

# **Springs Hill Water Supply Corporation Tariff**

**August 2023**

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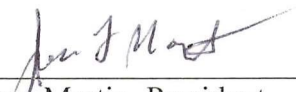
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**SECTION A.**  
**RESOLUTION OF AUTHORITY**

THE BOARD OF DIRECTORS OF SPRINGS HILL WATER SUPPLY CORPORATION ESTABLISHES THAT:

1. This Tariff of the Springs Hill Water Supply Corporation, serving in Guadalupe and Wilson Counties, consisting of Sections A – K, and forms inclusive, is adopted and enacted as the current regulations and policies effective as of August 22, 2023.
2. This Tariff, as amended from time to time, supersedes all utility service policies, rates, rules, and tariffs adopted or passed by the Board of Directors prior to the date of adoption of this Tariff.
3. The adoption of this Tariff, as amended, shall not affect any contract or vested right established or accrued, but only those preexisting written contracts or agreements executed by the present or previous Board of Directors shall remain in effect, unless the contract or agreement requires compliance with changes of the tariff from time to time.
4. The adoption of this Tariff, as amended, also shall not affect any offense or act committed or done prior to the effective date of this Tariff, and does not prohibit or limit the Corporation from enforcing any penalties or assessments incurred before the effective date of this Tariff.
5. An official copy of this Tariff shall be available during regular office hours of the Corporation. The Secretary of the Corporation shall maintain the original copy, as approved, and all previous copies for exhibit.
6. Rules and regulations of state or federal agencies having jurisdiction shall supersede any terms of this Tariff. If any section, paragraph, sentence, clause, phrase, word, or words of this Tariff are declared unconstitutional or invalid for any purpose, the remainder of this Tariff shall not be affected.
7. This Tariff, as amended, has been adopted in compliance with the Open Meetings Act, Chapter 551 of the Texas Government Code.

PASSED and APPROVED this 22nd day of August, 2023.

  
\_\_\_\_\_  
James Martin, President  
Springs Hill Water Supply Corporation

ATTEST:

  
\_\_\_\_\_  
Bernie Mueller, Secretary  
Springs Hill Water Supply Corporation

**SECTION B**  
**STATEMENTS**

## **SECTION B.** **STATEMENTS**

1. ***Organization.*** The Springs Hill Water Supply Corporation is a member-owned, non-profit corporation incorporated pursuant to the Texas Water Code Chapter 67, and the provisions of the Texas Business Organizations Code applicable to member owned member controlled non-profit corporations for the purpose of furnishing potable water and/or sewer utility service. Corporation operating policies, rates, and regulations are adopted by the Board of Directors elected by the Members of the Corporation.
2. ***Non-Discrimination Policy.*** Membership in the Corporation and service is provided to all Applicants who comply with the provisions of this Tariff regardless of race, creed, color, national origin, sex, disability, or marital status.
3. ***Policy and Rule Application.*** These policies, rules, and regulations apply to the water services provided by the Springs Hill Water Supply Corporation (SHWSC), also referred to as Corporation, . Failure on the part of the Member, Consumer, or Applicant to observe these policies, rules and regulations gives the Corporation the authority to deny or discontinue service according to the terms of this Tariff as amended from time to time by the Board of Directors of the Corporation.
4. ***Corporation Bylaws.*** The Corporation Members have adopted bylaws which establish the make-up of the Board of Directors and other important regulations of the Corporation. The bylaws are on file at the Corporation's office.
5. ***Fire Protection Responsibility.*** The Corporation does not provide nor imply that fire protection is available on any of the distribution system. All hydrants or flush valves are for the operation and maintenance of the system and may be used by authorized fire departments in accordance with a contract with the Corporation to supply water for use in fire suppression. The Corporation reserves the right to remove any hydrant, due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or compensation to the contributors unless such hydrants are installed pursuant to the terms of a Non-Standard Service Contract as provided for in Section F, in which event the terms and conditions of the Contract shall apply.
6. ***Damage Liability.*** The Springs Hill Water Supply Corporation is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limits of liability of the Springs Hill Water Supply Corporation is the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability.
7. ***Information Disclosure.*** The records of the Corporation shall be kept in the Corporation office in Seguin, Texas. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Public Information Act. **In no event and under no circumstances shall the Corporation disclose the Social Security Number of any member or customer to any person other than an employee of the Corporation.** An individual customer may request in writing that their address, telephone number, and account records be kept confidential. Such confidentiality 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 Corporation acting in connection with the employee's duties. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each member entitled to vote on a

## Section B

list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with a meeting of the Corporation's members. The Corporation shall give its applicants and customers notice of rights to confidentiality under this policy and all prevailing associated fees for such request.

8. ***Customer Notice Provisions.*** The Corporation shall give written notice of monthly rate changes by mail or hand delivery to all consumers at least 30 days prior to the effective date of the new rate. The notice shall contain the old rates, new rates, effective date of the new rate, date of Board authorization, and the name and phone number of the Corporation's contact person designated to address inquiries about the rate change.
9. ***Grievance Procedures.*** Any Member of the Corporation or individual demonstrating an interest under the policies of this Tariff in becoming a Member of the Corporation shall have an opportunity to voice concerns or grievances to the Corporation by the following means and procedures:
  - a. By presentation of concerns to the Corporation's manager or authorized staff member. If not resolved to the satisfaction of the aggrieved party then,
  - b. By presenting a letter to the Board of Directors stating the individual's grievance or concern and the desired result.
  - c. The Board of Directors shall respond to the complaint by communicating the Board's decision in writing.
  - d. Any charges or fees contested as a part of the complaint in review by the Corporation under this policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors.
10. ***Customer Service Inspections.*** The Corporation requires that a customer service inspection certification be completed prior to providing continuous water service to new construction and for all new members as part of the activation of standard and some non-standard service. Customer service inspections are also required on any existing service when the corporation has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction or addition to the members' 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(i-j)). (See Tariff Section G.20).
11. ***Submetering Responsibility.*** Submetering and Non-Submetering by Master Metered Accounts may be allowed in the Corporation's water distribution system provided the Master Metered Account customer complies with the Texas Commission on Environmental Quality Chapter 291, Subchapter H rules pertaining to Submetering. The Corporation has no jurisdiction or responsibility to the tenants; tenants receiving water under a Master Metered Account are not considered customers of the Corporation. Any interruption or impairment of water service to the tenants is the responsibility of the Master Metered Account Customer. Any complaints regarding submetering should be directed to the Texas Commission on Environmental Quality.



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

1. See if they have registered with the PUC, (Texas Water Code, Chapter 13 Subchapter M.)
2. Allow owners or managers of apartment houses to charge their tenants an additional service charge up to 9% of the service charge originally billed. If the aggregate bill is greater than the Corporation'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 and TCEQ regulations.
3. Protect the System's CCN. Should the Master Metered Account Customer continue to violate these or other State regulations, the Corporation will need to request a Cease and Desist Order from the PUC. (Texas Water Code § 13.252 and 16 TAC § 24.255).

**SECTION C**  
**DEFINITIONS**

## **SECTION C.** **DEFINITIONS**

1. **Active Service** -- The status of any Member receiving authorized service under the provisions of this Tariff.
2. **Applicant** -- A person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with the Springs Hill Water Supply Corporation.
3. **Board of Directors** -- The governing body elected by the Members of the Springs Hill Water Supply Corporation vested with the management of the affairs of the Corporation. (Business Organizations Code § 22.001(1)).
4. **Bylaws** -- The rules pertaining to the governing of the Springs Hill Water Supply Corporation adopted by the Corporation Members. (Texas Business Organizations Code § 22.001(2)).
5. **Certificate of Convenience and Necessity (CCN)** -- The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for Springs Hill Water Supply Corporation to provide water service within a defined territory. Springs Hill Water Supply Corporation has been issued Certificate Number 10666. Territory defined in the CCN shall be the Certificated Service Area. (See Tariff Section D. Certificated Service Area Map).
6. **Corporation** -- The Springs Hill Water Supply Corporation. (Section B.3 of this Tariff)
7. **Developer** -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who subdivides land or requests two (2) or more water or sewer service connections on a single contiguous tract of land (as defined in Texas Water Code § 13.2502 €(1)).
8. **Disconnection of Service** -- The discontinuance of water service by the Corporation to a Member/Customer.
9. **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 replacement, facility upgrades, and/or installation of additional pipelines (if applicable). This may also include restrictions on the adjacent area to limit the installation of sewer lines or other facilities that would restrict the use of any area of the easement. (See Sample Application Packet) The easement will be filed in the real property records of the appropriate county or counties.
10. **EDU** -- Equivalent Dwelling Unit.
11. **Final Plat** -- A complete plan for the subdivision of a tract of land showing or referencing Local Tax Appraisal Maps, access to public road(s), number and size of lots, location of dedicated water/sewer easements, and location(s) of lakes, streams, or rivers through the property. The Springs Hill Water Supply Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. For purposes of evaluating subdivision service requests under Section F, the Corporation may accept preliminary plats or plats awaiting final approval pending execution of agreement for service by the Corporation.
12. **Hazardous Condition** -- A condition that jeopardizes the health and welfare of the

## Section C

Members/Consumers of the Corporation as determined by the Corporation or regulatory authority.

13. **Impact Fee** -- A charge or assessment against the property for which service is requested to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development within the Corporation's service area. The term includes amortized charges, lump-sum charges, capital recovery fees, contributions in aid of construction, and any other fee that functions in this manner. The Impact Fee may also be referred to as the "**Capital Recovery Fee**." (Tariff Section G. 5., Also see Local Government Code, Chapter 395).
14. **Indication of Interest Fee** -- A fee paid by a potential Member of the Corporation for the purpose of determining the feasibility of a construction and /or expansion project. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. This also applies to applicants applying for, or receiving, Temporary Service. (Tariff Section E.8.b., and Sample Application Packet).
15. **Liquidated Membership** -- A Membership that has been canceled due to delinquent charges exceeding the Membership Fee or for other reasons as specified in this Tariff.
16. **Member** -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who holds a membership in the Corporation and who is a record owner of a fee simple title to the property served, that has qualified for service and been certified as a member in accordance with the Corporation's Tariff. (Texas Water Code §§ 13.002(11), 67.016(d), 16 TAC § 24.3(19)).
17. **Membership** -- A non-interest-bearing stock or right of participation purchased from the Corporation evidencing a Member's interest in the Corporation. (See Tariff Section E. 8 b and Business Organizations Code §§ 22.053, 22.151(c)).
18. **Membership Fee** -- A fee qualified as such under the terms of the Tariff and the bylaws of the Corporation assigned to the real estate designated to receive service. The membership fee shall be refundable upon termination of service and surrendering the Membership. (Texas Water Code § 13.043(g)).
19. **Proof of Ownership** -- For the purpose of this tariff, applicants for service and membership shall provide proof of ownership by deed of trust, warranty deed, or other recordable documentation of fee simple title to real estate to be served. (Texas Water Code § 67.016 (d)).
20. **Public Utility Commission of Texas (PUC)** -- State regulatory agency having jurisdiction of water and sewer service utilities and appellate jurisdiction over the rates and fees charged by Non-Profit Water and Sewer Service Corporations.
21. **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.
22. **Renter** -- A consumer who rents or leases property from a Member or who may otherwise be termed a tenant. (See Tariff Section E.9).
23. **Reinstatement** -- Providing service to an Applicant at a location for which service previously existed. Costs of such re-servicing shall be based on justifiable expenses. (See Tariff Section E.4.b).
24. **Reserved Service Charge** -- A monthly charge for each active account at a specific location for which

## Section C

a meter has not been installed but for which the Corporation and the Applicant have entered into agreement and/or contract for reserving service. This monthly charge shall be based on the Corporation's fixed costs to service the Applicant's dedicated facilities on a per Service Unit basis. This charge reserves service to the Applicant's property designated to receive service. This fee is determined on a case by case basis but shall never exceed the Service Availability Charge for Metered Service on a per Service Unit basis. (See Tariff Section F.6.d., e)

25. **Service Availability Charge** -- (Also known as "minimum monthly charge", "minimum", or the "base rate") The monthly charge assessed each Member/Customer for the opportunity of receiving service. The Service Availability Charge is a fixed rate based upon the meter, service size, or equivalent dwelling unit(s). (See definition of Reserved Service Charge)
26. **Service Application and Agreement** -- A written agreement between the Member/Applicant and the Corporation defining the specific type of service requirements requested on the current service application and agreement form, and the responsibilities of each party required before service is furnished. (See Sample Application Packet)
27. **Service Investigation Fee** -- A fee for costs associated with determining if service is available and determining cost of service. (See Tariff Section G.1.).
28. **Service Unit** -- The base unit of service used in facilities design and rate making. For the purpose of this Tariff, a service unit is a 5/8" X 3/4" or 3/4" X 3/4" water meter. (See Tariff Section G.6.a., Miscellaneous). A 3/4" X 3/4" Meter shall be installed if an irrigation system is connected. In addition, a member may request a 3/4" X 3/4" be installed.
29. **Subdivide** -- To divide the surface area of land into lots or tracts. (Local Government Code § 232.021(11), Texas Water Code § 13.2502 (e)(1).
30. **Subdivider** -- An individual, firm, corporation, or other legal entity that owns any interest in land and that directly or indirectly subdivides land into lots as a part of a common promotional plan in the ordinary course of business. (Local Government Code § 232.021(12), ).
31. **Subdivision** -- An area of land that has been subdivided into lots or tracts. (Local Government Code § 232.021(13)).
32. **Tariff** -- The operating policies, service rules, service extension policy, service rates, rationing policies, sample application packet, and miscellaneous transaction forms adopted by the Board of Directors. A copy of this Board approved Tariff is on file at the Corporation office and as required since September 1, 1989 at the State office of the PUC. The Tariff is also available on the Springs Hill Water Supply Corporation website ([www.springshill.org](http://www.springshill.org)).
33. **Temporary Service** -- The classification assigned an applicant that is in the process of construction, though the term may also apply to other non-permanent service, such as for road construction or drilling. The requirements, obligations, and responsibilities of receiving Temporary Service are set forth in Sections E.5 and G.6.b of this Tariff. As applicable, this classification will change to permanent service after requirements in Tariff Sections E.1, E.2, E.3, and E.5 are met. Applicant must have paid an Indication of Interest Fee.
34. **Texas Commission on Environmental Quality (TCEQ)** -- State regulatory agency having jurisdiction public drinking water systems.

## Section C

35. **Transferee** -- An Applicant receiving a Springs Hill Water Supply Corporation Membership by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity. (See Tariff Section E.8.c., Miscellaneous Transaction Forms\, and Texas Water Code § 67.016).
36. **Transferor** -- A Member who transfers Membership by legal means to another person or entity desiring to qualify for service at a property for which the Membership is currently issued or to the Corporation. (Texas Water Code § 67.016).
37. **Water Conservation Penalty** -- A penalty that may be assessed under Section H of this Tariff to enforce customer / member water conservation practices during drought contingency or emergency water demand circumstances. ( Texas Water Code § 67.011 (b)).

**SECTION D**

**GEOGRAPHIC AREA  
SERVED**

**SECTION D.**  
**GEOGRAPHIC AREA SERVED**

**CERTIFICATE OF CONVENIENCE AND NECESSITY**

To Provide Water Service Under V.T.C.A., Water Code  
and Public Utility Commission of Texas Substantive Rules

**Certificate No. 10666**

I. Certificate Holder:

Name: Springs Hill Water Supply Corporation

Address: 5510 S 123 Bypass  
Seguin, TX 78155

II. General Description and Location of Service Area:

The Springs Hill Water Service Area is comprised of area that surrounds the City of Seguin and borders the City of New Braunfels with portions of the service area within the city limits of both cities. To the north, the boundary runs along the IH-10 corridor and abuts the Crystal Clear Water Supply Corporation service area. To the east it runs along the Gonzales County line. To the west it extends to the Green Valley Special Utility District service area and the East Central Special Utility District service area. The SHWSC service area is located within the extraterritorial jurisdiction of the City of Seguin and the City of New Braunfels. A small portion of the southern service area cuts briefly into Wilson County.

III. Certificate Maps:

The certificate holder is authorized to provide water service in the area identified on the Commission's maps and digital (spatial) data provided in the Public Utility Commission Water and Sewer CCN Viewer, which may be accessed from the following web site: <https://www.puc.texas.gov/industry/water/utilities/map.aspx>.

This certificate is issued under Docket No. 51135 and subject to the rules and orders of the Commission, the laws of the State of Texas, conditions contained herein and may be revoked for violations thereof. The certificate is valid until amended or revoked by the Commission.





# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

## **Springs Hill Water Supply Corporation**

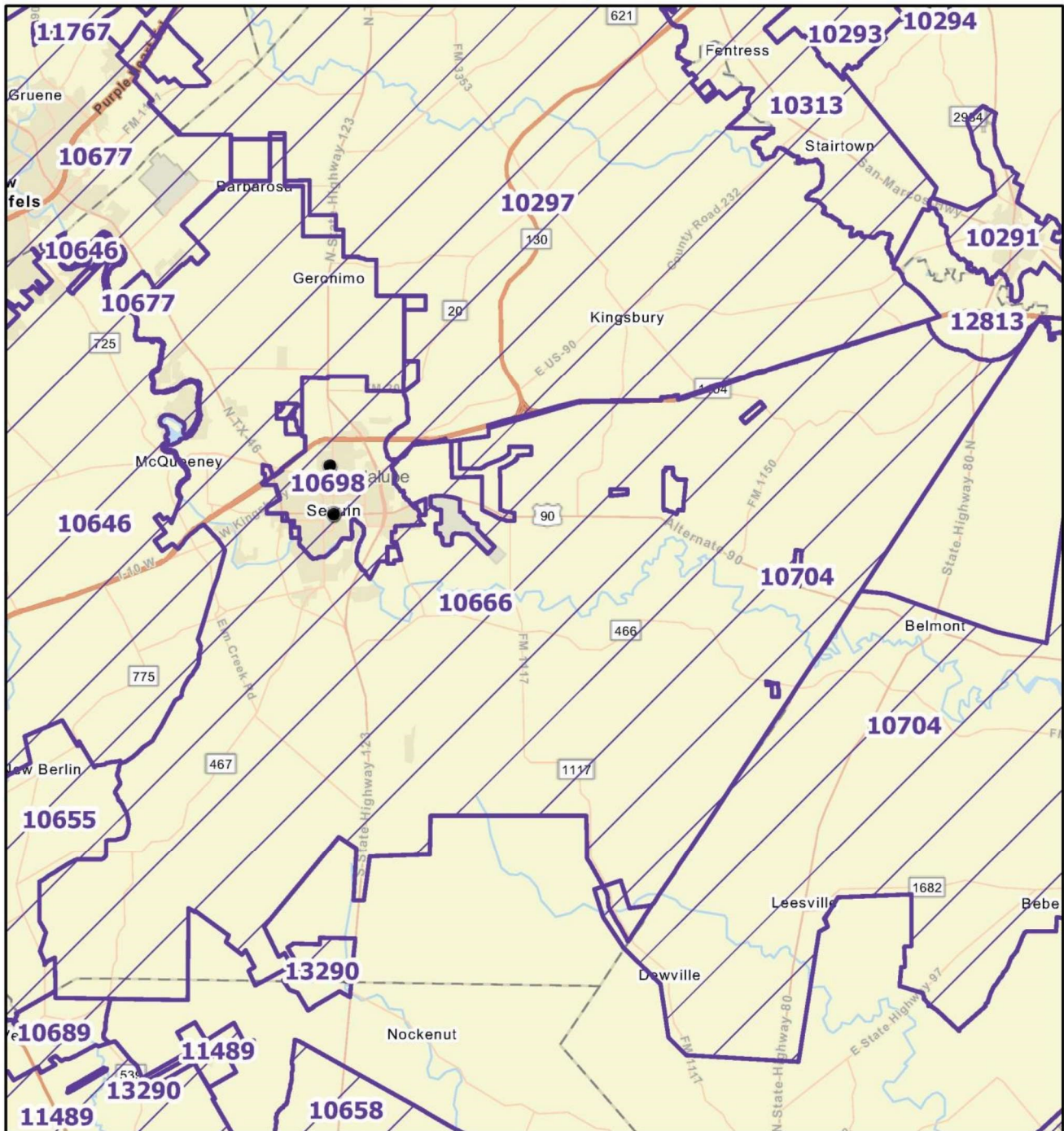
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Springs Hill Water Supply Corporation is entitled to this

### **Certificate of Convenience and Necessity No. 10666**

to provide continuous and adequate water utility service to that service area or those service areas in Guadalupe and Wilson Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53947 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Springs Hill Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

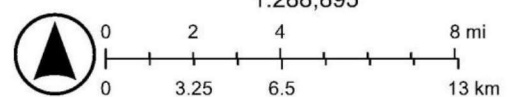


## Springs Hill WSC CCN No. 10666



8/18/2023, 2:25:38 PM

 Water CCN Service Areas



Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, Foursquare, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA

**SECTION E**

**SERVICE RULES AND  
REGULATIONS**

**SECTION E.**  
**SERVICE RULES AND REGULATIONS**

1. **Service Entitlement.** The Applicant(s) shall be considered qualified and entitled to water and utility service when proper application has been made, terms and conditions of Service and Membership have been met and continue to be met, and all fees have been paid as prescribed. (16 TAC § 24.161 (a)).
2. **Service Location and Classification.** For the purposes of this Tariff, service requested by the Applicant(s) shall be for real estate designated to receive the service provided by the Corporation. Service shall be through a meter located on that designated real estate unless otherwise approved by the Corporation. Service shall be divided into the following three classes:
  - a. **Standard Service** is defined as service for up to 1 EDU of residential service, including when pipeline extensions or road bores are required. In the event a pipeline extension or road bore is required for a Standard Service Application, the Applicant will be responsible for the cost. Typically, this would include 5/8" X 3/4" or 3/4" X 3/4" sized water meter services set on existing pipelines. Members with an irrigation system on the property will be required to install a 3/4" X 3/4" meter.
  - b. **Non-Standard Service** is defined as any service request for more than 1 EDU of residential service, service that is categorized as commercial, industrial, or agricultural usage, service to a Master Metered Account, or any service that would require an addition to the supply, storage and/or distribution/collection system. In the event any pipeline extensions or road bore is required for a Non-Standard Service Applicant, the Applicant will be responsible for the cost. The service requirements as prescribed by Section F of this Tariff shall be required of the Non-Standard Service Applicant prior to providing service.
  - c. **Temporary Service** is the classification assigned an Applicant that is in the process of construction, though the term may also apply to service for other non-permanent uses, such as for road construction or drilling purposes. This classification of service will be provided and metered through a designated fire hydrant or flushing valve according to a Temporary Service Application and Agreement. Temporary Service shall not exceed twelve (12) months from the date the temporary meter is installed, unless the Applicant's submits a request for extension that is approved by the Board.
3. **Service Requirements.** The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant(s). Where applicable in addition to the Applicant any other person sharing an ownership interest in and receiving service at that property shall sign the Service Application and Agreement Form; however, even if the spouse or other person sharing an ownership interest does not sign the Service Application and Agreement Form, they are still responsible for all terms set forth therein, and for any debt obligation related to the account. (See Sample Application)
  - a. A Right-of-Way Easement Form, or other such easement form, required by the Corporation, must be completed by the Applicant for the purpose of allowing future facility additions. (See Sample Application) **NOTE:** This requirement may be delayed for Non-Standard Service requests.
  - b. The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the Corporation. Proof of ownership shall consist of warranty deed, deed of trust or other recordable documentation of fee simple title to the real

estate designated to receive service. Proof of ownership may be acquired from the Guadalupe County Appraisal District if the deed has been recorded. (Texas Water Code §§ 67.016(d) and 13.002 (11)). Presentation of a valid Photo ID is required at this time.

