agreements between the District and one or more users.

SECTION 23

PENALTIES

- a) If any person violates any provisions of this Service Policy, and thereby violates a state or federal statute or injunction, the District may seek prosecution of that person in the appropriate state or federal court, and may seek such penalties as are prescribed by that statute or injunction.

- b) If any person violates any provision of this Service Policy, and the violation is not punishable in state or federal courts, the District may seek an injunction for specific action and/or damages in the appropriate state or federal court.

- c) Water service will not be provided by the District until all requirements for service connections have been met.

SECTION 24

EFFECTIVE DATE

The Service Policy shall be in force and effect from the date after its final passage, approval, recording and publication as provided by law.

PASSED AND APPROVED FEBRUARY 13, 2007.

Amendments:

Section 21 (Agenda Policy) amended June 12, 2007
Section 11 (Payment Methods) amended October 9, 2007
Appendix A (District Specifications) amended October 9, 2007
Section 16 (Subdivision Policy) amended January 15, 2008
Section 4 (Tap Charges) amended March 11, 2009
Section 17 (Line Extensions) amended July 13, 2010
Section 3 (Water Fees) amended December 14, 2010
Section 4 (Rates) Amended May 13, 2014
Section 3 (Rates) Amended January 6, 2015
Section 3 (Rates) Amended January 6, 2015
Section 1 (Definitions) Amended June 9, 2015
Section 5 (Other Charges) Amended June 9, 2015
Section 11 (Payment Methods) Amended June 9, 2015
Section 16 (Subdivisions Policy) Amended June 9, 2015
Section 19 (Standards for water service) Amended June 9, 2015
Section 20 (Utility Easements) Amended June 9, 2015
Section 10 (Billing Procedures) Amended May 9, 2017
Section 11 (Payment Methods) Amended September 11, 2018
Section 6 (Service Deposits) Amended May 14, 2019
Section 12 (Disconnection of Service) Amended September 14, 2019

APPENDIX A

DISTRICT SPECIFICATIONS