- c. On the request by the property owner or owner's authorized agent, the Corporation shall install individual meters owned by the Corporation in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction begins after January 1, 2003, unless the Corporation determines that installation of individual meters is not feasible. If the Corporation 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 Corporation shall be entitled to the payment of costs, including the costs of individual meter installations, as provided in Section F.4. The cost of individual meter installation shall be prepaid by the property owner as well as the cost of any additional facilities or supply occasioned by the total water service demand represented by full occupancy of the property, as determined under applicable provisions of Section F. It shall be the responsibility of the property owner to obtain the memberships required for each individual meter.
- d. Notice of application approval and costs of service determined by the Corporation shall be presented to the Applicant in writing within 180 days of the date a completed application was accepted from a qualified applicant. After that time the Applicant must re-apply for service. (16 TAC § 24.161(b)).
- e. If the water main has been located in the public right-of-way and is adjacent to Applicant's property due to the current or previous landowner's refusal to grant easement to the Corporation for the purpose of installing the water main and appurtenances, and the Corporation has documentation of such refusal, the Applicant, prior to receiving the requested service, shall grant easement required under this Tariff and in addition to the normally required fees for new customer service, shall pay such sums as are reasonably necessary to cap the existing line in the ROW and construct the appropriate line or lines within that easement for the Corporation's system-wide service. (see Miscellaneous Transaction Forms)

#### 4. **Activation of Standard Service.**

- a. **New Tap** -- The Corporation shall charge a non-refundable service installation fee as required under Section G of this tariff. 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. **Reinstatement** -- On property where service previously existed, the Corporation shall charge the Membership Fee (where the Membership Fee has been liquidated or refunded), reconnection costs, any delinquent charges if the applicant is the person that previously incurred those charges, seasonal reconnect fee as appropriate, and other applicable costs necessary to restore service.
- c. **Performance of Work** -- All tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative after all application requirements have been met. The tap for a standard service request shall be completed within five (5) working days whenever practicable, but not later than 10 working days. This time may be extended for installation of equipment for Non-Standard Service Request. (see Section F)
- d. **Inspection of Customer Service Facilities** -- The property of the Applicant/ Member shall be inspected to ensure compliance with state required Minimum Acceptable Operating Practices For Public Drinking Water Systems as promulgated by the TCEQ or successor agency. The customer must, at his or her expense, properly install, inspect, test, maintain and provide all required documentation of any approved backflow prevention device required by the

Corporation. (30 TAC § 290.46(j); Service Agreement Form).

5. **Temporary Service Requirements.** Applicants for Temporary Service must complete and execute the Corporation’s Temporary Service Application and Agreement. Upon approval and acceptance of the Temporary Service Application and Agreement by the Corporation and receipt of the deposit for a temporary meter, as set forth in Section G.6.b, a temporary meter shall be used to provide water service from a designated fire hydrant or pipeline. In addition to the deposit, Applicants must also pay the fees and charges set forth in Section G.6.b for “Temporary Metered Water.” If not provided by the Corporation, Applicants must provide and install, at their own expense, Reduced Pressure Zone (“**RPZ**”) backflow prevention assemblies, which must be maintained in proper working condition at all times while receiving Temporary Service. In the event Applicant provides the RPZ backflow prevention assembly, the temporary meter must be tested by a Backflow Prevention Assembly Tester duly licensed by the Texas Commission on Environmental Quality. A passing Backflow Prevention Assembly Test and Maintenance Report must also be submitted to the Corporation before Temporary Service will be provided, and at least every 12 months thereafter. Temporary Service shall not exceed 12 months from the date the temporary meter is installed, unless the Applicant submits a request for extension that is approved by the Board.
6. **Activation of Non-Standard Service.** Activation of Non-Standard Service shall be conducted as prescribed by terms of Section F of this Tariff.
7. **Changes in Service Classification.** If at any time the Corporation determines that the customer service needs changed from those originally applied for to a different service classification and the Corporation determines that additional or different facilities are necessary to provide adequate service, the Corporation shall require the Applicant/Member to re-apply for service under the terms and conditions of this Tariff. Applicant/Members failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this Tariff, Section E.16.
8. **Membership.**
  - a. **Eligibility** - Eligibility for Membership shall not guarantee service to the Applicant or Transferee; however, qualification for service is a prerequisite to Membership eligibility for new Applicants or continued Membership for Transferees.
  - b. **Membership** - Upon qualification for service, qualification for Membership, payment of the required fees, and any debt owed to the Corporation, the Corporation shall certify the Applicant as a Member. The Membership shall entitle the Member to one (1) connection to the Corporation's water utility service and one (1) share of Corporation Stock. The Membership entitles the Member to one (1) vote in the election of directors and in such other matters requiring the approval of the Corporation’s Members at any Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. Ownership of more than one (1) Membership shall not authorize the Member to cast more than one (1) vote at any annual or special meeting. Each Membership and Stock thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. (Texas Water Code § 67.016). **NOTE (1):** In the event that the Corporation is conducting a potential Members survey for indications of interest in future service for the purpose of determining the feasibility of an initial construction or expansion project regular application procedures may be modified. An Indication of Interest Fee may be required prior to qualifications for receipt of service by the Applicant but shall only be used or applied as a Membership Fee for Membership purposes (upon issuance of a Membership) if service is ultimately received or reserved by the Applicant as a result of the planned project facilities. If

service is not provided within the scope of this project, Indication of Interest Fees shall be refunded, less expenses, within sixty (60) days of the loan closing with the Rural Utilities Service. **NOTE (2):** In the event the applicant is in the process of construction the Membership will be considered TEMPORARY until such time as the final Customer Service Inspection is completed if required and the forms are returned.

- c. **Transfers of Membership.** (Texas Water Code § 67.016).
- i. A Member is entitled to transfer Membership in the Corporation only under the following circumstances:
    1. The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
    2. The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
    3. The Membership is transferred without compensation or by sale to the Corporation; or
    4. The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.
  - ii. In the event that Membership is transferred pursuant to the provisions of Section 8.c.i of this Section such transfer shall not be completed or recorded on the books and records of the Corporation until such time as the transferor has provided satisfactory evidence to the Corporation of such transfer. A transfer of Membership shall be considered a new application for service and is not binding on the Corporation until such transfer has been approved as provided by Section 8.c.iii of this Section.
  - iii. Qualifications for service upon transfer of Membership set forth in Section 8.c.i of this and 8.c.ii of this Section shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon the following terms and conditions:
    1. The Transferee has completed the required Application Packet including granting the Corporation with a private utility easement on the form provided by the Corporation;
    2. All indebtedness due the Corporation has been paid including but not limited to liquidation of a membership fee due to delinquent charges associated with that specific membership account as stated in Section E.8.e. of this Section; and
    3. The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
  - iv. If the application packet and other information is not completed on the day transfer of membership is requested the corporation will give the transferee written notice of 10 additional days to produce completed documentation to the corporation office. Service will be disconnected on the day following the 10<sup>th</sup> day according to disconnection with notice requirements. Additional time may be allowed at the directions of the manager or Board of Directors.
- d. **Cancellation of Membership** -- To keep a Membership in good standing, a Service Availability Charge or a Reserved Service Charge must be paid monthly to the Corporation, whether or not water is used. Failure to pay this monthly charge to the Corporation shall jeopardize the Member's Membership standing and give rise to liquidation of the Membership Fee and forfeiture of the Membership. A Member may be relieved of this obligation to pay by surrendering the Membership, properly documented, to the Corporation. The Member shall also complete a Service Discontinuance Request Form prior to termination of service. (See Misc. Transaction Forms.) However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership prior to termination of



service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Service Section E.3 of this Tariff. (See Texas Water Code § 67.016).

- e. **Liquidation Due To Delinquency** -- When the amount of the delinquent charges owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated and the Membership canceled and transferred back to the Corporation. In the event the Member leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership, the Corporation may liquidate as many of the Member Guarantor's Membership Fees as necessary to satisfy the balance due the Corporation, provided proper notice has been given (see Tariff Section E.16). The Corporation shall collect any remaining account balances by initiation of legal action. Re-instatement of service shall be subject to the terms of the Activation of Service Tariff Section E.3.
- f. **Cancellation Due To Policy Non-Compliance** -- The Corporation may cancel a Membership anytime a Member fails to comply with policies of the Corporation, including but not limited to Member's failure to provide proof of ownership of the property from which the Membership arose. (Texas Water Code § 67.016).
- g. **Re-assignment of Canceled Membership.**
  - i. The Corporation, upon cancellation of Membership under the provisions of this Tariff, may re-assign the canceled Membership to a person or entity that has legal title to the real estate from which the canceled membership arose and for which water service is requested (Texas Water Code § 67.016). Membership will not be re-assigned unless the person or entity that has legal title to the real estate, has complied with the corporation's current rates, charges, and conditions of service, including current membership fee, set forth in the Tariff and service application package.
  - ii. The Corporation shall reassign a canceled Membership to a person or entity that acquires the real estate from which the Membership arose through judicial or nonjudicial foreclosure. The Corporation will require proof of ownership resulting from the foreclosure and compliance with the corporation's current rates, charges, and conditions of service, including current membership fee, set forth in the Tariff and service application package.
- h. **Mortgaging of Memberships** -- Nothing herein shall preclude a Member from mortgaging his/her Membership. However, notification to the holder of any security interest (mortgagee/lien-holder) of account status of Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage Agreement (See Miscellaneous Transaction Forms). Prior to the cancellation of any Membership as provided under Section E.8.d. (Cancellation of Membership), the Corporation will notify the holder of any security interest in the Membership. The holder of the security interest also must hold a security interest in the real property at which water service is provided under the Membership. The Corporation may transfer the Membership to the holder of such security interest in lieu of cancellation, provided the holder of the security interest pays in full all delinquent and unpaid obligations and provided further that the holder of the security interest has secured title to the real property from which the Membership arose. The Corporation may withhold cancellation of a Membership pending the resolution of any foreclosure proceedings or similar legal proceedings by the holder of the security interest.
- i. **Cancellation and Re-Assignment of Membership as a Result of Bankruptcy Proceedings** -- Upon notice of the filing of a petition in bankruptcy, the Corporation may require the posting of a deposit or other form of security, acceptable to the Corporation, as a condition for continuing utility service. Unless special circumstances require otherwise, the amount of

security shall equal the amount of charges for the month of greatest use during the preceding 12 months. The Corporation shall not require the payment of any security prior to the expiration of 20 days following the date on which the petition is filed. Failure to provide this security by the date specified by the Corporation may result in termination of service according to the Disconnection with Notice Provisions of Section E.16. of this Tariff, with a copy of the notice to the bankruptcy Trustee.

- j. **Cancellation and Re-Assignment of Membership as a Result of Divorce (or Dissolution of Joint Tenancy)** – The Corporation shall transfer the membership to a spouse (or joint tenant) who has been awarded the property designated to receive service. The Corporation must be provided adequate documentation of the ownership rights of the spouse (or joint tenant) requesting transfer, such as final divorce decree, temporary court order, or agreement. In no event shall any membership(s) be transferred if the transferee does not otherwise meet the qualifications for membership and for service.

- 9. **Owners and Renters.** Any Member having complied with the requirements of this Tariff, renting or leasing property designated to receive service according to the terms of this Tariff to other parties, is responsible for all charges due the Corporation. The membership for rental or leased properties shall be in the name of the owner of the property as required by this Tariff. The Corporation may bill the renter or lessee for utility service (at Member Request) as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The owner shall be required to sign an Alternate Billing Agreement if the owner requests that the tenant be billed for utility service. (See Miscellaneous Transaction Forms.) The Member shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The Corporation will notify the Member of the renter's past due payment status. Such notification will be subject to a service charge (see Miscellaneous Transaction Forms). If at any time the member requests that membership be canceled thereby discontinuing service to an occupied rental property, the Corporation shall provide written notice to the tenant(s) a minimum of five (5) days prior to the scheduled disconnection date.

- 10. **Denial of Service.** The Corporation may deny service for the following reasons:

- a. Failure of the Applicant or Transferee to complete all application requirements, including granting an easement, completing all forms, and paying all required fees and charges;
- b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the Corporation;
- c. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Members/Users of the Corporation upon connection;
- d. Failure of Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property, for which service has been requested;
- e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the Corporation's Tariff on file with the state regulatory agency governing the service applied for by the Applicant;
- f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which the tap has been requested, and/or
- g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.
- h. Failure of Applicant or transferee to comply with applicable regulations for on-site sewage disposal systems if the Corporation 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.
- i. Failure of the Applicant or Transferee to pay any previous outstanding delinquent account(s)

in full. This could be delinquencies resulting from the same account location or other service location(s) within the system where the Applicant or Transferee received service. (Also see Section E.8)

**11. Applicant's or Transferee's Recourse.** In the event the Corporation refuses to serve an Applicant under the provisions of these rules, the Corporation must notify the Applicant, in writing, on the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the Corporation.

**12. Insufficient Grounds for Refusal of Service.** The following shall not constitute sufficient cause for the refusal of service to an Applicant:

- a. Delinquency in payment for service by a previous member or occupant of the premises to be served;
- b. Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six (6) months prior to the date of application;
- c. Violation of the Corporation's rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;
- d. Failure to pay a bill of another member or customer as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service;
- e. Failure to pay the bill of another member or customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill;

**13. Deferred Payment Agreement.** The Corporation may offer a deferred payment plan to a Member or rental tenant who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the Corporation, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement. (See Miscellaneous Transaction Forms) Failure to make required and timely payments as provided in any deferred payment agreement will void that agreement and service will be discontinued. The Corporation may consider another deferred payment agreement provided payments will be made by automatic bank draft or credit/debit card. Non-payment of any amount under an additional deferred payment agreement will cause service to be disconnected immediately and service will not be restored until the account is paid in full and all other charges resulting from the disconnection of service are fully paid. In the event the requestor is a tenant of rental property the Corporation shall notify the owner/member of the deferred payment agreement. If a Deferred Payment Arrangement is not fulfilled by the specified date(s) on the notice, the account will not be eligible for a payment arrangement for the next fixed three (3) consecutive months.

**14. Charge Distribution and Payment Application.**

- a. **The Service Availability Charge or the Reserved Service Charge.** All members will be charged a service availability charge whether or not the service is in use by the member.
- b. **Gallonge Charge** shall be billed at the rate specified in Section G and billing shall be calculated in one hundred (100) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.
- c. **Posting of Payments** -- All payments shall be posted against previous balances and late fees prior to posting against current billings.
- d. **Forms of Payment:** The Corporation 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 Corporation will not accept two-party checks, pay checks, or any other instrument of payment that is not made out to the Corporation. The Corporation reserves the right to require exact change and may refuse to accept payments made using more than \$1.00 in coins. The Corporation will not assess the credit card processing fee associated with Credit Card payments to those customers which make payment by credit card in accordance with consumer laws.

#### 15. Due Dates, Delinquent Bills, and Service Disconnection Date.

- a. **The Corporation shall mail all bills according to when their meter is read.** The meter is read by geographic area. All bills are considered the responsibility of each person signing the Service Application and Agreement Form. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill after which time a penalty shall be applied as described in Section G. A bill is delinquent if not paid on or before the past due date. Final notices shall be given allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is given by phone, email or U.S. Postal Service with sufficient postage.
- b. The Board of Directors or manager may elect to not charge a late fee or disconnect fee in accordance with this Tariff during or after the occurrence of a natural disaster or other incident that impacts the property of members/customers or interrupts the management and operation of the system.
- c. Upon written request, any residential customer sixty (60) years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15-day payment period for a total of no more than twenty-five (25) days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings. (See Utilities Code §§ 182.001 - 182.005). If this request originates from a tenant at a rental property the owner / member will be notified in writing of any extension request.

**16. Rules for Disconnection of Service.** The following describes the rules and conditions for disconnection of service. For the purposes of disconnecting sewer service under these policies, water service will be terminated in lieu of disconnecting sewer service.

- a. **Disconnection with Notice** -- Water utility service may be disconnected for any of the following reasons after proper notification has been given.
  - i. Returned Checks -- The Corporation shall attempt to notify the member/renter in good faith with a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the Corporation office. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service. (see Miscellaneous Transaction Forms) Any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period shall be considered evidence of bad credit risk by the Corporation. The Member/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 other security under Section E.8.i, or failure to comply with the terms of a deferred payment agreement (Miscellaneous Transaction Forms);
  - iii. Violation of the Corporation's rules pertaining to the use of service in a manner which

- interferes with the service of others or the operation of non-standard equipment if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation;
- iv. Failure of the Member to comply with the terms of the Corporation's Service Agreement, Tariff (including, where appropriate, Section H), Bylaws, or Special Contract provided that the Corporation has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification.
  - v. Failure to provide access to the meter under the terms of this Tariff or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify.
  - vi. Misrepresentation by any Applicant or Transferee of any fact on any form, document, or other agreement required to be executed by the Corporation.
  - vii. Failure of Member to re-apply for service upon notification by the Corporation that Member no longer meets the terms of the service classification originally applied for under the original service application.
  - viii. Failure to pay a delinquent account billed by the Corporation for sewer utility service provided by City of Seguin pursuant to the Corporation's Agreement with the City of Seguin. (16 TAC § 24.167; see Section J.21 Wastewater Billing Services Agreement).
  - ix. Cancellation of membership by Member on an account that the Member holds for water service to the Member's renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement. (**Note:** The cancellation of membership must be in writing and signed by the Member. CORPORATION ASSUMES NO LIABILITY TO RENTER/LESSEE; MEMBER IS SOLELY RESPONSIBLE FOR COMPLIANCE WITH, AND LIABILITY UNDER ANY FEDERAL, STATE OR LOCAL LAW CREATING OR PROTECTING RIGHTS OF RENTERS/LESSEES.)
  - x. Violation of any applicable regulation or pertaining to on-site sewage disposal systems if the Corporation has been requested in writing to disconnect service by the TCEQ or the TCEQ's designated representative under Chapter 366 of the Texas Health and Safety Code.
  - xi. Failure to pay charges arising from service trip fee as defined in Section G.12., meter re-read fee, or meter read fee when customer on self-read plan failed to submit their meter reading.
  - xii. Failure by a Customer/Member to pay for all repair or replacement costs resulting from the Customer/Member 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 Corporation will provide the Customer/Member with notice detailing the extent of the damage, the location of the damage, the cost of repair, and whether the damage occurred on private property or on a public right-of-way. Failure to pay the cost of repair or replacement will result in the Customer's/Member's service being disconnected in accordance with the Disconnection with Notice Provisions in this Section. Service will remain disconnected until payment is received or an acceptable payment plan is approved.
  - xiii. Failure to disconnect or secure additional service tap(s) for an RV or other service connection (see E. 24. of this Section) after notification by the Corporation of violation of the Prohibition of Multiple Connections.

**b. Disconnection Without Notice** -- Water utility service may be disconnected without notice

for any of the following conditions:

- i. A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a public health nuisance under Chapter 341 of the Health and Safety Code, or there is reason to believe a dangerous or hazardous condition exists and the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (30 TAC § 290.46 (j) );
  - ii. Service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment; and
  - iii. In instances of tampering with the Corporation's meter or equipment, by-passing the meter or equipment, or other diversion of service.  
*NOTE:* Where reasonable, given the nature of the reason for disconnection, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.
- c. **Disconnection Prohibited** -- Utility service may not be disconnected for any of the following reasons:
- i. Failure of the Member to pay for merchandise or charges for non-utility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of non-utility service as a condition of service;
  - ii. Failure of the Member 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 Member 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 Member to pay the account of another Member as guarantor thereof, unless the Corporation has in writing the guarantee as a condition precedent to service;
  - v. Failure of the Member to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the Inoperative Meters Section E.20. of this Tariff.
  - vi. Failure of the Member to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Corporation 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 Member requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the Corporation are not available to the public for the purpose of making collections and reconnecting service.
- e. **Disconnection Due to Utility Abandonment** -- The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the Texas Commission on Environmental Quality.
- f. **Disconnection for Ill and Disabled** -- The Corporation may not discontinue service to a delinquent residential Member or tenant permanently residing in an individually metered dwelling unit when that Member or tenant establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a Member or tenant seeks to avoid termination of service under this Section, the Member must have the attending physician call or contact the Corporation within sixteen (16) days of issuance of the bill. A written statement must be received by the Corporation from the physician within twenty-six (26) days of the issuance of the utility bill.

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

- g. **Disconnection of Master-Metered Accounts** -- When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the following shall apply: (16 TAC § 24.169).
  - i. The Corporation shall give notice to the Member as required. This notice shall also inform the Member 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 Member and at least five (5) days prior to disconnection, the Corporation 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 Corporation for any delinquent bill in behalf of the owner to avert disconnection or to reconnect service to the complex.
- h. **Disconnection of Temporary Service** -- When an applicant with a Temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this Tariff service may be terminated with notice.

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

18. **Back-billing.** The Corporation may back-bill a Member for up to four (4) years (48 months) for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a Member's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service. Back-billing shall not extend beyond current Membership except in cases involving the transfer of a Membership conditioned upon payment of delinquent obligations by the Transferee, as provided in Section E.8.h.

19. **Disputed Bills.** In the event of a dispute between the Member and the Corporation regarding any bill, the Corporation shall forthwith make and conduct an investigation as shall be required by the particular case, and report the results in writing thereof to the Member. All disputes under this Section must be submitted to the Corporation, in writing, prior to the due date posted on said bill except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Section E.8.h.

20. **Inoperative Meters.** Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless by-passed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed six (6) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

## 21. Bill Adjustment

- a. **Due to Meter Error.** The Corporation shall test any Member's meter upon written request of

the Member. The meter shall be tested for accuracy within the standards of The American Water Works Association. In the event the test results indicate that the meter is faulty or inaccurate, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months but not extending beyond current Membership except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Section E.8. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Member shall complete a Meter Test Request Form prior to the test. (See Misc. Transaction Forms.) A meter test fee not to exceed \$25.00 will be assessed to members requesting to have a meter tested more often than annually

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

**22. Meter Tampering and Diversion.** For purposes of these Sections, meter-tampering, by-passing, or diversion shall all be defined as tampering with the Corporation's service equipment, by-passing the same, or other instances of diversion, such as:

- a. removing a locking or shut-off device used by the Corporation to discontinue service,
- b. physically disorienting the meter,
- c. attaching objects to the meter to divert service or to by-pass,
- d. inserting objects into the meter,
- e. other electrical and mechanical means of tampering with, by-passing, or diverting service, and
- f. preventing the supply from being correctly registered by a metering device due to adjusting the valve so that flow is reduced below metering capability

The burden of proof of meter-tampering, by-passing, or diversion is on the Corporation. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the Corporation's staff when any action regarding meter-tampering as provided for in these Sections is initiated. A court finding of meter tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the Corporation shall be prosecuted to the extent allowed by law under the Texas Penal Code § 28.03. (See associated Tampering Fees in Section G).

**23. Meter Relocation.** Relocation of services shall be allowed by the Corporation provided that:

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

**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. The Corporation may consider allowing an apartment building or mobile home/RV park to apply as a "Master Metered Account" and have a single meter (see Section E.25) Any unauthorized sub-metering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. If the Corporation has sufficient reason to believe a Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with Notice provisions of this Tariff for a first violation and for subsequent violations service



will be disconnected without notice in accordance with Section E.16. (see Sample Application Packet)

- b. For purposes of this section, the following definitions shall apply:
  - i. A “**multiple connection**” is the connection to any portion of a member’s system that is connected to a primary delivery point already servicing one residence, one commercial or industrial facility of a water line serving another residence or commercial or industrial facility. Water lines to outbuildings, barns or other accessory structures shall not be consider a multiple connection if: (i) those structures are located on the same tract as the primary delivery point and (ii) such structures are not used as a residence or as a commercial or industrial facility.
  - ii. A “**primary delivery point**” shall mean the physical location of a meter that is installed in accordance with this Tariff and applicable law and which provides water service to the residence or commercial or industrial facility of a member.
  - iii. A “**residence**” shall mean any structure which is being used for human habitation, which may include kitchen and bathroom facilities or other evidence of habitation as defined by the Corporation.
  - iv. “**Commercial**” facility” shall mean any structure or combination of structures at which any business, trade, occupation, profession, or other commercial activity is conducted. A member that utilizes water within their residence or property for commercial purposes may be required to obtain a separate meter. A business conducted within a member’s residence or property that does not require water in addition to that provided to the member’s residence shall not be considered a separate commercial facility.
- c. The corporation agrees to allow members 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 Tariff requires that an additional meter installation and membership be purchased. If the member routinely has more than one visitor at a time with recreation vehicles or travel trailers or has multiple visitors throughout the year, the corporation may require that a second or additional meter(s) be purchased. The member must submit a written request to the corporation’s business office at least 5 business days prior to sharing corporation water with a visitor. The corporation has the right to refuse or deny the shared usage for any reason. The corporation 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 member is found to violate these conditions, the member will be sent a letter of notice stating that water service will be cut off in ten days if the situation is not corrected.

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

## **26. Member's Responsibility.**

- a. The Member shall provide access to the meter location as per the easement and service agreement. If access to the meter is hindered or denied preventing the reading of the meter, an

estimated bill shall be rendered to the Member 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 Member, then service shall be discontinued and the meter removed with no further notice.

- b. The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
  - i. All connections shall be designed to ensure against on-site contamination, backflow or possible siphoning into the Corporation's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. Inspections of the customer's private plumbing to identify and prevent cross-contaminations, and potential contamination, including contamination by illegal materials containing lead. Required installation and testing of backflow prevention assemblies where appropriate. Inspections are required when major plumbing has been altered or there is suspicion of a cross-connection (for example, a well plumbed into the water system). If an irrigation system and septic system using Springs Hill water are present within the property an RPZ (Reduced Pressure Zone Valve) must be installed and backflow testing must be done annually. The costs associated with the program are borne by the customer. (30 TAC § 290.46, Health & Safety Code Chapter 366).
  - ii. The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant. (30 TAC § 290.46). Service shall be discontinued without further notice when installations of new facilities or repair of existing facilities are found to be in violation of this regulation until such time as the violation is corrected.
- c. A Member owning more than one (1) Membership shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable as per Service Application and Agreement executed by the Member.
- d. The Corporation's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the Corporation shall be subject to charges as determined by the Corporation's Tariff as amended from time to time by the Board of Directors.
- e. The Corporation shall require each Member to have a cut-off valve within two feet of the meter on the Member's side of the meter for purposes of isolating the Member's service pipeline and plumbing facilities from the Corporation's water pressure. The valve shall meet AWWA standards (a ball valve is preferred). The Member's use of the Corporation's curb stop or other similar valve for such purposes is prohibited. Any damage to the Corporation's equipment shall be subject to service charges. (This cut-off valve may be installed as a part of the original meter installation by the Corporation.)
- f. The member is required to notify the system 48 hours prior to digging or excavation activities along or near water/sewer lines and appurtenances.
- g. The member is responsible for maintaining the customer shut off valve.
- h. The member is responsible for any Pressure Reduction Valve (PRV) that has been installed on the Member's side of the meter by Springs Hill Water Supply Corp. or by the Member.

**27. Damaged Facilities and Equipment.** For any location where the Corporation has installed a water meter, meter box, meter box lid, and related facilities, the corresponding landowner or its agents,

contractors, licensees, and/or invitees may not bury, relocate, destroy, or otherwise damage the Corporation's facilities or equipment without the prior written consent of the Corporation. If the Corporation's facilities or equipment have been damaged such that they are inaccessible, not properly functioning, or inoperable, then the Corporation may charge the landowner-Developer a fee pursuant to Section G.13. Damage shall be presumed to be caused by the landowner-Developer, and the landowner-Developer shall have the burden of proving otherwise.

**SECTION F**

**DEVELOPER, SUBDIVISION, AND  
NON-STANDARD SERVICE  
REQUIREMENTS**

**SECTION F.**  
**DEVELOPER, SUBDIVISION AND NON-STANDARD SERVICE REQUIREMENTS**

**Part I. General Requirements**

*This section details the requirements for all types of non-standard service requests.*

1. **Corporation's Limitations.** All Applicants shall recognize that the Corporation must comply with local, state, and federal rules and regulations as promulgated from time to time, and with covenants of current indebtedness. The Corporation is not required to extend retail Corporation service to an Applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this policy. Texas Water Code § 13.2502 requires that notice be given herein or by publication (see Miscellaneous Transaction Forms) or by alternative means to the Developers/Applicants. (Also see Tariff Section F11.).
2. **Purpose.** It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions and other kinds of Non-Standard Service are determined, including the Non-Standard Service Applicant's and the Corporation's respective costs.

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

3. **Application of Rules.** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required for a single tract of property. Examples of non-standard services for a single tract of land can include, but are not limited to, road bores, extensions to the distribution system, service lines exceeding 3/4" diameter and service lines exceeding ten (10) feet. Non-residential or residential service applications requiring a larger sized meter typically will be considered non-standard. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard. This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation or their designee shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.

This Section sets forth the general terms and conditions pursuant to which the Corporation will process Non-Standard Service Requests. The specific terms and conditions pursuant to which the Corporation will provide non-standard service in response to any request will depend upon the nature of such request and may be set forth in a legally enforceable, contractual agreement to be entered into by the Corporation and the service Applicant. The agreement may not contain any terms or conditions that conflict with this Section.

4. **Non-Standard Service Application.** The Applicant shall meet the following requirements prior to the initiation of a Non-Standard Service Contract by the Corporation.
  - a. The Applicant shall provide the Corporation a completed Service Application And Agreement giving special attention to the item(s) on SPECIAL SERVICE NEEDS OF THE APPLICANT.

- b. A final plat (see Tariff Definition Section- Final Plat). approved by the Corporation must accompany the Application showing the Applicant's requested service area. The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.

**NOTE:** It is the responsibility of the developer / applicant to secure all necessary approvals of the subdivision once an Agreement is in place between the Corporation and the Applicant.

- c. A Non-Standard Service Investigation Fee shall be paid to the Corporation in accordance with the requirements of Section G of this Tariff for purposes of paying initial administrative, legal, and engineering fees. The Corporation shall refund any balance that remains after it has completed its service investigation, and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all expenses incurred by the Corporation, the Applicant shall pay to the Corporation upon the Corporation's request all additional expenses that have been, or will be incurred by the Corporation and Corporation shall have no obligation to complete processing of the Application until all remaining expenses have been paid.
- d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property located, in whole or in part, outside the area described in the Corporation's Certificate of Convenience and Necessity, service may be extended provided that:
- i. The service location is not in an area receiving similar service from another retail Corporation;
  - ii. The service location is not within another retail Corporation's Certificate of Convenience and Necessity or the applicant owns twenty-five (25) acres or more and has not legally opted out of the current CCN;
  - iii. The Corporation's Certificate of Convenience and Necessity shall be amended to include the entirety of Applicant's property for which service is requested. Applicant shall pay all costs incurred by Corporation in amending its CCN, including but not limited to engineering and professional fees. If the service location is contiguous to or within one-fourth (1/4) mile of Corporation's Certificate of Convenience and Necessity, Corporation may extend service prior to completing the amendment to its CCN, but will do so only upon Applicant's legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including legal, surveying and engineering fees incurred by Corporation in securing the amendment).

5. **Design.** The Corporation shall approve the design requirements of the Applicant's required facilities prior to initiation of a Non-Standard Service Contract in accordance with the following schedule:

- a. The Corporation's Consulting Engineer shall design, or review and approve plans for, all on-site and off-site service facilities for the Applicant's requested service within the Corporation's specifications, incorporating any applicable municipal or other governmental codes and specifications.
- b. The Consulting Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee under Tariff Section F.4.
- c. The Consulting Engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.

- d. The Corporation's Engineer shall ensure that all facilities for any Applicant meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands provided however, that the Corporation shall pay the expense of such upgrading in excess of that which is reasonably allocable to the level and manner of service requested by the Applicant.
6. **Non-Standard Service Contract.** Applicants requesting or requiring Non-Standard Service **may** be requested to execute a written contract, drawn up by the Corporation's Attorney, in addition to submitting the Corporation's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. The service contract may include, but is not limited to:
- a. All costs associated with required administration, design, construction, and inspection of facilities for water/sewer service to the Applicant's service area and terms by which these costs are to be paid.
  - b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
  - c. Equity Buy-In Fee (Front-end Capital Contributions) required by the Corporation in addition to the other costs required under this Section.
  - d. Monthly Reserved Service Charges as applicable to the service request.
  - e. Terms by which service capacity shall be reserved for the Applicant and duration of reserved service with respect to the demand which the level and manner of the service will have upon the Corporation's system facilities.
  - f. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Equity Buy-In Fees.
  - g. Terms by which the Corporation shall administer the Applicant's project with respect to:
    - i. Design of the Applicant's service facilities;
    - ii. Securing and qualifying bids;
    - iii. Execution of the Service Contract;
    - iv. Selection of a qualified bidder for construction;
    - v. Dispensing advanced funds for construction of facilities required for the Applicant's service;
    - vi. Inspecting construction of facilities; and
    - vii. Testing facilities and closing the project.
  - h. Terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuits in connection with the project.
  - i. Terms by which the Applicant shall dedicate, assign and convey to the Corporation all constructed facilities and related rights (including contracts, easements, rights-of-way, deeds, warranties, and so forth) by which the Corporation shall assume operation and maintenance responsibility for the Applicant's project. The Applicant shall also provide reproducible as-built drawings of all constructed facilities. The as-built drawings must verify that all facilities have been properly located within the easements conveyed to the Corporation.
  - j. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.
7. **Construction of Facilities by Applicant Prior to Execution of Service Contract --** The Corporation and the Applicant must execute a Non-Standard Service Contract prior to the purchase of supplies and materials or initiation of construction of facilities by the Applicant. In the event that the Applicant

commences construction of any such facilities prior to execution of a Contract with the Corporation, then the Corporation may refuse to provide service to the Applicant or, in a subdivision, to any person purchasing a lot or home from the Applicant. Alternatively the Corporation may require full costs of replacing/repairing any facilities constructed without prior execution of a contract from any person buying a lot or home from Applicant. At a minimum, the Corporation will require that all facilities be uncovered by the Applicant for inspection by the Corporation, require that any facilities not approved by the Corporation be replaced, and take any other lawful action determined appropriate by the Board of Directors of the Corporation.

8. **Property and Right-of-Way Acquisition.** With regard to construction of facilities, the Corporation shall require private right-of-way easements or purchase of private property as per the following conditions:
- a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Applicant shall secure easements or else title to facility sites in behalf of the Corporation. All right-of-way easements and property titles shall be researched, validated, and filed by the Corporation at the expense of the Applicant.
  - b. All additional costs associated with facilities that must be installed in public rights-of-way on behalf of the Applicant, due to the inability of the Applicant to secure private right-of-way easements, such as including road bores and TXDOT approvals shall be paid by the Applicant. Alternatively, Applicant shall pay all costs, including legal and other professional fees and the condemnation award in the event Corporation secures such private easements or facility sites through eminent domain proceedings.
  - c. The Corporation shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to property required for other on-site and off-site facilities.
  - d. Easements and facilities sites shall be prepared for the construction of the Corporation's pipelines and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.
9. **Bids For Construction.** The Corporation's Consulting Engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge (as per Engineer's determination), to prospective bidders. Although the Corporation reserves the right to reject any bid or contractor, the Corporation shall generally award the contract to the lowest qualified bidder in accordance with the following criteria:
- a. The Applicant 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;
  - b. The Contractor shall provide an adequate bid bond under terms acceptable to the Corporation;
  - c. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation;
  - d. The Contractor shall supply favorable references acceptable to the Corporation.
  - e. The Contractor shall qualify with the Corporation as competent to complete the work (including but not limited to current water/sewer license, OSHA competent person training, and other licenses / certificates as required to complete the project); and
  - f. The Contractor shall provide adequate certificates of insurance as required by the Corporation.



**10. Pre-Payment For Construction and Service.** After the Applicant has executed the Service Agreement, the Applicant shall pay to the Corporation all costs necessary for completion of the project prior to construction and in accordance with the terms of the Non-Standard Service Contract.

**11. Construction.**

- a. The Water System Extension shall be engineered and designed by a Texas Licensed Professional Engineer in accordance with the applicable specifications of SHWSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by SHWSC's consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by SHWSC's consulting engineer, the plans and specifications shall become part of the Non-Standard Service Agreement by reference and shall more particularly define "the Water System Extension."
- b. No part of the Water System Extension may be placed under a sidewalk or any paved surface.
- c. All roadwork pursuant to state, county and/or municipal standards (as applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, approved road sleeves / casings may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.
- d. The Corporation shall, at the expense of the Applicant, inspect the facilities to ensure compliance with Corporation standards. In the event any part of the Water System Extension is placed under a paved surface or otherwise fails to comply with the Corporation's standards after reasonable notice and opportunity to cure, the Corporation shall have the right, in its sole discretion, to: (i) remove, relocate, and/or replace, at the sole expense of the developer and/or contractor, any part of the Water System Extension placed under any paved surface or otherwise failing to comply with the Corporation's standards; or (ii) deny service until the developer and/or contractor removes, relocates, and/or replaces any part of the Water System Extension placed under a paved surface or otherwise failing to comply with the Corporation's standards. The Corporation will not be responsible for any damages to concrete or paved areas if any part of the Water System Extension is placed under a paved surface or otherwise fails to comply with the Corporation's standards.
- e. Construction plans and specifications shall be strictly adhered to, but the Corporation reserves the right to issue change-orders of any specifications, due to unforeseen circumstances during the design phase, to better facilitate construction or operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

## **PART II. Request for Service to Subdivided Property**

*In addition to PART I requirements, this section contains additional requirements for developers of subdivisions.*

12. All developers or subdividers of property shall provide the corporation 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. 4. Non-Standard Service Application** above.
  - b. Applicant shall provide the Corporation with details concerning access to the property during evaluation of application.
  - c. Applicant shall be notified in writing by the Corporation or designated representative if service can be extended in accordance with the details described on the Applicant's request for service.
  
13. **Service within Subdivisions.** The Corporation's obligation to provide service to any customer located within a subdivision governed by this Section is strictly limited to the level and manner of the nonstandard service specified by the Applicant. The Applicant is responsible for paying for all costs necessary for non-standard service to a subdivision as determined by the Corporation under the provisions of this Tariff and specifically the provisions of this Section; if the Applicant fails to pay these costs, the Corporation 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 Corporation is obligated to provide water service. In addition, Corporation may elect to pursue any remedies provided by the Non-Standard Service Contract if one has been executed. Applicant is advised that purchasers of lots also may have legal recourse to the Applicant under Texas law, including but not limited to Texas Water Code § 13.257 and the Texas Deceptive Trade Practices–Consumer Protection Act, Chapter 17, Subchapter E, Business and Commerce Code.
  
14. For Service to subdivisions involving tracts of fifty (50) acres or greater, the Applicant / Developer must provide the following in addition to all other information otherwise required by this Section:
  - a. Map and description of the area to be served using map criteria in 16 TAC § 24.257).
  - b. Time frame for:
    - i. Initiation of service
    - ii. Service to each additional phase following the initial service
  - c. Level of service (quantity and quality) for:
    - i. Initial needs
    - ii. Phased and final needs and the projected land uses that support the requested level of service for each phase
  - d. Manner of service for:
    - i. Initial needs
    - ii. Phased and final needs and the projected land uses that support the requested level of service for each phase
  - e. Any additional information requested by the Corporation necessary to determine the capacity and the costs for providing the requested service.
  - f. Copies of all required approvals, reports and studies done by or for the Applicant / Developer to support the viability of the proposed development.

Applicant / Developer must provide reasonably sufficient information, in writing, to allow the Corporation to determine whether the level and manner of service specified by the Applicant / Developer can be provided within the time frame specified by the Applicant / Developer and to generally determine what capital improvements, including expansion of capacity of the Corporation's production, treatment and/or storage facilities and/or general transmission facilities properly allocable directly to the service request are needed. If the Applicant / Developer proposes development in phases, the Applicant / Developer should specify the level and manner of service and the estimated time frame within which that service must be provided for each phase, and the Applicant / Developer must depict the currently estimated location of each phase on the maps required under 16 TAC § 24.257. It is important that the Applicant / Developer's written request be complete. A complete application by the Applicant / Developer should include: (a) the proposed improvements to be constructed by the Applicant / Developer; (b) a map or plat signed and sealed by a licensed surveyor or registered professional engineer; (c) the intended land use of the development, including detailed information concerning the types of land uses proposed; (d) the projected water demand of the development when fully built out and occupied, the anticipated water demands for each type of land use, and a projected schedule of build-out; (e) a schedule of events leading up to the anticipated date upon which service from the CCN holder will first be needed; and a proposed calendar of events, including design, plat approval, construction phasing and initial occupancy. Applicant / Developer must establish that current and projected service demands justify the level and manner of service being requested. In making his/her written request for service, the Applicant / Developer must advise the CCN holder that he/she may request expedited decertification from the TCEQ.

Upon payment of the required fees, the Corporation shall review Applicant / Developer's service request. If no additional information is required from Applicant / Developer, the Corporation will prepare a written report on Applicant / Developer's service request, subject to any final approval by the Corporation'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 Corporation's written report will state whether the requested service will be provided, whether the requested service can be provided within the time frame specified by the Applicant / Developer, and the costs for which the Applicant / Developer will be responsible (including capital improvements, easements or land acquisition costs, and professional fees).

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

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

15. Upon final approval by the Corporation and acceptance of proposal for service by the Applicant / Developer, a non-standard service contract will be executed and the corporation shall provide service according to the conditions contained in the Non-Standard Service Contract.
16. A Reservation Fee is defined in Tariff Section G.24.

**SECTION G**  
**RATES AND SERVICE FEES**

**SECTION G.**  
**RATES AND SERVICE FEES**

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

1. **Service Investigation Fee.** The Corporation shall conduct a service investigation for each service application submitted at the Corporation office. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted and the results reported under the following terms:
  - a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.
  - b. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant to;
    - i. provide cost estimates of the project,
    - ii. to present a Non-Standard Service Contract to the Applicant, and
    - iii. to provide other services as required by the Corporation for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.)
2. **Membership Fee.** At the time the application for service is approved, a refundable Membership Fee must be paid for each service requested before service shall be provided or reserved for the Applicant by the Corporation.
  - a. The Membership Fee for water service is \$300.00 for each service unit.
  - b. Membership fee for oversized or Master Metered Accounts shall be based on estimated usage and adjustments may occur as needed.
3. **Easement Fee.** When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites in behalf of the Applicant. (See Section E.3. Section F.8. a.)
4. **Installation Fee.** The Corporation shall charge an installation fee for service as follows:
  - a. **Standard Service** shall include all current labor, materials, engineering, legal, customer service inspection, and administrative costs necessary to provide individual metered water or wastewater service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed. Only 1 meter per residence as stated. 16 TAC § 24.169(a)(4).

The following fees must accompany new services:

- i. \$6,215.00 – Impact Fee
- ii. \$500.00 – Meter Installation
- iii. \$50.00 – Engineering Fee

- iv. \$50.00 – Inspection Fee required for transfer of service **or**
  - v. \$100.00 – Inspection Fee required for new construction
  - vi. \$150.00 – State Permit Fee (when applicable)
- b. **Non-Standard Service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.
  - c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E.3 of this Tariff.
5. **Impact Fee.** In addition to the Membership Fee, each Applicant shall be required to pay an Impact Fee (also known as a Capital Recovery Fee), provided that one or both of the following conditions are met:
- a. An impact fee has not been previously paid for the property at which service is requested.
  - b. The number of Equivalent Dwelling Units (EDUs) previously purchased for a given lot is less than the number required for the proposed use.

This Fee shall be used in funding capital improvements to the Corporation's system capacity including but not limited to, water supply, transmission facilities, pumping facilities and water treatment. This fee shall be assessed immediately prior to providing service on a per EDU basis for each property or concurrent development and shall be assigned and restricted to that property or development for which service was originally requested. Impact Fees are Non-refundable under any circumstances.

Impact Fees are assessed on a per EDU basis. 1 EDU = 248 gallons per day of demand. EDUs may be purchased at any time prior to meter installation but the final assessment of the amount needed will be made upon request for meter installation. EDU amounts associated with different lot usages are contained in the SHWSC EDU Calculation Spreadsheet available on the SHWSC website. At the time a meter is requested (either new service or change in service/owner) if the proposed land use requires a number of EDUs greater than the number purchased for a given lot (based on the afore mentioned spreadsheet) the difference must be paid prior to a meter installation being completed.

Applicant for service shall submit the following to SHWSC for Impact Fee Assessment

- a. EDU calculations using the EDU Calculation Spreadsheet available on the SHWSC website and/or a demand projection signed and sealed by a professional engineer as applicable
- b. Projection description.
- c. Subdivision name and lot number and county appraisal lot identification number (if applicable).
- d. Applicant contact information.

The Impact Fee is **\$6,215.00 per EDU**.

## 6. Monthly Charges.

### a. Service Availability Charge

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

as follows:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$41.00
3/4" X 3/4"	1.5	\$61.50
1"	2.5	\$102.50
1 1/2"	5.0	\$205.00
2"	8.0	\$328.00
3"	16.0	\$656.00
4"	30.0	\$1230.00

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

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

**Water – RATE SCHEDULE**

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

**Residential: (R-1) 5/8" X 3/4"**

Demand 20 GPM	Basic Charge \$41.00 -0- water
0 to 2,500 gallons	\$4.00 per thousand
2,501 to 5,000 gallons	\$4.65 per thousand
5,001 to 15,000 gallons	\$4.90 per thousand
15,001 to 25,000 gallons	\$5.40 per thousand
25,001 to 45,000 gallons	\$5.90 per thousand
45,001 to 65,000 gallons	\$6.00 per thousand
over 65,001 gallons	\$6.00 per thousand

**Residential: (R-2) 3/4" X 3/4"**

Demand 30 GPM	Basic Charge \$61.50 -0- water
0 to 2,500 gallons	\$4.00 per thousand
2,501 to 5,000 gallons	\$4.65 per thousand
5,001 to 15,000 gallons	\$4.90 per thousand
15,001 to 25,000 gallons	\$5.50 per thousand
25,001 to 45,000 gallons	\$5.75 per thousand
45,001 to 65,000 gallons	\$6.00 per thousand
over 65,001 gallons	\$6.00 per thousand

1. All services must receive prior approval from the Corporation's engineer before installation.
2. The Corporation has adopted an inclining rate structure to encourage conservation

and/or to appropriately charge high volume users for production and distribution costs.

ii. **Commercial Rate (other than standard meter)**

1. **Rates:**

**1" meter single hookup C-1**

Demand 50 GPM                      Basic Charge \$102.50 -0- water

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

**1" meter Multi dwelling/Multi connection demand 50 GPM**

For trailer parks & multi-family dwellings, the number of families per building or number of mobile homes in a mobile home park is multiplied by \$40.80 for the basic charge. This basic charge includes NO WATER per Equivalent Dwelling Unit (EDU).

Water use fee same as R-1 per dwelling unit.

**1 ½" meter demand 100 GPM C-2**

Basic Charge    \$205.00 -0- water

0 to 25,000 gallons	\$4.00 per thousand
25,001 to 50,000 gallons	\$4.65 per thousand
50,001 to 100,000 gallons	\$4.90 per thousand
100,001 to 200,000 gallons	\$5.40 per thousand
200,001 and over gallons	\$5.65 per thousand

**2" meter demand 160 GPM C-3**

Basic Charge    \$328.00 -0- water

0 to 25,000 gallons	\$3.50 per thousand
25,001 to 50,000 gallons	\$3.75 per thousand
50,001 to 100,000 gallons	\$4.25 per thousand
100,001 to 200,000 gallons	\$5.25 per thousand
200,001 and over gallons	\$5.50 per thousand



**3” meter demand 320 GPM C-4**

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

**4” meter demand 600 GIN C-5**

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

**2. Contractors Metered Water:**

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

Deposit for temporary meter	\$300
Basic Charge	\$328.00 -0- water
0 to 25,000 gallons	\$3.75 per thousand
25,001 to 50,000 gallons	\$4.25 per thousand
50,001 to 100,000 gallons	\$4.50 per thousand
100,001 to 200,000 gallons	\$5.25 per thousand
200,001 and over gallons	\$5.50 per thousand

Applicants receiving Temporary Service must pay any and all costs to repair or replace damaged, destroyed, or stolen Temporary Service equipment, including, but not limited to, temporary meters, backflow preventer assemblies, valves, and locks.

- c. Sewer – Contact City of Seguin for current rates.
- d. The Corporation shall, as required by the Texas Water Code, collect from each of its retail customers a regulatory assessment equal to one-half of one percent (.005) of the charge for retail water service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G.6. Monthly Charges of this Tariff. (16 TAC § 24.135).

7. **Assessments.** If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors

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

8. **Late Payment Fee.** Once per billing period, a penalty of 5% shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period.

**NOTE:** For Political Subdivisions and state agencies the above late payment fee does not apply. Instead a late penalty of one percent (1%) shall be assessed for any amount unpaid on the forty-sixth (46<sup>th</sup>) day after the bill is received by the state agency or political subdivision and an additional one percent (1%) shall be assessed for each month thereafter that the bill remains unpaid. (see Government Code Chapter 2251)

9. **Owner Notification Fee.** The Corporation **may**, at the expense of the Member, notify said Member of a renter/lessee delinquent account status prior to disconnection of service. The owner Notification Fee shall be \$15.00 per notification. (See Miscellaneous Transaction Forms.)
10. **Returned Check Fee.** In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$35.00. (see Miscellaneous Transaction Forms)
11. **Reconnect Fee.** The Corporation shall charge a fee of \$100.00 for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in this Tariff except for activation of service under Section E.3.b. A reconnect fee may not be charged where service is not disconnected, **except** in circumstances where a corporation employee arrives at a customer's service location with the intent to disconnect service because of a delinquent bill, and the customer prevents the utility from disconnecting service as determined by the utility representative.
12. **Service Trip Fee.** The Corporation shall charge a trip fee of \$50.00 for any service call or trip to the Member's tap as a result of a request by the Member or resident for response to damage of the Corporation's or another Member's facilities, for customer service inspections due to suspicion of meter tampering, bypass or diversion of service, or for the purpose of disconnecting or collecting payment for services. For service trips that extend beyond one hour, such as when an extended line location is required, the Corporation shall charge \$30.00 per employee per hour for each additional hour required.
13. **Equipment Damage Fee.** If the Corporation's facilities or equipment, after installation of the same by the Corporation or the landowner-Developer, have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, other service diversion, or other damage that causes the facilities or equipment to be inaccessible, not properly functioning, or inoperable, then a fee shall be charged to the landowner-Developer, equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions, plus a \$500.00 penalty. This fee and penalty shall be charged and paid before service is established or reestablished. If the Corporation'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 Member or landowner-Developer if construction, landscaping, or other site work have not been completed. If the Corporation's facilities and/or equipment have been damaged due to negligence or unauthorized use of the Corporation's equipment, right-of-way, or meter shut off valve, or due to other acts for which the Corporation incurs losses or damages, then the Member or landowner-Developer shall be liable for all labor and material charges incurred as a result of said acts or negligence; and, if the damages occur before water service initially commences, then such repair of the facilities or equipment is a condition precedent to the Corporation providing service. Further, when repairs or replacement equipment is necessary, then the Corporation may install additional protective equipment, at Member or the landowner-Developer's sole cost, to protect such equipment from additional damage.

14. **Customer History Report Fee.** A fee of \$5.00 shall be charged to provide a copy of the Members record of past water purchases in response to a Member's request for such a record.
15. **Meter Test Fee.** The Corporation shall test a Member's meter upon written request of the Member. Under the terms of Section E of this Tariff, a charge of \$25.00 shall be imposed on the affected account for more than one annual test.
16. **Transfer Fee.** An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of \$300.00.
17. **Non-Disclosure Fee.** A fee of \$5.00 shall be assessed any customer requesting in writing that personal information under the terms of this Tariff not be disclosed to the public.
18. **Information Copy Fee.** A fee for the copying of any public information will be charged to the person requesting that information in compliance with the cost rules of the Texas Buildings and Procurement Commission set forth at 1 TAC § 111.70.
19. **Customer Service Inspection Fee-New Construction.** A fee of \$100.00 will be assessed each Applicant before permanent continuous service is provided to new construction.
20. **Customer Service Inspection Fee-Transfer of Service.** A fee of \$50.00 will be assessed each Applicant before permanent continuous service is provided to transfer of service.
21. **Franchise Fee Assessment.** A fee of three percent (3%) of the amount billed for water service will be assessed each customer whose meter is located inside the corporate limits of the City of Seguin, Texas, as required by the City's ordinance requiring a franchise fee.
22. **Regulatory Assessment Fee.** A fee of 0.5% of the amount billed for water service will be assessed each customer; this assessment is required under Texas law and TCEQ regulations. **NOTE:** The regulatory assessment is not to be collected from state agencies, wholesale customers, or buyers of non-potable (not drinkable) water. (16 TAC § 24.135).
23. **Additional Assessments.** In the event any federal, state or local government imposes on the Corporation a "per meter" fee or an assessment based on a percent of water charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.
24. **Reservation Fee.** The Corporation shall charge a fee of \$1,000.00 per service connection for a Non-Standard Service Application. This fee shall be assessed prior to providing service for use in capital

improvement expenditures.

25. **Tampering Fee Assessment.** If at any time an Owner/Member and/or Owner/Member's Tenant breaks, damages or tampers with a meter, lock, or other property of the Corporation used to provide service to the Owner/Member and/or Tenant, such action will be taken.
- a. **First Violation.** The customer/member will be notified by a written notice of their specific violation and their need to comply with the Tariff rules. The Corporation will assess a Penalty\* of \$100.00. The notice will show the amount of penalty \* to be assessed for continued violations.
  - b. **Second Violation.** The Corporation will assess a penalty\* of \$125.00.
  - c. **Subsequent Violations.** The Corporation will assess an additional penalty\* of \$150.00 for violations continuing after the Second Violation. The Corporation may also install a flow restricting device in the customer's meter service to limit the amount of water that will pass through the meter in a twenty-four (24) hour period. The costs of this procedure will be for the actual work and equipment and shall be paid by the customer.
  - d. **Termination.** The Corporation will terminate service for continuing violations under this section. Service will remain off until any delinquent penalty \* or other assessment is fully paid including a charge for the service call to restore service.

*These provisions apply to all customers of the Corporation.*

**Note: Penalty \* -- A water supply corporation is allowed to charge a reasonable penalty to customers that fail to comply with the Rationing Procedures in accordance with 16 TAC § 24.41(j) if:**

**(1) the penalty is clearly stated in the tariff;**

**(2) the penalty is reasonable and does not exceed six (6) times the minimum monthly bill stated in the water supply corporation's current tariff; and**

**(3) the water supply corporation has deposited the penalty in a separate account dedicated to enhancing water supply for the benefit of all the water supply corporation's customers.**

26. **Fire Hydrant Rental Fee.** For use in filling a swimming pool: \$100.00 Rental Fee plus the cost of water (\$6.00/1000 gallons) with a \$50.00 refund upon return of the meter within forty-eight (48) hours.
27. **Emergency purchase of water at the Springs Hill Office Fire Hydrant.** A Springs Hill Water Supply Corporation employee must fill the tanks or containers at a cost of \$6.00/1000 gallons.
28. **Subsequent User Fee and Policy.**
- a. **General.** Subsequent user fees (“*SUFs*”) may be charged by the Corporation to recover water line installation costs when the Corporation or a non-standard service requestor pays to oversize a water line that is not covered by the Corporation’s approved connection fee.
  - b. **Establishing a Subsequent User Fee.** A decision on whether to establish a SUF will be made by the Board of Directors on a case by case basis. Consideration will be given to the size of the project, time frame for construction, and overall benefit to the Corporation. The following requirements will apply to each SUFs established by the Corporation:

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

- The area subject to SUFs must be clearly identified.
  - Such fees must be in accord with applicable state laws, rules and regulations.
  - There is a definite benefit to the Corporation, the community, or accruing to the land subject to the specific improvements.
  - Terms of the SUFs must be specified in a legally binding contract with a landowner, developer, or other entity, and the Corporation will collect and distribute the fee in accord with the terms of the contract, and may keep a portion of the fee for administrative costs.
  - There must be a date-specific for the cessation of the responsibility to collect and distribute the fee (ex. ten (10) years from the first date the improvements are available to a party which would be required to pay the SUF).
  - Fees must be based on the actual cost of the water improvements and may include reasonable interest.
  - Fees must be reasonable for customers, and factors that determine this status may include lot size, potential improvements, and land use.
- c. **Calculating a Subsequent User Fee Amount.** SUFs are assessed on a per EDU basis. In each instance where an SUF is established, the amount of SUF will be calculated based upon the total cost of the oversized portion of the facilities (including all related costs), divided by the capacity of the oversized portion of the oversized facilities (expressed in terms of EDUs). The determination of the total capacity of EDUs in the oversized portion of an oversized facility will be based on a factor of water units per EDU; and the factor for the number of water units per EDU will be calculated on a case-by-case basis by the Corporation, based upon the characteristics of the portion of the Corporation's water system where the oversized line is located.
- d. **Assessment.** SUF will be assessed immediately prior to providing service. SUFs are non-refundable under any circumstances.
- e. **Reimbursement.** The Corporation will solely pay for the costs to oversize a water line, and it will not use SUFs to reimburse a non-standard service requestor under any circumstances.
29. **Other Fees.** All services outside the normal scope of utility operations that the Corporation may be compelled to provide at the request of a customer or Member shall be charged to the recipient based on the cost of providing such service.

## **SECTION H**

# **WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN**

## SECTION H.

# WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN 2020

## INTRODUCTION AND BACKGROUND

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

SHWSC service is comprised of approximately 182,000 acres / 284 square miles and encompasses the City of Seguin; with boundaries on the north, into the New Braunfels city limits, on the south and east, the Gonzales County Line, and to the west the City of McQueeney city limits, abutting the Green Valley Special Utility District's service area. SHWSC is located within the extra territorial jurisdiction (ETJ) of the City of Seguin and City of New Braunfels. (See Appendix A – SHWSC Map)

## COORDINATION WITH REGIONAL WATER PLANNING GROUP

The service area of SHWSC is located within the South Central Texas Region L water planning area. The Corporation has provided a copy of the Water Conservation Plan and the Drought Contingency Plan to the South Central Texas Region L water planning group. The General Manager attends the Region L planning meetings and contributes all information requested of them to help develop future state plans.

## OVER ALL PLAN GOALS

The plan has two components; the Water Conservation Plan and the Drought Contingency Plan. The Water Conservation Plan is to establish policy and define five-year and ten-year goals, which will:

- Insure that demand for water does not exceed the amount of treated water available.
- Provide the public with educational information to encourage water conservation and decrease waste.

- Limit peak water usage during the summer months so that mandatory water use restrictions are limited to times of drought.
- Decrease the average water usage per connection.
- Limit unaccounted for water by tracking loss on a monthly basis, collecting information from local fire departments and calculate water loss at all leak repair locations.
- Replace old infrastructure in areas that show continual leak repair by tracking those leaks with our H2O Analytics software.
- Use Continental Utility Software in combination with H2O Analytics software to monitor usage.

The overall goal of the Drought Contingency Plan is to follow the lead and plan that Guadalupe Blanco River Authority applies to the Hydroelectric Lakes including Lake Dunlap and Lake Placid. The procedures initiated by certain triggers set by GBRA to prevent loss of water supply to any customer during periods of high usage and to protect the environment. The GBRA plan impacts our members who live along the Guadalupe River and Springs Hill does not see a benefit in having a different set of guidelines. This would make enforcement extremely difficult:

- Establish trigger conditions that conform to GBRA’s bench marks for the Hydroelectric Lakes
- Outline a management plan that follows GBRA’s Drought Plan.
- Specify public information and education policies.
- State initial start and termination notice procedures.
- State implementation and enforcement procedures.

In order to conserve and protect the integrity of the available water supply, with particular regard for domestic water use, sanitation, and fire protection, and to protect public health, welfare, and safety and minimize the adverse impacts of water shortage or other water supply emergency conditions, SHWSC has formulated these policies, regulations and restrictions on the delivery and consumption of water.

The policies presented in this plan are needed to efficiently manage the water available to the Corporation for the benefit of all customers. Water uses regulated or prohibited under this Plan are considered to be non-essential and continuation of such uses during times of water shortage



or other emergency water supply conditions are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in the Drought Contingency Plan.

***Statutory & Rule Requirements:***

**Texas Water Code 13.146- Water Conservation Plan.** The commission (TCEQ) shall require a retail public utility that provides potable water service to 3,300 or more connections to submit to the executive administrator of the board (TWDB) a water conservation plan base on specific targets and goals developed by the retail public utility and using appropriate best management practices, as defined by Section 11.002, or other water conservation strategies.

**Title 30, Texas Administrative Code (TAC), Chapter 288.30(5) (A) - Drought Contingency Plan.** For retail public water suppliers providing water service to 3,300 or more connections, the drought contingency plan must be submitted to the executive director (TCEQ) not later than May 1, 2005. Thereafter, the retail public water suppliers providing water service to 3,300 or more connections shall submit the next revision of the plan not later than May 1, 2009, and every five years after that date to coincide with the regional water planning group.

## **UTILITY PROFILE**

SHWSC currently serves a population of approximately 25,062 people and has over 8,354 connections. The Texas Water Development Board (TWDB) has projected the population to reach 48,418 by the year 2060 and connections are likewise projected to reach 16,800. The prominent area of growth is in the northern service area along state highway (SH) 46, the northwest service area along Farm-to-Market (FM) 78 and the IH10 corridor going east and west to SH130.

SHWSC obtains water from several sources. The corporation operates a 2 MGD conventional surface water treatment plant on Lake Placid. The Lake Placid plant has access to 2850 AF of surface water. Canyon Regional Water Authority (CRWA) provides additional 2450 acre feet of Lake Dunlap surface water per year. Groundwater is obtained from three wells operated and owned by SHWSC and located in the Carrizo Aquifer producing approximately 350 acre feet per year per well. In addition SHWSC has a contract to purchase 700 acre feet of groundwater from Seguin-Schertz. CRWA has contracted with SHWSC to provide an additional 100 acre foot from the CRWA wells located in the Carrizo aquifer.

S.H.W.S.C. System capacity is 5 Million Gallons per Day (MGD). Storage capacity is 1 Million Gallons (MG) Ground, 3.2 (MG) Elevated. Service is distributed to single & multi-family residences, Industrial, Commercial, Institutional and Agricultural users. Most water is used by single residential families. Complete Water Utility Profile is included in **Appendix H**.

<b>Water Use Category</b>	<b>Historic Average</b>	<b>Percent of Connections</b>	<b>Percent of Water use</b>
<b>Residential – Single Family</b>	534,770,511	92.93%	77.90%
<b>Residential-Multi-family</b>	45,848,580	6.11%	6.68%
<b>Industrial</b>	61,334,460	0.18%	8.93%
<b>Commercial</b>	36,598,125	0.54%	5.33%
<b>Institutional</b>	7,619,130	0.23%	1.11%
<b>Agricultural</b>	288,200	0.01%	0.04%

Average Daily Water use and Peak Day Water use for the previous five years

<b>Year</b>	<b>Average Daily Use (gal)</b>	<b>Peak Day Use (gal)</b>	<b>Ratio (Peak /avg.)</b>
<b>2018</b>	1,971,096	2753218	1.3968
<b>2017</b>	1,861,027	2457313	1.3204
<b>2016</b>	1,722,661	2124456	1.2332
<b>2015</b>	1,807,667	2311404	1.2787
<b>2014</b>	1,851,011	2435742	1.3159

## **WATER CONSERVATION PLAN FIVE AND TEN YEAR GOALS**

The Corporation has reviewed and developed quantifiable five-year and ten-year targets for water savings as required by the TCEQ in Title 30, Chapter 288 of the TAC. Additionally a progress report on plan implementation is to be submitted to the TCEQ and TWDB annually.

Goals are listed as gallons per capita per day (gpcd). For the past 5 years, 2014-2018, the average total GPCD for Springs Hill was 105 and residential average was 67.

	Historic 5-year Average	Baseline	5-year Goal for 2024	10-year Goal for 2028
Total GPCD	105	105	95	90
Residential GPCD	67	67	59	54
Water Loss (GPCD)	24	24	11	10
Water Loss (Percentage)	23%	23%	12%	11%

## PLAN ELEMENTS

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

### 1. Education and Information

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

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

### 2. Conservation Oriented Rate Structure

The Corporation has always used an increasing block rate structure for all customers. The Corporation revised rates in the winter of 2017 to encourage water conservation. The rate structure does not include water in the base rate so that customers with minimal usage still pay for water they use. The billing rate

structure is evaluated annually. The SHWSC rate structure is included in **Appendix F**.

### 3. **Metering Devices**

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

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

### 4. **Meter Replacement**

Inaccurate metering is one probable cause of unaccounted water, and since meter readings form the basis for data gathering on production, usage and sales, maintaining accurate meters is a high priority. SHWSC has a loan from the Texas Water Development Board and replaced over 5000 meters with smart meters.

#### **Implementation**

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

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

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

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

#### **Determination of Water Savings**

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

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

## **5. Water Audit and Water Loss**

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

### **Implementation**

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

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

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

### **Schedule**

Daily monitoring and monthly update of water loss and usage

### **Documentation**

A water loss report is automatically produced by H2O Analytics and shared with the Board of Directors.

Monthly usage reports are filed by Fire Departments.

## **6. Leak Detection, Prevention, and Repair**

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

### **Implementation**

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

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

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

### **Schedule**

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

### **Documentation**

Monthly water loss report presented to Board each month.

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

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

## **7. Pressure Control**

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

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

**Implementation:** As described above.

### **Schedule**

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

### **Documentation**

Maps

## **8. Standard Conservation Practices**

SHWSC also endorses the following conservation practices:

- a. Encourage retrofit of existing fixtures to water saving types.
  1. Shower Heads
  2. Faucet Aerators
  3. Low flush toilets
  4. Toilet flap replacement
  5. Front load washers
  
- b. Adoption and enforcement of the 2000 Uniform Plumbing Code which includes pertinent sections of state law restricting the use of non-water saving fixtures in new construction. The Corporation uses the plumbing code to regulate and conduct plumbing inspections on all residential and commercial installations.
  
- c. Recommend water wise and alternative landscaping which uses less water.
  1. Drip Irrigation
  2. Rain Harvesting
  3. Rain Barrels
  4. Xeriscape
  5. Condensate usage
  6. Gray water usage

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

## **CONSERVATION PLAN IMPLEMENTATION**

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

## **ANNUAL REPORTING AND REVIEW**

Sample reports are included in **Appendix C** and Weekly, Monthly and annual check list are included in **Appendix D**.



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DROUGHT CONTINGENCY PLAN

for the

SPRINGS HILL WATER SUPPLY CORPORATION

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June 2023

Prepared for:

Springs Hill Water Supply Corporation  
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Seguin, Texas 78155

Prepared by:

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**Section I: Declaration of Policy, Purpose, and Intent**

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the Springs Hill Water Supply Corporation (SHWSC) hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in this Plan.

**Section II: Public Involvement**

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

**Section III: Public Education**

SHWSC will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of utility bill inserts, press releases, public notice, newsletters, and on the website at [www.springshill.org](http://www.springshill.org).

**Section IV: Coordination with Regional Water Planning Groups**

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

**Section V: Authorization**

The Field Service Manager of SHWSC or staff designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The General Manager shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

**Section VI: Application**

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

**Section VII: Definitions**

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

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

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by SHWSC.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

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

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

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

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

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

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

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

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

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

Because of Springs Hill dependence on raw water from the Guadalupe Blanco River Authority (GBRA), we will use their Triggers and follow their guidelines on going into drought response stages. Canyon Reservoir impounds 378,852 acre-feet and is 8,200 surface acres. The Conservation Pool is between 800’ mean sea level (msl) and 909’ msl. Springs Hill has contract rights through Canyon Regional of 1,925 acre feet and 2,850 acre feet directly from GBRA at Springs Hill Lake Placid Treatment Plant.

### **Permanent Water Use Restrictions**

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

According to the restrictions, a water user must not:

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

### **Stage 1 Triggers -- MILD Water Shortage Conditions**

#### Requirements for initiation

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

- (a) The GBRA initiates Stage 1 of its Drought Contingency Plan.
- (b) The water supply or supplies available to SHWSC in any particular service area are equal to or less than 75% of capacity.
- (c) Total daily water demand in a service area or sub-area equals or exceeds:
  - a. 80 percent of the total supply delivery capacity for three consecutive days, or
  - b. 90 percent of the total supply delivery capacity for a single day.

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

Requirements for termination

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

**Stage 2 Triggers – MODERATE Water Shortage Conditions**

Requirements for initiation

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

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

Requirements for termination

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

**Stage 3 Triggers – SEVERE Water Shortage Conditions**

Requirements for initiation

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

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

Requirements for termination

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

#### **Stage 4 Triggers – EMERGENCY Water Shortage Conditions**

##### Requirements for initiation

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

- (a) The GBRA initiates Stage 4 of its Drought Contingency Plan.
- (b) Major line breaks, pump, or system failure, which causes loss of capability to provide water service.
- (c) Source water contamination results in compromised capacity of the treatment and delivery systems.
- (d) Mechanical or electrical failure of a system component results in compromised treatment and/or delivery capacity.

##### Requirements for termination

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist and the General Manager feels it is appropriate.

#### **Section IX: Drought Response Stages**

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

##### **Notification**

##### Notification of the Public:

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

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

##### Additional Notification:

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

- Members of the Board of Directors.
- Fire Chiefs and/or County Emergency Management Coordinator(s).
- State Disaster District and/or Department of Public Safety.

- Texas Commission on Environmental Quality (required when mandatory restrictions are imposed).
- Major water users.
- Critical water users, (i.e., hospitals).

**Stage 1 Response – MILD Water Shortage Conditions**

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

**Best Management Practices for Supply Management:**

SHWSC shall:

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

**Voluntary Water Use Restrictions for Reducing Demand:**

- (a) Water customers are requested to voluntarily limit the irrigation of landscaped areas to twice a week and to irrigate landscapes only between the hours of 8:00 pm and 10:00 am. However, irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (b) No washing of parking lots, driveways, sidewalks, or streets unless for health or safety reasons.
- (c) Swimming pools must be at least 25 percent covered by evaporation shields when not in active use.
- (d) No person may wash a vehicle anywhere other than a commercial vehicle wash facility except on Monday and Friday between the hours of 8:00 pm and 10:00 am. Such washing must be done on a lawn or other pervious surface using a bucket or hand-held hose with an automatic shutoff nozzle.
- (e) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

**Stage 2 Response – MODERATE Water Shortage Conditions**

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

**Best Management Practices for Supply Management:**

SHWSC shall:



- Reduce or discontinue flushing of water mains.
- Notify customers by mail with suggestions for ways to reduce usage.
- Field personnel to monitor and report excessive usage.
- Initiate mandatory water use restrictions.
- Issue warnings and fines as necessary as provided in the tariff rules.
- Ensure all production equipment is operating at maximum capacity.

Water Use Restrictions for Demand Reduction:

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

- (a) All the prohibitions applicable in Stage 1 apply in Stage 2, except to the extent replaced by more restrictive conditions imposed by this stage.
- (b) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Tuesdays and Saturdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Mondays and Fridays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 8:00 pm and 10:00 am on designated watering days. However, irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (c) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is prohibited except on designated watering days between the hours of 8:00 pm and 10:00 am. Such washing, when allowed, shall be done on a lawn or other pervious surface using with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- (d) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 8:00 pm and 10:00 am.
- (e) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (f) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the SHWSC.

- (g) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours of 8 pm and 10:00 am. However, if the golf course utilizes a water source other than that provided by the SHWSC, or uses reclaimed water, the facility shall not be subject to these regulations.
- (h) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (i) The following uses of water are defined as non-essential and are prohibited:
  1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
  2. use of water to wash down buildings or structures for purposes other than immediate fire protection;
  3. use of water for dust control;
  4. flushing gutters or permitting water to run or accumulate in any gutter or street; and
  5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

### **Stage 3 Response – SEVERE Water Shortage Conditions**

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

**Best Management Practices for Supply Management:**

SHWSC shall:

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

**Water Use Restrictions for Demand Reduction:**

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

- (a) All the prohibitions applicable in Stages 1 and 2 apply in Stage 3, except to the extent replaced by more restrictive conditions imposed by this stage.
- (b) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Tuesdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Mondays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to

the hours of 8:00 pm and 10:00 am on designated watering days. However, irrigation of landscaped areas is permitted at any time if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

- (c) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the SHWSC. However, if the golf course utilizes a water source other than that provided by the SHWSC, or uses reclaimed water, the facility shall not be subject to these regulations.
- (d) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.
- (e) The use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 am and 10:00 am and between 8:00 pm and 10:00 pm.
- (f) The filling, refilling, or adding of water to swimming pools, wading pools, or spas are prohibited.
- (g) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications will be suspended for such time as this drought response stage or more severe restrictions shall be in effect.

#### **Stage 4 Response – EMERGENCY Water Shortage Conditions**

**Target: Achieve a 25 percent reduction in daily water demand.**

**Best Management Practices for Supply Management:**

SHWSC shall:

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

**Water Use Restrictions for Reducing Demand:**

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

- (a) All the prohibitions applicable in Stages 1, 2, and 3 apply in Stage 4, except to the extent replaced by more restrictive conditions imposed by this stage.
- (b) Irrigation of landscaped areas is absolutely prohibited unless using recycled water or by means of a hand-held hose or faucet filled water can of five (5) gallons or less.

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

**WATER ALLOCATION (Stage 4)**

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

**Single-Family Residential Customers**

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

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

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

Residential water customers shall pay the following surcharges:

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

Surcharges shall be cumulative.

### **Master-Metered Multi-Family Residential Customers**

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

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

Surcharges shall be cumulative.

### **Commercial Customers**

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

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

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

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

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

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

### **Industrial Customers**

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

allocation review committee. Industrial customers shall pay the following surcharges:

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

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

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

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

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

## **Section X: Enforcement**

- (a) No person shall knowingly or intentionally allow the use of water from the SHWSC for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the General Manager, or his/her designee, in accordance with provisions of this Plan.
- (b) Except as otherwise provided in this Section X, any person who violates this Plan shall be subject to the following surcharges and conditions of service:
  - a. Following the first documented violation, the violator shall be given a notice specifying the type of violation and the date and time it was observed.
  - b. Following the second documented violation, the violator shall be sent, by certified mail, a notice of violation and shall be assessed a surcharge of \$200.
  - c. Following the third documented violation, the violator shall be sent, by certified mail, a notice of violation and shall be assessed a surcharge of \$700.
  - d. Following the fourth documented violation, the Board of Directors or its designee shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a reconnection charge, hereby established at \$500, and any other costs incurred by a SHWSC water utility system in discontinuing service, and any outstanding charges including late payment fees or penalties. In addition, suitable assurance in the amount of a deposit of \$500 must be given to the Board of Directors or its designee, that the same action shall not be repeated while the

Plan is in effect. The Board of Directors or it’s designee may apply the deposit to any surcharges or penalties subsequently assessed under this Plan against a customer. Any remaining amount of such deposit, if any, shall be returned to the customer at the time of the customer’s voluntary disconnection from the utility system.

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

**Table 1: Drought Response Enforcement Process**

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

**Section XI: Variances**

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

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

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the General Manager within 5 days after the Plan or a particular drought response stage has been invoked. The SHWSC staff will make every effort to work with customers to establish a satisfactory solution to water use problems. All petitions for variances shall be reviewed by the General Manager, or his/her designee, and shall include the following:



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

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

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

#### **Section XII: Severability**

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

**SECTION I.1**  
**Service Application Form and Standard Service Agreement Form**



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

**CORPORATION USE ONLY**

Date Approved: \_\_\_\_\_  
Service Classification: \_\_\_\_\_  
Cost: \_\_\_\_\_  
Work Order Number: \_\_\_\_\_  
Eng. Update: \_\_\_\_\_  
Account Number: \_\_\_\_\_  
Service Inspection Date: \_\_\_\_\_

## SERVICE APPLICATION AND AGREEMENT

**Please Print:**      DATE: [Click here to enter a date.](#)

APPLICANT'S NAME:

CO-APPLICANT'S NAME:

SERVICE ADDRESS:

BILLING ADDRESS: SAME

PHONE NUMBER:

EMAIL ADDRESS:

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

PROOF OF OWNERSHIP PROVIDED BY: TITLE CO.

DRIVER'S LICENSE NUMBER OF APPLICANT:

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

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

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

ACREAGE :

NUMBER IN FAMILY:

LIVESTOCK ON PROPERTY & NUMBER:

DO YOU HAVE AN UNDERGROUND SPRINKLER SYSTEM?

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

AGREEMENT made this Date: [Click or tap to enter a date.](#) between

Springs Hill Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the Corporation) (hereinafter called the Applicant and/ or member)

Witnesseth:

The Corporation shall sell and deliver water service to the Applicant and the Applicant shall purchase, receive, and/or reserve service from the Corporation in accordance with the bylaws and tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies, including payment of a Membership Fee, the Applicant qualifies for Membership as a new applicant or continued Membership as a transferee and thereby may hereinafter be called a Member.

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

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

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

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

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

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

All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or wastewater connection is for the sole use of the Member or customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to transfer utility service from one property to another, to share, resell, or submeter water to any other persons, dwellings, businesses, or property, etc., is prohibited.

The Corporation shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Member's premises at all reasonable and necessary times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the Member's property. The Member shall install, at their own expense, any necessary service lines from the Corporation's facilities and equipment to the point of use, including any customer service isolation valves, backflow prevention devices, clean-outs, and other equipment as may be specified by the Corporation. The Corporation shall also have access to the Member's property for the purpose of inspecting for possible cross-connections, potential contamination hazards, illegal lead materials, and any other violations or possible violations of state and federal statutes and regulations relating to the federal Safe Drinking Water Act or Chapter 341 of the Texas Health & Safety Code or and the corporation's tariff and service policies.

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

- a. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state regulations.
- b. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an air gap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.
- c. No connection which allows condensing, cooling, or industrial process water to be returned to the public drinking water supply is permitted.
- d. No pipe or pipe fitting which contains more than 8.0 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- e. No solder or flux which contains more than 0.2 % lead may be used for the installation or repair plumbing on or after July 1, 1988, at any connection which provides water for human consumption.

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises is connected to the public water system. The Member shall allow their property to be inspected for possible cross-connections, potential contamination hazards, and illegal lead materials. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours.

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

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

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

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

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

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

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

\_\_\_\_\_  
Applicant Member (Sign above)

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Approved and Accepted (Springs Hill Rep)

\_\_\_\_\_  
Date Signed

**SECTION I.2**  
**Dedication, Bill of Sale, and Assignment**



**DEDICATION, BILL OF SALE AND ASSIGNMENT**  
**(Developer Form)**

**THE STATE OF TEXAS**

**COUNTY OF GUADALUPE**

**KNOW ALL BY THESE PRESENTS**

This Dedication, Bill of Sale and Assignment is entered into and effective as of \_\_\_\_\_, 20\_\_\_\_, by and between Springs Hill Water supply Corporation, a Texas non-profit, member-owned water supply corporation organized and operating under Chapter 67, Texas Water Code (“Corporation”) and \_\_\_\_\_ (“Developer”).

**RECITALS:**

Corporation and Developer have previously entered into that certain Non-Standard Service Agreement dated \_\_\_\_\_ (“the Agreement”). Pursuant to Section \_\_\_\_ of the Agreement, Developer has agreed to dedicate and convey to Corporation the water lines, hydrants, valves, fittings and other appurtenances constructed to provide water service to the \_\_\_\_\_ Subdivision, a subdivision in Guadalupe County, Texas, together with all rights and interests therein or appurtenant thereto as more particularly described in Exhibit “A” hereto (“the Facilities”), and all other capacity, contracts, rights, interests, easements, rights-of-way, permits, licenses, approvals, documents, warranties and other matters, if any, related to the Facilities as more particularly described in Exhibit “B” hereto (the “Related Rights”).

The facilities and the Related Rights are collectively referred to as the “Transferred Properties”.

**DEDICATION, ASSIGNMENT AND AGREEMENT**

For and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer does hereby DEDICATE, TRANSFER, CONVEY, SET OVER AND ASSIGN forever unto Corporation and Corporation’s successors and assigns, the Transferred Properties TO HAVE AND TO HOLD the Transferred Properties, together with all and singular the rights and appurtenances thereto in anywise belonging, and Developer does hereby bind itself, its successors and assigns to

WARRANT AND FOREVER DEFEND, all and singular, the Transferred Properties unto Corporation, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED AND EFFECTIVE as of the date first written above.

DEVELOPER:

BY: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_.

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_,

by \_\_\_\_\_ [DEVELOPER].

\_\_\_\_\_  
Notary Public – State of Texas

Printed Name: \_\_\_\_\_

(Seal)

My Commission Expires: \_\_\_\_\_

**AFTER RECORDING RETURN TO:**

Springs Hill Water Supply Corporation  
P O Box 29  
Seguin, Texas 78156-0029

**SECTION I.3**  
**Right-of-Way Easement Form**

**RIGHT OF WAY EASEMENT**

THE STATE OF TEXAS                    }        KNOW ALL MEN BY THESE PRESENTS  
  }  
COUNTY OF GUADALUPE                }

That the undersigned, \_\_\_\_\_ (“GRANTOR”) for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey unto SPRINGS HILL WATER SUPPLY CORPORATION (“GRANTEE”), a Non-Profit Water Supply Corporation incorporated in the State of Texas and whose post office address is P O Box 29 , Seguin, Texas, and to its successors and/or assigns, a permanent easement and right of way (“Easement”) upon, under, over, and across the property of GRANTOR, which is more particularly described as follows:

Being a tract of \_\_\_\_\_ acres of land, more or less, as more particularly described in Vol. \_\_\_, Page \_\_\_ of the Official Public Records of Guadalupe County, Texas; said \_\_\_ acres being more particularly described by metes and bounds in the attached Exhibit “A” (the “Easement Property”).

The Easement hereby granted shall not exceed 15’ in width, and Grantee is hereby authorized to designate the course of the Easement herein conveyed, except that when the pipeline or pipelines are installed, the Easement herein granted shall be limited to a strip of land 15’ in width, the center line thereof being the pipeline or pipelines as installed.

GRANTEE shall have all rights and benefits necessary or convenient for the full enjoyment and use of the rights herein granted regarding the Easement Property, including, but not limited to, (i) the right to erect, construct, reconstruct, install, operate, repair, maintain, replace, patrol, inspect, upgrade and conduct all other activities related to underground water lines and related facilities, appurtenances, and equipment, including connections therewith (collectively, the “Facilities”), upon, over, under, and across the Easement Property; (ii) the right of ingress and egress for authorized persons, equipment, and vehicles over, along and across the Easement Property and lands owned by GRANTOR which are contiguous to the Easement Property; (iii) the reasonable right from time to time to remove any and all paving and other obstructions that may injure GRANTEE’S Facilities or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, relocation (as above limited), substitution or removal thereof; (iv) the right to cut, trim and remove vegetation, including, without limitation, trees and shrubbery, or parts thereof, that may encroach on the Easement Property; (v) the right to use the Easement Property for the purposes of conducting archeological, historical, environmental or other studies, ; and (vi) the rights to abandon-in-place any and all Facilities, such that GRANTEE shall have no obligation or liability to GRANTOR, or their successors or assigns, to move or remove any such abandoned Facilities.

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

The duration of this Easement shall be permanent and irrevocable except by GRANTEE.

GRANTOR agrees that GRANTEE shall have the dominant right to use the Easement Property for the purposes stated above, and GRANTOR shall make no use of the Easement Property that unreasonably interferes with GRANTEE'S use, including but not limited to the construction of stone walls, extensive landscaping, or similar improvements, impoundment of water, or placement of any mast type structures that would impede GRANTEE'S access to the Facilities.

Such construction shall include, but not be limited to, new construction or major modifications to a preexisting habitable structure, as well as, stock tanks, swimming pools, spas, water wells or oil wells, including construction both above and below existing grade. Nor shall GRANTOR do anything on GRANTOR'S property that would violate any safety or health law or code or other applicable law relating to the Facilities located within he Easement granted hereby. GRANTOR further agrees that GRANTEE'S duty to restore the Easement Property and any improvements thereon shall be limited to restoring the surface condition of the Easement Property, including any driveways or parking areas, to substantially the same condition as existed prior to GRANTEE'S work, and completing revegetation necessary to prevent erosion and runoff. GRANTEE agrees to maintain and use the Easement Property efficiently and in a state of good repair so that no unreasonable damages will result from its use of the Easement Property.

This Easement will run with the land and will bind and inure to the benefit of the Parties hereto, and their respective successors and assigns. GRANTOR does hereby bind itself and its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the said Easement unto GRANTEE, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof by, through or under GRANTOR..

The undersigned covenant that they are owners of the above described lands and that the said lands are free and clear of encumbrances and liens of whatsoever character except the following: That certain security interest dated \_\_\_\_\_, executed by \_\_\_\_\_ payable to the order of \_\_\_\_\_, and described in that certain \_\_\_\_\_, dated \_\_\_\_\_, and recorded in Vol. \_\_\_\_\_, Page \_\_\_\_\_ and/or Instrument No. \_\_\_\_\_ of the Official Public Records of Guadalupe County, Texas.

IN WITNESS WHEREOF, the undersigned have set their hands, this \_\_\_\_\_ day of \_\_\_\_\_ A.D. 20 \_\_\_\_\_

**GRANTOR**

\_\_\_\_\_

Printed Name: \_\_\_\_\_

**ACKNOWLEDGEMENT**

THE STATE OF TEXAS            }  
  }  
COUNTY OF GUADALUPE        }

Before me, the undersigned authority, on this day personally appeared

\_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas  
Printed Name: \_\_\_\_\_  
My Commission expires:

After recording, please return to:  
Springs Hill Water Supply Corporation  
P.O. Box 29  
Seguin, Texas 78156

**EXHIBIT A**  
**EASEMENT PROPERTY**

**SECTION I.4**  
**Non-Standard Service Contract Form**



**NON-STANDARD SERVICE CONTRACT  
BETWEEN [DEVELOPER] AND  
SPRINGS HILL WATER SUPPLY CORPORATION  
(PROJECT NAME)**

THE STATE OF TEXAS           §  
  §  
COUNTY OF GUADALUPE       §

THIS NON-STANDARD SERVICE CONTRACT (“**Contract**”) is made and entered into as of the last date of execution (the “**Effective Date**”) by and between [Developer], a Texas [redacted] (“**Developer**”), and Springs Hill Water Supply Corporation, a Texas non-profit water supply corporation (“**SHWSC**”) (Developer and SHWSC are each a “**Party**” and are collectively, the “**Parties**”).

**RECITALS**

WHEREAS, Developer is the owner of and is engaged in developing that certain real property in Guadalupe, County, Texas, more specifically described in that [redacted] Warranty Deed, dated [redacted], recorded as Document No. [redacted] of the Official Public Records of Guadalupe County, Texas, attached hereto in **Exhibit A** and made a part hereof for all purposes (the “**Property**”);

WHEREAS, the Property is proposed to be developed as a [redacted];

WHEREAS, the Property is being developed in multiple phases (each phase, a “**Phase**”) pursuant to the outline of development phases (the “**Concept Plan**”) attached hereto and made a part hereof for all purposes as **Exhibit B**;

WHEREAS, SHWSC is the holder of water certificate of convenience and necessity (“**CCN**”) No. 10666, authorizing SHWSC to provide retail water service within the geographic boundaries of such CCN (“**Service Area**”);

WHEREAS, the Property is located within SHWSC’s Water CCN Service Area;

WHEREAS, SHWSC owns and operates a water system that supplies potable water for human consumption and other domestic uses to member-customers within its Water CCN Service Area (“**SHWSC System**”);

WHEREAS, SHWSC has adopted a certain Springs Hill Water Supply Corporation Tariff, outlining SHWSC’s policies, rates, and fees pertaining to the provision of water service to its member-customers (such Tariff, as amended from time to time, is the “**Tariff**”);

WHEREAS, Developer has requested a level of water service equivalent of up to [redacted] “**Service Units**,” as such term is defined in SHWSC’s Tariff at the Property (such quantity of Service Units is the “**Requested Capacity**”);

WHEREAS, in order for SHWSC to transport and deliver the Requested Capacity of water to and within the Property, onsite/internal water distribution facilities, but not limited to, the meters, valves, hydrants, pipelines, and other related infrastructure, will need to be designed, constructed, permitted, and installed on the Property, as well as off-site water facilities to connect such onsite/internal water distribution facilities to the existing SHWSC system (collectively, the “*Water System Extension*”);

WHEREAS, SHWSC desires to provide water service to the Property, subject to the terms of this Contract and the SHWSC Tariff; and

WHEREAS, Developer desires to obtain water service for the Property from SHWSC subject to the terms of this Contract and the SHWSC Tariff.

NOW THEREFORE, for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the Parties, Developer and SHWSC agree and contract as follows:

### AGREEMENT

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

- (a) The Water System Extension will be engineered and designed by a Texas Licensed Professional Engineer at Developer’s sole expense, in accordance with SHWSC’s Tariff and policies, and the applicable specifications of SHWSC and all governmental agencies having jurisdiction over SHWSC and the Property. All plans and specifications for the Water System Extension must be reviewed and approved by SHWSC’s consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension, and such approval is not to be unreasonably withheld, conditioned, or delayed. After SHWSC’s consulting engineer approves the plans and specifications, such approved plans and specifications (the “*Approved Plans*”) will become a part of this Contract by reference and incorporated hereto as **Exhibit C** and will more particularly define the “Water System Extension.”
- (b) The Water System Extension will be sized to provide continuous and adequate water service to and within the Property for the Requested Capacity, based on plans for the development provided to SHWSC by Developer and all applicable laws and regulations.
- (c) SHWSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of SHWSC, subject to the obligation of SHWSC to reimburse Developer for the cost of any such oversizing as provided in this Contract.
- (d) Developer agrees that all valves, hydrants, and pipelines contemplated by the Water System Extension will be designed to not be located under paved roadways, sidewalks, curbs, or parking lots.

(e) Developer shall be responsible for the costs of any permits required from any and all governmental entities to complete the Water System Extension.

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

(a) Developer, at its sole cost, is responsible for dedicating and/or acquiring any easements across privately owned land or sites (including off-site), if any, that are necessary for the construction or operation of the Water System Extension and for obtaining any governmental approvals necessary to construct the Water System Extension in a public right-of-way.

(b) Any easements acquired by Developer pursuant to Section 2(a) above must be in a form approved by SHWSC and will be assigned to SHWSC upon proper completion of the construction of the Water System Extension.

(c) The legal instruments by which Developer acquires any such easements and by which Developer assigns such easements to SHWSC must be approved by SHWSC's attorney or General Manager prior to their execution by Developer.

(d) Developer's acquisition of required easements and conveyance of those easements to SHWSC is a condition precedent to SHWSC's (i) acceptance of the conveyance of the Water System Extension and (ii) obligation to provide water service to the Property.

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

(a) Developer, at its sole cost, shall construct, or cause to be constructed, the Water System Extension, in accordance with the Approved Plans, in a good and workmanlike manner, and in accordance with the design and operational requirements specified by SHWSC and any other regulatory agency or governmental body with jurisdiction. The materials used in the construction of the Water System Extension will be free from defects and fit for their intended purpose.

(b) No part of the Water System Extension may be constructed, installed, or located under paved roads, sidewalks, curbs, or parking lots. In the event any part of the Water System Extension is placed under a paved surface or otherwise fails to comply with SHWSC's standards after reasonable notice and opportunity to cure, SHWSC shall have the right, in its sole discretion to: (i) remove, relocate, and/or replace, at the sole expense of Developer, any part of the Water System Extension placed under any paved surface or otherwise failing to comply with SHWSC's standards; or (ii) deny service until Developer removes, relocates, and/or replaces any part of the Water System Extension placed under a paved surface or otherwise failing to comply with SHWSC's standards. SHWSC will not be responsible for any damages to concrete or paved areas if any part of the Water System Extension is placed under a paved surface or otherwise fails to comply with SHWSC's standards.

(c) SHWSC will have the right to inspect all phases of the construction of the Water System Extension, but this right to inspection will not relieve Developer of any of its obligations under this Contract, including, without limitation, its obligations under Section 3(a), above. Developer must give written notice to SHWSC of the date on which construction is

scheduled to begin so that SHWSC may assign an inspector. Developer shall pay SHWSC for its inspection fees incurred in inspecting the construction and completion of the Water System Extension, which will be based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

- (d) No changes to the Approved Plans may be made without the prior written approval of SHWSC's General Manager. After construction of the Water System Extension begins, no construction change orders may be made without the prior written approval of SHWSC's General Manager. Except as otherwise provided in this Contract, Developer, its contractors and/or subcontractors shall be permitted to issue minor field directives varying from the Approved Plans without the need for prior approval from SHWSC so long as such field directives do not materially alter the Water System Extension or the Approved Plans.

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

- (a) Upon proper completion of construction of the Water System Extension and final inspection thereof by SHWSC, final inspection thereof by SHWSC, Developer will dedicate to SHWSC, at no cost to SHWSC, the Water System Extension, free and clear of all liens, claims, encumbrances, options, charges, assessments, reservations, and restrictions, using a form substantially similar to the "Equipment and Line Dedication Agreement" and associated forms attached hereto as **Exhibit D**. Applicant shall warrant the materials and performance of the Water System Extension as provided in Section 3(a) for one (1) year following the date of dedication. After dedication, SHWSC will own and operate the Water System Extension. It is a condition precedent to SHWSC accepting the Water System Extension that Developer shall provide SHWSC with a maintenance bond from Developer's construction contractor that is suitable to SHWSC and for the benefit of SHWSC, to make the required repairs to the Water System Extension within the first year.
- (b) In the event the Water System Extension cannot be dedicated, delivered, transferred, and assigned to SHWSC completely free and clear of all lines, claims, encumbrances, options, charges, assessments, reservations, and restrictions, Developer must ensure that any lienholders (i) consent to Developer's dedication of the Water System Extension to SHWSC and (ii) agree to subordinate their lien(s) to the rights and interests of SHWSC in and to the Water System Extension, such that a foreclosure of the lien(s) shall not extinguish the rights and interests of SHWSC in and to the Water System Extension. Developer shall provide SHWSC with evidence of such lienholder consent and subordination using a form substantially similar to that attached hereto as **Exhibit E**.

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

- (a) Developer shall pay all costs associated with the Water System Extension as a contribution in aid of construction, including, without limitation, the cost of the following:
  - (1) engineering and design;
  - (2) easement or right-of-way acquisition;
  - (3) construction;
  - (4) inspection;
  - (5) applicable attorneys' fees; and

- (6) governmental or regulatory approvals required to lawfully provide service to the Property.
- (b) In no event will SHWSC be responsible for any of the costs described in Section 5(a). However, nothing in this Contract obligates Developer to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by SHWSC.
- (c) If SHWSC requires the Water System Extension to be oversized in anticipation of the needs of the other customers of SHWSC, SHWSC shall reimburse Developer for the additional costs of construction attributable to the oversizing, as determined by SHWSC's consulting engineer and only in accordance with Subsection 1(c).
- (d) As of the Effective Date, Developer has deposited with SHWSC the sum of \$5,000.00 ("**Engineering Deposit**"), which will be used to pay charges and fees incurred by SHWSC in connection with Sections F and G of SHWSC's Tariff and this Contract. To the extent such charges and fees incurred for the Property exceed or are projected to exceed the amount of the Engineering Deposit as specified above, SHWSC will invoice Developer for the additional amounts, and payment by Developer will be due within thirty (30) days following Developer's receipt of such invoice. If Developer fails to pay SHWSC for such invoice within such thirty (30) day period, then SHWSC is not required to perform its obligations under this Contract until Developer pays such invoice in full, with no liability to SHWSC for not performing. SHWSC will refund any funds remaining in the Engineering Deposit that are not used by SHWSC to Developer upon the commencement of service in accordance with Section 8 of this Contract.
6. **Indemnity.** *IN ANY PROCEEDING, DEVELOPER SHALL INDEMNIFY, RELEASE, DEFEND, AND HOLD HARMLESS SHWSC, ITS DIRECTORS, EMPLOYEES, SHAREHOLDERS, CONTRACTORS, ATTORNEYS, AND/OR CONSULTANTS (COLLECTIVELY, "INDEMNITEES") FOR, FROM, AND AGAINST ANY AND ALL LOSSES, LIENS, CLAIMS, DEMANDS, ACTIONS, SUITS, JUDGMENTS, AND LITIGATION EXPENSES OF ANY NATURE, KIND, OR DESCRIPTION OF ANY PERSON OR ENTITY, INCLUDING A PARTY OTHER THAN DEVELOPER, DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM, OR RELATED TO (IN WHOLE OR IN PART) THIS CONTRACT OR THE CONSTRUCTION OF THE WATER SYSTEM EXTENSION, EXCEPT TO THE EXTENT OF ANY GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT OF THE INDEMNITEES. IN THE CASE OF ANY GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT OF AN INDEMNITEE, DEVELOPER'S OBLIGATIONS TO INDEMNIFY, RELEASE, DEFEND, AND HOLD HARMLESS THE OTHER INDEMNITEES SHALL SURVIVE.* The term "**Loss**" means any amount awarded in, or paid in settlement of, any Claim, including interest but excluding Litigation Expenses. The term "**Litigation Expenses**" means any reasonable out-of-pocket expense incurred in defending a Claim or in any related investigation or negotiation, including court filing fees, court costs, arbitration fees, mediation fees, witness fees, and attorneys' and other professional fees and disbursements. The term "**Proceeding**" means any judicial, administrative, or arbitrative action, suit, claim, investigation, or proceeding.

7. **Reservation of Capacity.**

- (a) The Parties agree that that the total number of Service Units for the Property, subject to Developer performing its obligations under this Contract, will not exceed the Requested Capacity and that development of the Property may occur in Phases, in accordance with the Concept Plan provided in the attached **Exhibit B.**
- (b) On the Effective Date, Developer shall pay to SHWSC a Reservation Fee (as such term is defined in the Tariff) (the “***Reservation Fee***”) for \_\_\_\_\_ Service Units of water service needed for the initial Phase of development (“***Initial Phase***”). Based on the current Reservation Fee of \$1,000.00 per Service Unit, the total payment of Reservation Fees for the Service Units contemplated by the Initial Phase is \$ \_\_\_\_\_ (such total payment is the “***Initial Phase Reservation Fee Payment***”). Upon receipt of the Initial Phase Reservation Fee Payment, in full, SHWSC will reserve capacity in the SHWSC System for the \_\_\_\_\_ Service Units that comprise the Initial Phase, for up to five (5) years after the Effective Date. The Initial Phase Reservation Fee Payment is nonrefundable. The Reservation Fee amount is subject to change.
- (c) Prior to the development of each subsequent Phase of the Property (“***Future Phase***”), as contemplated by **Exhibit B**, Developer shall submit a written non-standard service request to SHWSC specifying the number of Service Units of water service requested for that Future Unit. The Parties acknowledge that for each request for water service for a Future Unit of development of the Property, (i) SHWSC will need to conduct a feasibility study to determine whether it has the water supply and facilities necessary to provide water service in the quantity requested, (ii) such feasibility study shall be at Developer’s sole cost, and (iii) such study and determination will be based upon the conditions at the time Developer delivers its written non-standard service request. If SHWSC determines after completing each feasibility study that it has sufficient water supply and facilities necessary to provide water service in the quantity requested for that Future Phase, then SHWSC will notify Developer and Developer may execute an Addendum to this Contract contemplating the reservation of Service Units for that Future Phase. SHWSC will reserve capacity in that Future Phase only after (A) Developer and SHWSC execute an Addendum contemplating that Future Unit and (B) Developer pays the Reservation Fees for the applicable number of Service Units in that Future Phase—based on the then current Reservation Fee (for each Future Unit, a “***Future Phase Reservation Fee Payment***”), which is due immediately upon execution of the Addendum. Upon receipt of each Future Phase Reservation Fee Payment, in full, SHWSC will reserve capacity in the SHWSC System for the applicable number of Service Units in that Future Phase, for up to five (5) years from the effective date of the Addendum.
- (d) Regardless of any other approval, action, or inaction of SHWSC, SHWSC will not reserve capacity in SHWSC’s System for any portion of the Requested Capacity until this Contract has been fully executed and the Developer pays SHWSC the Reservation Fee Payment for that portion of the Requested Capacity, in full. Developer acknowledges and agrees that if Developer requests additional Service Units in excess of the Requested Capacity, then the Developer shall submit a new, separate Application for Non-Standard Service and SHWSC

will evaluate in a reasonable time whether it has capacity available for the additional Service Units of service requested. If after such evaluation SHWSC determines that the SHWSC System has capacity and water supplies for the requested service, then Developer may execute a new non-standard service contract with SHWSC for such additional water service.

- (e) Developer will receive an offset in the amount of the Reservation Fee for a Service Unit, if paid to SHWSC in accordance with this Contract, at the time Developer pays the Meter Installation Fee (as defined by SHWSC's Tariff) for an individual lot; provided, however, that Developer pays SHWSC the Reservation Fee Payment in a timely manner and pays SHWSC the Meter Installation Fee for any Service Unit within the 5 year period contemplated in Section 7, herein. Meter Installation Fees are collected by SHWSC at the time an application for water service for an individual lot is made.

8. **Service from the Water System Extension.**

- (a) After proper completion and dedication of the Water System Extension and conveyance of any required easements to SHWSC, SHWSC shall provide continuous and adequate water service at the Property, subject to the other limitations set forth in this Contract and all duly adopted rules and regulations of SHWSC and the payment of the following:

- (1) All standard rates, fees, and charges as reflected in SHWSC's approved Tariff;
- (2) Any applicable impact fee adopted by SHWSC; and
- (3) Any applicable reserved service charge adopted by SHWSC.

- (b) The Parties understand and agree that the obligation of SHWSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the Public Utility Commission of Texas and all other governmental agencies having jurisdiction, of all permits, certificates, and approvals legally required to provide the service which SHWSC.

- (c) Unless the prior written approval of SHWSC is obtained, Developer shall not:

- (1) construct or install additional water lines or facilities to service areas outside the Property;
- (2) add any additional lands to the Property for which water service is to be provided under this Contract;
- (3) connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity; or
- (4) rely on SHWSC for water service for any Service Units on the Property other than the Requested Capacity.

9. **Effect of Force Majeure.** In the event either Party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that Party, to the extent affected by the force majeure will be suspended during the continuance of the inability, as long as the Party exercises due diligence to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the Party whose contractual obligations are affected shall give notice and full particulars of the force majeure to the other Party.

The cause, as far as possible, will be remedied with all reasonable diligence. The term “*force majeure*” includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability’s of either Party, whether similar to those enumerated or otherwise, that are not within the control of the Party claiming the inability and that could not have been avoided by the exercise of due diligence and care. The Parties understand and agree that the settlement or strikes and lockouts will be entirely within the discretion of the Party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch does not require the settlement of strikes and lockouts by acceding to the demands of the opposing Party if, in the judgment of the Party having the difficulty, the settlement is unfavorable to it.

10. **Notices.** Any notice given by either Party to the other Party under this Contract must be in writing and may be accomplished by personal delivery or by sending the notice by registered or certified mail, return receipt requested, to the address set forth below. Notice will be deemed given when deposited with the United States Postal Service with sufficient postage affixed.

Any notice mailed to SHWSC will be addressed:

Springs Hill Water Supply Corporation  
Attn: General Manager  
P.O. Box 29  
Seguin, TX 78156-0029

Any notice mailed to Developer will be addressed:

[REDACTED]

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

11. **Breach of Contract and Remedies.**

(a) If either Party breaches any term or condition of this Contract, the non-breaching Party may, at its sole option, provide the breaching Party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching Party. Upon notice of breach, the breaching Party will have sixty (60) days to cure the breach. If the breaching Party does not cure the breach within the sixty (60) days, the non-breaching Party will have all rights at law and in equity, including the right to enforce specific performance of this Contract by the breaching Party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith.



- (b) Termination of this Contract by a non-breaching Party will not affect any previous conveyance made in accordance with this Contract.
- (c) The rights and remedies of the Parties provided in this Contract are not exclusive and are in addition to any other rights and remedies provided by law and under this Contract.
12. **Third Parties.** This Contract is made and entered into solely by the Parties. It is the express intention of the Parties that the terms and conditions of this Contract may be enforced by either Party to the Contract but not by any third party or alleged third-party beneficiary.
13. **Captions.** Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.
14. **Context.** Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words will include the singular and the plural.
15. **Mediation.** Prior to the institution of legal action by either Party related to any dispute arising under this Contract, the dispute will be referred to mediation by an independent mediator mutually agreed upon by both Parties. The cost of the mediator will be shared equally by both Parties.
16. **Litigation Expenses.** The prevailing Party in any legal proceeding brought by a Party to this Contract against the other Party, for claims under this Contract, will be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing Party.
17. **Intent.** The Parties covenant and agree that they will execute and deliver any further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.
18. **Multiple Originals.** This Contract may be executed in multiple originals, any copy of which will be considered to be an original, and all of which will constitute the same document.
19. **Authority.** Each signatory hereto represents and affirms that he/she is authorized to execute this Contract on behalf of their respective Party. The Board of Directors of SHWSC, as a single, indivisible entity, has duly approved and authorized the execution of this Contract.
20. **Severability.** The provisions of this Contract are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Contract or the application thereof to any person or circumstance is ever held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Contract to other persons or circumstances will not be affected thereby and this Contract will be construed as if such invalid or unconstitutional portion had never been contained therein.

21. **Entire Agreement.** This Contract, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the Parties relative to the subject matter of this Contract. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the Parties are merged herein. The Recitals at the beginning of this Contract are incorporated into the terms of this Contract for all purposes.
22. **Amendment.** No amendment of this Contract will be effective unless and until it is duly approved by each Party and reduced to a writing signed by the authorized representatives of SHWSC and Developer.
23. **At-Risk Project.** In the event that Developer builds any portion of the Water System Extension on the Property prior to the payment of Reservation Fees, Developer is proceeding at its own risk.
24. **Governing Law.** This Contract will be construed under and in accordance with the laws of the State of Texas, and all obligations of the Parties are expressly deemed performable in Guadalupe County, Texas.
25. **Venue.** Any action at law or in equity brought to enforce or interpret any provision of this Contract must be brought in a state court of competent jurisdiction with venue in Guadalupe County, Texas.
26. **Successors and Assigns.** This Contract is binding on and will inure to the benefit of the heirs, successors and assigns of the Parties.
27. **Assignability.** The rights and obligations of Developer hereunder may not be assigned without the prior written consent of SHWSC.
28. **Effective Date.** This Contract will be effective from and after the date of due execution by all Parties.
29. **Transition.** [SHWSC may add language concerning the transition of service, if applicable]

*Remainder of page intentionally left blank.*

IN WITNESS WHEREOF, each of the Parties has caused this Contract to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below (the last date signed is the “*Effective Date*”).

**SHWSC:**

**DEVELOPER:**

**SPRINGS HILL WATER SUPPLY CORPORATION**

**[DEVELOPER]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

SAMPLE

**Exhibit A**

**The Property**

SAMPLE

**Exhibit B**

**Concept Plan**

SAMPLE

**Exhibit C**

**Water System Extension**

SAMPLE

**Exhibit D**

**Equipment and Line Dedication Agreement**

SAMPLE

**SPRINGS HILL WATER SUPPLY CORPORATION  
EQUIPMENT AND LINE DEDICATION AGREEMENT  
BETWEEN  
[DEVELOPER] AND  
SPRINGS HILL WATER SUPPLY CORPORATION  
(PROJECT NAME)**

This Equipment and Line Dedication Agreement (“*Agreement*”) is made and entered into by and between [DEVELOPER], a Texas limited liability company (herein “*Developer*”) and SPRINGS HILL WATER SUPPLY CORPORATION, a Texas non-profit water supply corporation (herein “*SHWSC*”)(Developer and SHWSC are each a “*Party*” and are collectively, the “*Parties*”).

**RECITALS**

WHEREAS, Developer and SHWSC have previously entered into that certain Non-Standard Service Contract (the “*NSSC*”), dated \_\_\_\_\_, providing in part for the conveyance of certain water infrastructure to SHWSC so that SHWSC can provide water service to the Property, as such term is defined in the NSSC (the “*Property*”), more specifically described in that \_\_\_\_\_ Warranty Deed, dated \_\_\_\_\_, recorded as Document No. \_\_\_\_\_ of the Official Public Records of Guadalupe County, Texas, pursuant to SHWSC’s service policies and Tariff;

WHEREAS, Developer has acquired or caused to be constructed water infrastructure for use to serve the Property; and

WHEREAS, Developer wishes to dedicate, deliver, transfer, and assign such water infrastructure to SHWSC, and SHWSC wishes to take title to such infrastructure, as provided herein.

**AGREEMENT**

NOW, THEREFORE, for and in consideration of the premises and of the mutual obligations, covenants, and benefits hereinafter set forth, Developer and SHWSC contract and agree as follows:

1. Definitions.

(a) Construction Contracts: Contracts pursuant to which the Facilities were installed by the contractor.

(b) Facilities: The Facilities shall include all water facilities constructed to serve the Property, located in Guadalupe County, Texas, and recorded in Plat Document No. \_\_\_\_\_ of the Official Public Records of Guadalupe County, Texas, and constructed pursuant to a contract with \_\_\_\_\_, dated \_\_\_\_\_. The Facilities are the “Water System Extension” constructed to serve the Property, as such term is defined in the NSSC, and are more completely described in the plans and specifications described in Section 4(h) herein, which are incorporated herein by reference.



2. Sale and Purchase. Developer does hereby dedicate, deliver, transfer, and assign, free and clear of all liens, claims, encumbrances, options, charges, assessments, reservations, or restrictions, to SHWSC all rights and privileges to and ownership of the Facilities, installed as a condition of water service (once all applicable SHWSC fees for service have been paid to SHWSC) to the portion of the Property served by such Facilities.

3. Assignment. Developer hereby assigns all of its rights under the Construction Contracts to SHWSC and agrees to make provision for the transfer of any performance and payment bonds, and guarantees and warranties executed by the contractor and all other rights of Developer pursuant to the provisions of the Construction Contracts.

4. Representations by Developer. Developer represents to SHWSC that:

(a) Title. All the Facilities of Developer covered by this Agreement are hereby conveyed to SHWSC, free and clear of all liens, claims, encumbrances, options, charges, assessments, reservations, and restrictions.

(b) Rights-of-Way, Easements, etc. Developer represents, warrants, and guarantees that the Facilities are located in public utility easements or road rights-of-way as shown on recorded plats. Developer represents that said plats provide easements and rights-of-way which are adequate and sufficient to permit SHWSC to operate the Facilities, and any easements and rights-of-way held by Developer in connection therewith are hereby transferred to SHWSC whether or not expressly described herein.

(c) Possession. Developer is in possession of the Facilities and no objection to the location or use of the Facilities or adverse claims of title to the lands, easements, rights-of-way, licenses, permits, or leases on which the Facilities are situated is presently being asserted by any person or persons.

(d) Legal Proceedings. There are no actions, suits, or proceedings pending or, to the knowledge of Developer, threatened or affecting the Facilities or land where the Facilities are located and there are no pending condemnation proceedings of which Developer is aware of, connected with the Facilities or land where the Facilities are located.

(e) Known Defects. Developer represents and warrants that the Facilities, including any easements or rights-of-way or other properties to be conveyed hereunder are free of known defects, either legal or technical, that would prohibit SHWSC's use of the Facilities or other properties to be conveyed hereunder.

(f) Authorization. This Agreement, the transactions contemplated herein, and the execution and delivery of this Agreement have been duly authorized by Developer.

(g) No Violation of Other Contracts. This Agreement, and the warranties, representations, and covenants contained herein, and the consummation of the transactions contemplated herein will not violate or constitute a breach of any contract or other agreement to which Developer is a party.

(h) “Record” or “As-Built” Drawings and Engineer’s Certificate. Contemporaneously herewith Developer has provided SHWSC with a complete set of “record or as-built” drawings, together with a certificate by a registered professional engineer that the Facilities were constructed as indicated on the drawings.

5. Indemnification. DEVELOPER HEREBY INDEMNIFIES AND HOLDS HARMLESS SHWSC FROM AND AGAINST ANY AND ALL LIENS, CLAIMS, DEBTS, CHARGES, INDEMNITIES, LOSSES, PENALTIES, ATTORNEY FEES AND ANY OTHER KIND OF EXPENSES THAT MAY BE INCURRED BY OR ASSERTED AGAINST SHWSC BY REASON OF CONSTRUCTION OF THE FACILITIES.

6. Expenses. Except as specifically set forth herein, each Party shall pay its own expenses incident to carrying this Agreement into effect and consummating all transactions contemplated hereby. All ad valorem or property taxes applicable to the Facilities to the date of closing, including, without limitation, all taxes prior to execution of this Agreement, shall be the obligation of Developer.

7. Further Assurances. Developer agrees that from time to time and upon the request of SHWSC, Developer will execute and deliver such other instruments of conveyance and transfer and take such other action as may be reasonably required to more effectively convey, transfer to, and vest in SHWSC and to put SHWSC in possession of all of the Facilities conveyed, transferred, and delivered hereunder, and, in the case of contracts and rights, if any, which cannot be transferred effectively without the consent of other Parties, to make commercially reasonable efforts to obtain such consents and take such other action as may be reasonably necessary to assure to SHWSC the rights and benefits thereof.

8. Representations Survive Conveyance. The agreements and representations made by the Parties to this Agreement shall survive the conveyance of the Facilities.

9. Miscellaneous. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas and can be changed or terminated only by an agreement in writing signed by the Parties hereto. This Agreement embodies the entire understanding between the Parties and there are no prior effective representations, warranties, or agreements between the Parties.

10. No Waiver. Nothing herein shall waive, discharge, satisfy, modify or limit any rights obligations of the Parties hereto with respect to the NSSC, except as specifically provided in Section 7 of this Agreement.

This Agreement to be effective as of the \_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 20\_\_.

**DEVELOPER:**

**[DEVELOPER]**, a Texas limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

THE STATE OF TEXAS

COUNTY OF \_\_\_\_\_

§  
§  
§

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_,  
by \_\_\_\_\_ of [Developer], a Texas limited liability company, on behalf of said entity.

(Seal)

\_\_\_\_\_  
Notary Public Signature

**SPRINGS HILL WATER SUPPLY CORPORATION**, a Texas non-profit water supply corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

THE STATE OF TEXAS           §  
  §  
COUNTY OF GUADALUPE       §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, President, Board of Directors of Springs Hill Water Supply Corporation, a Texas non-profit water supply corporation.

(Seal) \_\_\_\_\_  
Notary Public Signature

STATE OF TEXAS

§  
§  
§

COUNTY OF GUADALUPE

**AFFIDAVIT AS TO NO LIENS**

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, who, being by me first duly sworn, upon his oath says:

“I am the \_\_\_\_\_ of [DEVELOPER], a Texas limited liability company, which, in association with the execution of that certain Equipment and Line Dedication Agreement Between [Developer] and Springs Hill Water Supply Corporation, executed contemporaneously herewith, conveys effective this day to SPRINGS HILL WATER SUPPLY CORPORATION all of said [Developer]’s right, title, and interest in and to the “Facilities,” as such term is defined in that certain Equipment and Line Dedication Agreement.

With the exception of the below-listed liens, said Facilities and improvements are free and unencumbered, the contractors and subcontractors which installed same have been paid in full therefor, and there are no liens of any nature whatsoever against said Facilities:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_.”

*Further affiant sayeth naught.*

[DEVELOPER], a Texas limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

THE STATE OF TEXAS

§  
§  
§

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_, \_\_\_\_\_ of [Developer], a Texas limited liability company, on  
behalf of said entity.

\_\_\_\_\_  
Notary Public Signature

(Seal)

SAMPLE

**Exhibit E**

**Consent and Subordination by Lienholder**

SAMPLE

**CONSENT AND SUBORDINATION BY LIENHOLDER**

\_\_\_\_\_ (“Lienholder”), as the holder of lien(s) on the “Facilities” described in that certain Equipment and Line Dedication Agreement Between \_\_\_\_\_ (“Developer”) and Springs Hill Water Supply Corporation (“Springs Hill”) and/or the “Property” described in that certain Non-Standard Service Contract between Developer and Springs Hill, dated \_\_\_\_\_, consents to the dedication, deliverance, transfer, and assignment of the Facilities, including the terms and conditions of such dedication, deliverance, transfer, and assignment, and Lienholder subordinates its lien(s) to the rights and interests of Springs Hill in and to the Facilities, such that a foreclosure of the lien(s) shall not extinguish the rights and interests of Springs Hill in and to the Facilities.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

THE STATE OF TEXAS            §  
  §  
COUNTY OF \_\_\_\_\_       §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of said entity.

(Seal)

\_\_\_\_\_  
Notary Public Signature



**SECTION I.5**  
**Agreement to Reserve Water Supply Capacity and Construct Facilities Form**

# AGREEMENT TO RESERVE WATER SUPPLY CAPACITY AND CONSTRUCT FACILITIES

This Agreement to Reserve Water Supply Capacity and Construct Facilities is made between Springs Hill Water Supply Corporation, a Texas non-profit water supply corporation, of Guadalupe County, Texas, hereinafter referred to as "Springs Hill," and \_\_\_\_\_, hereinafter referred to as the "Developer"

WHEREAS, Developer owns certain real property located in Guadalupe County, Texas, hereinafter referred to as the "Property," said Property containing approximately \_\_\_\_\_ acres and being more particularly described by metes and bounds attached as Exhibit "A" hereto and made a part hereof for all purposes; and

WHEREAS, Developer desires to develop the Property to (describe lots) \_\_\_\_\_ and desires to obtain domestic water service for the Property; and

WHEREAS, Springs Hill has water supply capacity in its system to serve the Property as proposed to be developed by Developer; and

WHEREAS, the Developer has requested an upgrade of a portion of Springs Hill's existing distribution line from \_\_\_\_\_ and an extension of such line to the Property; and

WHEREAS, the Developer has agreed to pay the full cost of such line extension and upgrade; and

WHEREAS, Springs Hill has agreed to reserve capacity in its system for the Property for a period of \_\_\_\_\_ (\_\_\_\_) years in consideration of Developer's payment of such costs.

NOW THEREFORE, in consideration of the mutual promises herein contained, Springs Hill and Developer agree as follows:

**1.01 Consideration—Developer.** Developer shall pay and provide Springs Hill the following:

- a. At the time of execution of this agreement, Developer has paid the sum of \$ \_\_\_\_\_, the receipt and sufficiency of which is hereby acknowledged by Springs Hill, which amount shall be applied by Springs Hill to cover the cost of Springs Hill's attorneys fees and other costs related to this Agreement; and any applicable engineering fees, inspection fees, and administrative fees as provided in Springs Hill's tariff.
- b. Within fifteen (15) days after the date of execution of this Agreement and prior to the dedication of any public utility easements on the Property,

Developer shall convey to Springs Hill at Developer's expense, on a form prepared by Springs Hill, a permanent easement of at least fifteen (15) feet in width and a contiguous temporary construction easement of at least thirty (30) feet in width, such easements lying within the boundaries of the Property, in which easements Springs Hill may construct water lines and facilities in the future and which shall be shown on the final recorded plat of the subdivision. The fifteen (15) foot permanent easement shall include exclusive rights to a seven and a half (7.5) foot wide strip of land, the center line of which shall be defined as the center line of the water line as installed. The thirty (30) foot temporary construction easement shall run along and parallel to the fifteen (15) foot permanent easement. The easements must be conveyed to Springs Hill free and clear of all encumbrances, including deeds of trust and liens.

- c. Developer shall pay all costs of constructing a \_\_\_-inch(\_\_\_") and replacing a portion of Springs Hill's existing \_\_\_\_\_ water distribution line as shown on the attached Exhibit "B", to extend service from Springs Hill's existing General Purpose Transmission Facilities to the Property ("Distribution Line Extension"). Developer shall be responsible for securing all necessary easements and rights of way for such extension and shall ensure that such extension is located within a fifteen (15) foot permanent easement with exclusive rights granted to Springs Hill.

**1.02 Consideration—Springs Hill.** In consideration for the payments and covenants herein during the term of this Agreement, Springs Hill will reserve service for no more than (\_\_\_) equivalent dwelling units ("EDUs) as defined by Springs Hill's tariff and as may be amended from time to time, for use on the Property. Springs Hill's service shall commence when the following conditions have been satisfied: (i) the Property complies with all applicable municipal and county subdivision regulations; (ii) the development of the Property complies with all applicable United States Fish & Wildlife Service regulations; (iii) construction of the Distribution Line Extension has been completed in accordance with Springs Hill's tariff; and (iv) Developer has paid all applicable membership fees, tap fees and other charges as provided in Springs Hill's tariff. After the expiration of this Agreement, water service to the Property will be on an "as available" basis.

**2.01 Design and Construction of Distribution Line Extension.** Springs Hill shall design and construct the Distribution Line Extension. Springs Hill shall solicit at least two written bids from construction contractors approved by Springs Hill and shall forward such bids to Developer. Within fifteen (15) days of delivery of such bids to Developer, Developer shall pay to Springs Hill in cash an amount equal to the lowest bid approved

by Springs Hill, in its sole discretion, plus ten percent (10%). Springs Hill shall engage the construction contractor and manage construction of the Distribution Line Extension. In the event Developer fails to pay to Springs Hill the amounts determined by this section within the time specified, this agreement shall automatically terminate and be of no further force or effect.

**3.01 No Transfer of Reserved Capacity.** Developer acknowledges and agrees that the reserved capacity, which is subject to this Agreement, is for use with the Property and will not be transferred for use with other land.

**3.02 No Assignment of Rights by Developer.** No assignment of this Agreement or of any right accruing hereunder shall be made, in whole or in part by Developer without the prior written consent of Springs Hill. Any assignment or other transfer of this Agreement without Springs Hill's prior written consent shall make this Agreement voidable at Springs Hill's sole option, upon Springs Hill's discovery of said assignment or transfer.

**3.03 Assignment by Springs Hill.** Springs Hill shall have the right to sell, assign, or transfer this Agreement with all its rights, title, and interest therein to any person, firm, corporation, or governmental entity at any time during the term of this Agreement, and any such assignee shall acquire all of the rights and assume all of the obligations of Springs Hill under this Agreement.

**4.01 Term of Agreement.** The term of this agreement shall extend for a period of two (2) years from the date of execution of this Agreement. After said time the Reservation Fee becomes the property of Springs Hill Water Supply Corporation.

**4.02 Effect of Termination.** Upon termination of this Agreement, all remaining reserved water supply capacity, which has not been committed through the setting of a water meter, shall revert to Springs Hill and Developer shall have no further rights to such capacity.

**5.01 Notice.** Any notice to be given hereunder by either party to the other shall be in writing and may be affected by certified mail, return-receipt requested.

Notice to Springs Hill shall be addressed to:

Springs Hill Water Supply Corporation,

Attn: General Manager

P.O. Box 29

Seguin, Texas 78156-0029

Notice to Developer shall be addressed to:

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Each party may change the address for notice to it by giving notice of such change at the last address designated in accordance with this paragraph.

**5.02 Venue.** This Agreement shall be construed under and in accordance with the laws of the State of Texas. Certain obligations of the parties created by this Agreement shall be performable in Guadalupe County, Texas, which county shall be the exclusive place of venue for any disputes arising under this Agreement.

**5.03 Attorney's Fees.** If any action at law or equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which that party may be entitled.

**5.04 Amendment.** No Amendment, modification, or alteration of the terms of this Agreement shall be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the parties to this Agreement.

**5.05 Tariff Amendments.** This Agreement is made pursuant to Springs Hill's tariff. Developer understands that its rights and obligations and under this Agreement may be affected by future amendments to the tariff, including a portion of the tariff known as the Rules and Regulations Concerning Springs Hill's Service to Subdivisions. Developer agrees to comply with the requirements of Springs Hill's tariff and the Rules and Regulations Concerning Springs Hill's Service to Subdivisions if applicable, as amended from time to time during the term of this Agreement.

**5.06 Effect of Applicable Laws and Regulations.** The parties understand that their rights and obligations under this Agreement are subject to, without limitation: (i) the laws of the State of Texas; (ii) the laws of the United States; (iii) the regulations promulgated by the Texas Commission of Environmental Quality; (iv) the regulations promulgated by the United States Environmental Protection Agency; (v) the regulations promulgated by the United States Fish & Wildlife Service; and (vi) the regulations promulgated by any other regulatory agency(ies) which may now or in the future have jurisdiction over Springs Hill. However, Developer is solely responsible for obtaining all

permit(s) and approval(s), if any required by the United States Fish & Wildlife Service, and /or any other regulatory agency(ies), for construction of the Water distribution System to be constructed by Developer regarding this Agreement. Further, Developer: (i) shall pay Springs Hill the full cost incurred by Springs Hill in obtaining all permit(s) and/or approval(s),if any required by the United States Fish a& Wildlife Service, and/or any other regulatory agency(ies) for construction of any component(s) of Springs Hill's System regarding this Agreement; and (ii) acknowledges that Springs Hill will require a reasonable period of time during which to obtain such permit(s) and/or approval(s) which in turn will delay construction of any such component(s) of Springs Hill's System.

Developer agrees, to the fullest extent permitted by law, to indemnify and hold harmless Springs Hill, its officers, directors, employees, agents and consultants from and against all damages, liabilities, and costs, including reasonable attorney's fees and defense costs arising out of or in any way connected with Developer's noncompliance with all applicable laws and regulations and/or failure to obtain all required permit(s) and approval(s) regarding this Agreement, excepting only those damages, liabilities, or costs attributable to the sole negligence or willful misconduct of Springs Hill.

**5.07 Severability.** In the event one or more provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

**5.08 Extent of Agreement.** This Agreement, which consists of six (6) pages and attached Exhibits A and B, constitutes the entire Agreement between Springs Hill and Developer. This Agreement supersedes all prior negotiations, representations, or agreements, written or oral regarding the Property, and may be amended only in accordance with Section 5.04 herein.

**5.09 Warranties of Signatory.** The undersigned signatory for Developer hereby represents and warrants that such signatory has full and complete authority to enter into this Agreement on behalf of Developer.

**5.10 Parties Bound.** This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective heirs, executors, administrators, legal representatives, successors, and assigns, unless otherwise prohibited by Sections 3.01 and 3.02 of this Agreement.

This Agreement is executed in duplicate originals on the respective dates of acknowledgement set forth below and shall be effective as of the latest date of acknowledgement set forth below.

**[DEVELOPER]**

By: \_\_\_\_\_

\_\_\_\_\_

Its: \_\_\_\_\_

**SPRINGS HILL WATER SUPPLY CORPORATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

SAMPLE

**EXHIBIT LIST FOR AGREEMENT TO RESERVE WATER SUPPLY CAPACITY**

Exhibit A – Metes and Bounds Description of the Property

Exhibit B – Distribution Line Extension

SAMPLE



**SECTION I.6**  
**Temporary Service Application and Agreement Form**

**SPRINGS HILL WATER SUPPLY CORPORATION  
TEMPORARY SERVICE APPLICATION AND AGREEMENT**

DATE: \_\_\_\_\_

APPLICANT: \_\_\_\_\_

CONTACT: \_\_\_\_\_

PHONE: \_\_\_\_\_

EMAIL: \_\_\_\_\_

BILLING ADDRESS: \_\_\_\_\_

SERVICE LOCATION FOR TEMPORARY METER TO BE SET:

\_\_\_\_\_

Springs Hill Water Supply Corporation (“Springs Hill”) agrees to provide Applicant with temporary water service (“Temporary Service”) for up to twelve (12) months upon Applicant’s agreement that:

1. Applicant shall be responsible for the following costs set forth in Subsection G.6.b of Springs Hill’s Tariff, as may be amended from time to time, which relate to “Temporary Metered Water:”
  - a. Deposit for temporary meter: \$300.00
  - b. Monthly minimum charge: \$326.40
  - c. Monthly gallonage charge:

0 to 25,000 gallons	\$3.75 per thousand
25,001 to 50,000 gallons	\$4.25 per thousand
50,001 to 100,000 gallons	\$4.50 per thousand
100,001 to 200,000 gallons	\$5.25 per thousand
200,001 and over gallons	\$5.50 per thousand
  - d. Actual costs to repair or replace damaged, destroyed, or stolen Temporary Service equipment, including, but not limited to, temporary meters and locks.
2. Applicant shall install, at their own expense, Reduced Pressure Zone (“RPZ”) backflow prevention assemblies, which must be maintained in proper working condition at all times while receiving Temporary Service.

3. The Temporary Service provided will be used only for construction (or other non-permanent uses, if approved by Springs Hill).
4. The water provided will not be consumed by humans or animals.
5. Applicant will notify Springs Hill in writing of the date to initiate the Temporary Service.
6. Applicant will notify Springs Hill in writing of the date Temporary Service at the indicated service location is no longer necessary.
7. Applicant agrees not to occupy or reside in the indicated service location.

In no event shall Temporary Service be provided for a period in excess of twelve (12) months from the date the Temporary Service begins; provided, however, that an Applicant may request to extend the Temporary Service period by submitting an additional Temporary Service Application and Agreement to the Corporation. If the additional Temporary Service Application and Agreement is accepted and approved by the Corporation, the Applicant may receive Temporary Service for up to an additional twelve (12) months.

If Applicant fails to abide by any provision of this Agreement, water service to the indicated service location will be terminated. Termination will be made without notice if, in the sole opinion of Springs Hill, Applicant's use of the Temporary Service creates an immediate hazard to public health and safety. If no such hazard exists, Applicant shall be notified and given a limited time to come into compliance. If Temporary Service is terminated for breach of this Agreement, the Reconnect Fee set forth in Springs Hill's Tariff, as may be amended from time to time, will be charged as a condition of service restoration.

In the event of a conflict between the terms and conditions of this Agreement and the Tariff, the Tariff shall control.

This Agreement is effective as of the date of execution by Springs Hill.

**Applicant:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved and accepted by:

**Springs Hill Water Supply Corporation**

\_\_\_\_\_  
Daniel Pepin, General Manager

Date: \_\_\_\_\_

**SECTION J.1**  
**Alternate Billing Agreement**

## ALTERNATE BILLING AGREEMENT FOR RENTAL ACCOUNTS

NAME: \_\_\_\_\_

LOCATION #: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

HOME PHONE # \_\_\_\_\_

EMAIL ADDRESS: \_\_\_\_\_

CELL PHONE # \_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

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

Signature \_\_\_\_\_

Date \_\_\_\_\_

Would you like to have your renter pay \$150.00 deposit?

(Initials) \_\_\_\_\_  
Yes

\_\_\_\_\_   
No

**SECTION J.2**  
**Confidentiality of Utility Records**

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

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

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

Springs Hill Water Supply Corporation  
P O Box 29  
Seguin, TX 78156-0029

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

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

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

---

**Detach and Return This Section**

Yes, I authorize Springs Hill Water Supply Corporation to disclose my information pursuant to Texas Utilities Code § 182.052.

\_\_\_\_\_  
*Name of Account Holder*

\_\_\_\_\_  
*Account Number*

\_\_\_\_\_  
*Address*

\_\_\_\_\_  
*Area Code/Telephone Number*

\_\_\_\_\_  
*City, State, Zip Code*

\_\_\_\_\_  
*Signature*



**SECTION J.3**  
**Customer Notice of Water Rationing**

## CUSTOMER NOTICE OF WATER RATIONING

DATE: \_\_\_\_\_

TO: Customers of Springs Hill Water Supply Corporation

FROM: \_\_\_\_\_, Manager, Springs Hill WSC

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

Stage \_\_\_\_ allocation restricts your water use as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

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

Thank you for your cooperation.

**SECTION J.4**  
**Customer Notice of Violation of Water Rationing**

## CUSTOMER NOTICE OF VIOLATION

DATE: \_\_\_\_\_

FROM: \_\_\_\_\_, Manager, Springs Hill WSC

TO: \_\_\_\_\_, you are hereby notified that on \_\_\_\_\_ it was determined that you violated the restrictions on your water use that are required under the Corporation's Drought Contingency and Emergency Water Demand Management Plan. Specifically, [DESCRIBE VIOLATION]. You were notified of the restriction on your water use, and the penalties for violating this restriction, on \_\_\_\_\_ (see attached [ATTACH COPY OF CUSTOMER NOTICE OF WATER RATIONING]).

You are directed immediately to restrict your water use under the allocation stated in the previous notice.

You will be assessed a penalty in the amount specified in the Corporation's Tariff for any subsequent violations. If you fail to pay any penalties, your water service may be terminated. In addition, your water service may be temporarily terminated for continued violations.

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

We appreciate your cooperation.

**SECTION J.5**  
**Customer Notice of 2<sup>nd</sup> Violation & Penalty**

CUSTOMER NOTICE OF SECOND VIOLATION AND PENALTY

DATE: \_\_\_\_\_

FROM: \_\_\_\_\_, Manager, Springs Hill WSC

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

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

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

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

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

**SECTION J.6**  
**Customer Notice of Subsequent Violation & Penalty**

CUSTOMER NOTICE OF SUBSEQUENT VIOLATION AND PENALTY

DATE: \_\_\_\_\_

FROM: \_\_\_\_\_, Manager, Springs Hill WSC

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

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

The Corporation's previous notice advised you that you would be assessed an additional, and more severe, penalty if the violation continued. This is required under the Corporation's Tariff. Accordingly, you are hereby directed to pay a penalty of \$75.00, to be received in the Corporation's business office no later than \_\_\_\_\_ . m., \_\_\_\_\_. **Failure to pay this penalty by this date and time will result in termination of your water service WITHOUT FURTHER NOTICE.** Any reconnection will require payment of the penalty and a charge for the service call to restore service.

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

Your prompt attention to this matter will be appreciated by the \_\_\_\_\_ Water Supply Corporation and its members.



**SECTION J. 7**  
**Termination Notice – Water Rationing Violations**

NOTICE OF TERMINATION

DATE: \_\_\_\_\_

FROM: \_\_\_\_\_, Manager, Springs Hill WSC

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

**There have been repeated violations.** You previously have been notified of violations on \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_. Because these violations have continued, and as provided under Section H of the Corporation's Tariff, your water service will be terminated on \_\_\_\_\_. Your service will not be restored until \_\_\_\_\_ and only after payment of a charge for the service call to restore your service. Additional violations thereafter will result in additional suspensions of your water service.

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

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

**SECTION J.8**  
**Deferred Payment Agreement**

**SPRINGS HILL WSC  
DEFERRED PAYMENT AGREEMENT**

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

Member agrees to pay \$ \_\_\_\_\_ per month, in addition to current monthly water utility service rates, fees, and charges, as set forth in the Corporation's Tariff, until the account is paid in full. Any fees normally assessed by the corporation on any unpaid balance shall apply to the declining unpaid balance.

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

\_\_\_\_\_  
Member

Account# \_\_\_\_\_

\_\_\_\_\_  
Date

Due Date \_\_\_\_\_

\_\_\_\_\_  
Springs Hill WSC Authorized Representative

**SECTION J.9**  
**Installment Agreement**

**SPRINGS HILL WATER SUPPLY CORPORATION  
INSTALLMENT AGREEMENT**

AN AGREEMENT made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Springs Hill Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the Corporation) and \_\_\_\_\_, (hereinafter called the Applicant and/or Member).

By execution of this Agreement, the undersigned Member agrees to payment of outstanding debt for water utility service rates, fees, and charges, as set forth in the Corporation's Tariff, until the \_\_\_\_\_ (Equity Buy-In Fee, High water bill from a leak, or other connection fee) is paid in full. Any fees normally assessed by the Corporation on any unpaid balance shall apply to the declining unpaid balance.

Failure to fulfill the terms of this Agreement shall institute the Corporation's disconnection procedures as set forth in the Corporation's Tariff.

APPROVED AND ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at the regular monthly meeting of the Board of Directors of the Springs Hill Water Supply Corporation.

\_\_\_\_\_  
President, Springs Hill WSC

\_\_\_\_\_  
Sec/Treasurer, Springs Hill WSC

THE STATE OF TEXAS COUNTY OF \_\_\_\_\_

IN WITNESS WHEREOF the said Member/Applicant has executed this instrument this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_

\_\_\_\_\_  
Member/Applicant

County, Texas.

Commission Expires \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**SECTION J.10**  
**Line Extension Refund Agreement**

## SPRINGS HILL WATER SUPPLY CORPORATION LINE EXTENSION REFUND AGREEMENT

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

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

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

Springs Hill Water Supply Corporation

\_\_\_\_\_  
Signed by Applicant

\_\_\_\_\_  
Signed by President

\_\_\_\_\_  
address

\_\_\_\_\_  
address

\_\_\_\_\_  
city

\_\_\_\_\_  
zip

\_\_\_\_\_  
city

\_\_\_\_\_  
zip

\_\_\_\_\_  
Witness

Date filed: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

THE STATE OF TEXAS, COUNTY OF \_\_\_\_\_

IN WITNESS WHEREOF the said Member/Applicant and President of Springs Hill WSC has executed this instrument this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Notary Public Signature)

Commission Expires \_\_\_\_\_



**SECTION J.11**  
**Membership Mortgage Agreement**

**SPRINGS HILL WATER SUPPLY CORPORATION  
MEMBERSHIP MORTGAGE AGREEMENT**

This agreement hereby verifies that the Springs Hill WSC provides or is able to provide utility service under the terms and conditions of its Tariff to the property so designated in this agreement.

The Springs Hill WSC does meet the service requirements of the Texas Commission on Environmental Quality and currently holds all authorization or certification required.

The Membership available/assigned to this property is transferable to all legally qualifying interests upon compliance with the terms and conditions of the Springs Hill WSC's Tariff, including but not limited to completion of all required forms and applications, payment of all fees, and payment of final account balances.

The Springs Hill WSC shall notify any Loan/Membership guarantor and/or mortgagee by certified mail at least thirty days prior to Membership/Service termination and guarantor/mortgagee hereby guarantees payment of any account balances required to prevent termination of Membership by the Springs Hill WSC.

A guarantor and/or mortgagee shall qualify as a bona fide lien-holder to the Membership by providing a Deed of Trust\*, to be hereto affixed, for the real property in question and designated below which clearly defines the guarantor and/or mortgagee as the lien-holder of the Membership and the real property for which Membership was issued. Springs Hill WSC shall notify the entity so designated in the Deed of Trust\*.

Legal Description of Property:

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\_\_\_\_\_  
Mortgagee (Lien-Holder)

\_\_\_\_\_  
Guarantor (If Applicable)

\_\_\_\_\_  
Springs Hill WSC Representative

\_\_\_\_\_  
Date

**Note:** \* Please attach Deed of Trust or other proof of ownership for permanent record.

**SECTION J.12**  
**Agreement to Provide Fill for Certain Fire Vehicles**

STATE OF TEXAS

AGREEMENT TO PROVIDE FILL FOR  
CERTAIN FIRE VEHICLES

\_\_\_\_\_ COUNTY

IN DESIGNATED AREAS

This Agreement ("Agreement") is executed by and between \_\_\_\_\_ County Volunteer Fire Department ("Department"), an emergency service organization, and Springs Hill Water Supply Corporation ("Corporation"), a nonprofit water supply corporation organized and operating under the provisions of Chapter 67, Texas Water Code and the Non-Profit Corporations Act, articles 1396-1.01, et seq., for the purposes and consideration set forth herein.

RECITALS

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

WHEREAS Corporation is a nonprofit water supply corporation, organized and operating under the provisions of Chapter 67, Water Code and the Non-Profit Corporation Act, and furnishes a water supply in Guadalupe County and specifically in the area described in Texas Commission on Environmental Quality ("TCEQ") Certificate of Convenience and Necessity No. 10666; and

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

WHEREAS Corporation's tariff expressly provides that Corporation does not provide fire flow and does not provide or imply that fire protection is available on any of Corporation's distribution system; and

WHEREAS Corporation is willing to assist Department by making water available for the purpose of filling Department's pump trucks ("pump and fill" purposes) without making any guarantee to Department or to any third party that water or pressure adequate for pump and fill purposes will be available at any time or under any circumstance; and

WHEREAS Department desires to utilize Corporation's water supply for pump and fill purposes within the area described herein and under the conditions set forth herein;

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

### PARTIES

1.1 This Agreement is entered into by and between \_\_\_\_\_ County Volunteer Fire Department, domiciled and conducting business in \_\_\_\_\_ County, Texas, and Springs Hill Water Supply Corporation, domiciled and conducting business in Guadalupe County, Texas.

1.2 Department is authorized to enter into this Agreement pursuant to \_\_\_\_\_.

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

### PROVISION OF FILL WATER

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

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

2.3 Corporation will install or maintain pump and fill facilities solely within Corporation's discretion, and the Department has no responsibility for installation or maintenance of such facilities.

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

2.5 Department will notify Corporation prior to use of any designated pump and fill facility to the extent Department reasonably is able to do so by calling the Corporation's management. The Corporation acknowledges that in the event of

emergencies, it may not be feasible for the Department to provide prior notice, in which case notification shall be provided as soon as practicable.

2.6 No obligation other than the duties set forth in this Agreement are recognized nor are any obligations or duties to be implied under this Agreement. No duty or obligation on the part of Corporation to provide fire flow or a supply of water under any minimum pressure or for any length of time may be implied under the provisions of this agreement.

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

2.8 The Department will supply a monthly water usage to the Corporation for the sole purpose of assisting Corporation in accounting for Corporation's Water Supply.

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

#### COMPENSATION

3.1 Department will not be charged for use of Corporation's water supply for pump and fill purposes. Department will be charged for water used for any other purpose.

#### TERMINATION OF AGREEMENT

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

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

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

#### MISCELLANEOUS

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

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

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

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

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

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

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

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

Springs Hill Water Supply Corporation	_____ County Volunteer Fire Department
By: _____	By: _____
Title: _____	Title: _____
Attest: _____	Attest: _____
Date: _____	Date: _____

**SECTION J.13**  
**Meter Test Authorization and Test Report**



**SPRINGS HILL WATER SUPPLY CORPORATION  
METER TEST AUTHORIZATION  
AND TEST REPORT**

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

DATE OF REQUEST: \_\_\_\_\_ PHONE NUMBER (DAY): \_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_ METER SERIAL NUMBER: \_\_\_\_\_

REASONS FOR REQUEST: \_\_\_\_\_

Members requesting a meter test may be present during the test, but if not, Member shall accept test results shown by the Corporation. The initial test shall be conducted in accordance with the American Water Works Association standards and methods on a certified test bench **or on-site with an acceptable certified test meter at no charge**. Member agrees to pay \$25.00 for subsequent tests plus any outstanding water utility service. In the event that the Member is required to pay for the test and for outstanding water utility service as set forth herein, said charges shall be applied to the next billing sent to the Member after the date of the test.

\_\_\_\_\_  
Signed by Member

**TEST RESULTS**

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

Register test \_\_\_\_\_ minutes at \_\_\_\_\_ gallons per minute recorded per \_\_\_\_\_ gallons.

Meter tests accurately; no adjustments due.

Meter tests high; adjustment due on water charges by \_\_\_\_\_ %

Meter tests low; no adjustment due.

Test conducted by \_\_\_\_\_ Approved

**SECTION J.14**  
**Notice to Owner of Rental Property**

**SPRINGS HILL WSC  
NOTICE TO OWNER OF RENTAL PROPERTY**

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

SPRINGS HILL WSC MANAGEMENT

Amount Due Including Service Charges \_\_\_\_\_

Final Due Date \_\_\_\_\_

**SECTION J.15**  
**Notice of Requirements to Comply with the Subdivision and Service**  
**Extension Policy**

**NOTICE OF REQUIREMENT TO COMPLY WITH THE SUBDIVISION AND SERVICE  
EXTENSION POLICY OF  
SPRINGS HILL WATER SUPPLY CORPORATION**

Pursuant to Chapter 13.2502 of the Texas Water Code, Springs Hill Water Supply Corporation hereby gives notice that any person who subdivides land by dividing any lot, tract, or parcel of land, within the service area of Springs Hill Water Supply Corporation, Certificate of Convenience and Necessity No.10666, in Guadalupe County, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded or requests more than two water connections on a single contiguous tract of land must comply with reference to Section F. (Developer, Subdivision and Non-Standard Service Requirements) contained in Springs Hill Water Supply Corporation's tariff.

**Springs Hill Water Supply Corporation is not required to extend retail water service to a service applicant in a subdivision where the developer of the subdivision has failed to comply with the Subdivision Policy.**

Applicable elements of the Subdivision include:

Evaluation by Springs Hill Water Supply Corporation of the impact a proposed subdivision service extension will make on Springs Hill Water Supply Corporation's water supply service system and payment of the costs for this evaluation;

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

Payment of fees for reserving water supply capacity as stated in Section G of the tariff;

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

Payment of costs of any improvements to Springs Hill Water Supply Corporation's system that is necessary to provide the water service;

Construction according to design approved by Springs Hill Water Supply Corporation and dedication by the developer of water facilities within the subdivision following inspection.

Springs Hill Water Supply Corporation's tariff and a map showing Springs Hill Water Supply Corporation's service area may be reviewed at Springs Hill Water Supply Corporation's offices, at 5510 S. 123 Bypass, Seguin, TX; the tariff/policy and service area map also are filed of record at the Texas Commission on Environmental Quality in Austin, Texas and may be reviewed by contacting the TCEQ, c/o Utility Rates and Services Section, Water Utilities Division, P.O. Box 13087, Austin, Texas 78711.

**SECTION J.16**  
**Notice of Returned Check**

**SPRINGS HILL WSC  
NOTICE OF RETURNED CHECK**

**TO:**

**DATE:**

**CHECK NUMBER:**

**AMOUNT OF CHECK:**

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

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You have ten days from the date of this notice in which to redeem the returned check and pay an additional \$35.00 Returned Check Fee. Redemption of the returned check and payment of additional fees may be made by cash, money order, or certified check. If you have not redeemed the returned check and paid the additional service fees within ten (10) days, your utility service will be disconnected unless other arrangements have been made with management.

SPRINGS HILL WSC MANAGEMENT

**SECTION J.17**  
**Request for Service Discontinuance**



**SPRINGS HILL WATER SUPPLY CORPORATION  
REQUEST FOR SERVICE DISCONTINUANCE**

I \_\_\_\_\_, hereby request that my water meter on Location number \_\_\_\_\_ located on \_\_\_\_\_, be disconnected from Springs Hill Water Supply Corporation service and that my membership fee is be refunded to me. I understand that if I should ever want my service reinstated I may have to reapply for service as a new member and I may have to pay all costs as indicated in a then current copy of the Water Supply Corporation Tariff. Future ability to provide service will be dependent upon system capacity, which I understand may be limited and may require capital improvements to deliver adequate service. I further represent to the Corporation that my spouse joins me in this request and I am authorized to execute this Request for Service Discontinuance on behalf of my spouse.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date of Signature

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

Forwarding Address Information:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip code

**SECTION J.18**  
**Right-of-Way Easement Denial Letter and Affidavit Form**

**EASEMENT DENIAL LETTER AND AFFIDAVIT**

Date

(Name of Property Owner  
and Property Owners  
Address)

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

Dear \_\_\_\_\_:

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

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

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

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

We appreciate your attention to this matter.

Sincerely,

[appropriate signature]

**ACKNOWLEDGEMENT OF REFUSAL**

I, \_\_\_\_\_, hereby refuse to provide the easement requested by Springs Hill Water Supply Corporation for authority to construct/operate a water distribution system across my property.

**AFFIDAVIT**

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

\_\_\_\_\_  
[name]  
[position with Corporation]  
Date: \_\_\_\_\_

THE STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

THIS INSTRUMENT was acknowledged before me on \_\_\_\_\_, 20\_\_,  
by \_\_\_\_\_.

(SEAL)

Notary Public, \_\_\_\_\_ County, Texas  
My Commission Expires:

\_\_\_\_\_.

**SECTION J.19**  
**Equipment and Line Dedication Agreement**

**SPRINGS HILL WATER SUPPLY CORPORATION  
EQUIPMENT AND LINE DEDICATION AGREEMENT  
BETWEEN  
[DEVELOPER] AND  
SPRINGS HILL WATER SUPPLY CORPORATION  
(PROJECT NAME)**

This Equipment and Line Dedication Agreement (“*Agreement*”) is made and entered into by and between [DEVELOPER], a Texas limited liability company (herein “*Developer*”) and SPRINGS HILL WATER SUPPLY CORPORATION, a Texas non-profit water supply corporation (herein “*SHWSC*”)(Developer and SHWSC are each a “*Party*” and are collectively, the “*Parties*”).

**RECITALS**

WHEREAS, Developer and SHWSC have previously entered into that certain Non-Standard Service Contract (the “*NSSC*”), dated \_\_\_\_\_, providing in part for the conveyance of certain water infrastructure to SHWSC so that SHWSC can provide water service to the Property, as such term is defined in the NSSC (the “*Property*”), more specifically described in that \_\_\_\_\_ Warranty Deed, dated \_\_\_\_\_, recorded as Document No. \_\_\_\_\_ of the Official Public Records of Guadalupe County, Texas, pursuant to SHWSC’s service policies and Tariff;

WHEREAS, Developer has acquired or caused to be constructed water infrastructure for use to serve the Property; and

WHEREAS, Developer wishes to dedicate, deliver, transfer, and assign such water infrastructure to SHWSC, and SHWSC wishes to take title to such infrastructure, as provided herein.

**AGREEMENT**

NOW, THEREFORE, for and in consideration of the premises and of the mutual obligations, covenants, and benefits hereinafter set forth, Developer and SHWSC contract and agree as follows:

1. Definitions.

(a) Construction Contracts: Contracts pursuant to which the Facilities were installed by the contractor.

(b) Facilities: The Facilities shall include all water facilities constructed to serve the Property, located in Guadalupe County, Texas, and recorded in Plat Document No. \_\_\_\_\_ of the Official Public Records of Guadalupe County, Texas, and constructed pursuant to a contract with \_\_\_\_\_, dated \_\_\_\_\_. The Facilities are the “Water System Extension” constructed to serve the Property, as such term is defined in the NSSC, and are more completely described in the plans and specifications described in Section 4(h) herein, which are incorporated herein by reference.

2. Sale and Purchase. Developer does hereby dedicate, deliver, transfer, and assign, free and clear of all liens, claims, encumbrances, options, charges, assessments, reservations, or restrictions, to SHWSC all rights and privileges to and ownership of the Facilities, installed as a condition of water service (once all applicable SHWSC fees for service have been paid to SHWSC) to the portion of the Property served by such Facilities.

3. Assignment. Developer hereby assigns all of its rights under the Construction Contracts to SHWSC and agrees to make provision for the transfer of any performance and payment bonds, and guarantees and warranties executed by the contractor and all other rights of Developer pursuant to the provisions of the Construction Contracts.

4. Representations by Developer. Developer represents to SHWSC that:

(a) Title. All the Facilities of Developer covered by this Agreement are hereby conveyed to SHWSC, free and clear of all liens, claims, encumbrances, options, charges, assessments, reservations, and restrictions.

(b) Rights-of-Way, Easements, etc. Developer represents, warrants, and guarantees that the Facilities are located in public utility easements or road rights-of-way as shown on recorded plats. Developer represents that said plats provide easements and rights-of-way which are adequate and sufficient to permit SHWSC to operate the Facilities, and any easements and rights-of-way held by Developer in connection therewith are hereby transferred to SHWSC whether or not expressly described herein.

(c) Possession. Developer is in possession of the Facilities and no objection to the location or use of the Facilities or adverse claims of title to the lands, easements, rights-of-way, licenses, permits, or leases on which the Facilities are situated is presently being asserted by any person or persons.

(d) Legal Proceedings. There are no actions, suits, or proceedings pending or, to the knowledge of Developer, threatened or affecting the Facilities or land where the Facilities are located and there are no pending condemnation proceedings of which Developer is aware of, connected with the Facilities or land where the Facilities are located.

(e) Known Defects. Developer represents and warrants that the Facilities, including any easements or rights-of-way or other properties to be conveyed hereunder are free of known defects, either legal or technical, that would prohibit SHWSC's use of the Facilities or other properties to be conveyed hereunder.

(f) Authorization. This Agreement, the transactions contemplated herein, and the execution and delivery of this Agreement have been duly authorized by Developer.

(g) No Violation of Other Contracts. This Agreement, and the warranties, representations, and covenants contained herein, and the consummation of the transactions contemplated herein will not violate or constitute a breach of any contract or other agreement to which Developer is a party.

(h) “Record” or “As-Built” Drawings and Engineer’s Certificate. Contemporaneously herewith Developer has provided SHWSC with a complete set of “record or as-built” drawings, together with a certificate by a registered professional engineer that the Facilities were constructed as indicated on the drawings.

5. Indemnification. DEVELOPER HEREBY INDEMNIFIES AND HOLDS HARMLESS SHWSC FROM AND AGAINST ANY AND ALL LIENS, CLAIMS, DEBTS, CHARGES, INDEMNITIES, LOSSES, PENALTIES, ATTORNEY FEES AND ANY OTHER KIND OF EXPENSES THAT MAY BE INCURRED BY OR ASSERTED AGAINST SHWSC BY REASON OF CONSTRUCTION OF THE FACILITIES.

6. Expenses. Except as specifically set forth herein, each Party shall pay its own expenses incident to carrying this Agreement into effect and consummating all transactions contemplated hereby. All ad valorem or property taxes applicable to the Facilities to the date of closing, including, without limitation, all taxes prior to execution of this Agreement, shall be the obligation of Developer.

7. Further Assurances. Developer agrees that from time to time and upon the request of SHWSC, Developer will execute and deliver such other instruments of conveyance and transfer and take such other action as may be reasonably required to more effectively convey, transfer to, and vest in SHWSC and to put SHWSC in possession of all of the Facilities conveyed, transferred, and delivered hereunder, and, in the case of contracts and rights, if any, which cannot be transferred effectively without the consent of other Parties, to make commercially reasonable efforts to obtain such consents and take such other action as may be reasonably necessary to assure to SHWSC the rights and benefits thereof.

8. Representations Survive Conveyance. The agreements and representations made by the Parties to this Agreement shall survive the conveyance of the Facilities.

9. Miscellaneous. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas and can be changed or terminated only by an agreement in writing signed by the Parties hereto. This Agreement embodies the entire understanding between the Parties and there are no prior effective representations, warranties, or agreements between the Parties.

10. No Waiver. Nothing herein shall waive, discharge, satisfy, modify or limit any rights obligations of the Parties hereto with respect to the NSSC, except as specifically provided in Section 7 of this Agreement.



This Agreement to be effective as of the \_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 20\_\_.

**DEVELOPER:**

**[DEVELOPER]**, a Texas limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

THE STATE OF TEXAS

COUNTY OF \_\_\_\_\_

§  
§  
§

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_,  
by \_\_\_\_\_ of [Developer], a Texas limited liability company, on behalf of said entity.

(Seal)

\_\_\_\_\_  
Notary Public Signature

**SPRINGS HILL WATER SUPPLY CORPORATION**, a Texas non-profit water supply corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

THE STATE OF TEXAS           §  
  §  
COUNTY OF GUADALUPE       §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, President, Board of Directors of Springs Hill Water Supply Corporation, a Texas non-profit water supply corporation.

(Seal) \_\_\_\_\_  
Notary Public Signature

STATE OF TEXAS  
COUNTY OF GUADALUPE

§  
§  
§

**AFFIDAVIT AS TO NO LIENS**

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, who, being by me first duly sworn, upon his oath says:

“I am the \_\_\_\_\_ of [DEVELOPER], a Texas limited liability company, which, in association with the execution of that certain Equipment and Line Dedication Agreement Between [Developer] and Springs Hill Water Supply Corporation, executed contemporaneously herewith, conveys effective this day to SPRINGS HILL WATER SUPPLY CORPORATION all of said [Developer]’s right, title, and interest in and to the “Facilities,” as such term is defined in that certain Equipment and Line Dedication Agreement.

With the exception of the below-listed liens, said Facilities and improvements are free and unencumbered, the contractors and subcontractors which installed same have been paid in full therefor, and there are no liens of any nature whatsoever against said Facilities:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_.”

*Further affiant sayeth naught.*

[DEVELOPER], a Texas limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

THE STATE OF TEXAS

§  
§  
§

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_, \_\_\_\_\_ of [Developer], a Texas limited liability company, on  
behalf of said entity.

\_\_\_\_\_  
Notary Public Signature

(Seal)

SAMPLE

**CONSENT AND SUBORDINATION BY LIENHOLDER**

\_\_\_\_\_ (“Lienholder”), as the holder of lien(s) on the “Facilities” described in that certain Equipment and Line Dedication Agreement Between \_\_\_\_\_ (“Developer”) and Springs Hill Water Supply Corporation (“Springs Hill”) and/or the “Property” described in that certain Non-Standard Service Contract between Developer and Springs Hill, dated \_\_\_\_\_, consents to the dedication, deliverance, transfer, and assignment of the Facilities, including the terms and conditions of such dedication, deliverance, transfer, and assignment, and Lienholder subordinates its lien(s) to the rights and interests of Springs Hill in and to the Facilities, such that a foreclosure of the lien(s) shall not extinguish the rights and interests of Springs Hill in and to the Facilities.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

THE STATE OF TEXAS            §  
  §  
COUNTY OF \_\_\_\_\_       §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of said entity.

(Seal)

\_\_\_\_\_  
Notary Public Signature

**SECTION J.20**  
**Termination Notice – Past Due Account**

**SPRINGS HILL WSC  
TERMINATION NOTICE**

**TO:**

**LOCATION NUMBER:** \_\_\_\_\_

**ACCOUNT NUMBER:** \_\_\_\_\_

**DATE:**

**DATE OF SCHEDULED TERMINATION:**

You are hereby advised that the delinquent status of your account is jeopardizing your Membership with the Corporation. If our office does not receive payment within ten days of the date of this notice, your utility service will be terminated. To regain service after termination, you must re-apply for a new Membership and pay all costs applicable to purchasing a new Membership under the terms of the Corporation's Tariff. If you have no intentions of retaining our service, make sure the service line is capped. We will not cap your line for you, but will remove the meter regardless of the circumstances.

SPRINGS HILL WSC MANAGEMENT

**SECTION J.21**  
**Wastewater Billing Services Agreement**



## Contract for Billing Services

THE STATE OF TEXAS           §

COUNTY OF GUADALUPE       §

THIS AGREEMENT is for the purchase of billing services between the City of Seguin, Texas, a home rule city and political subdivision of the State of Texas, herein called "City" and the Springs Hill Water Supply Corporation, a member- owned, non-profit corporation to furnish water supply for domestic purposes in rural communities in Guadalupe County, Texas and surrounding rural areas, herein called "Corporation." City owns, operates, and is certified to provide customers service through its sanitary sewer collection system within portions of the Corporation's service area in Guadalupe County, Texas. Corporation owns and, pursuant to law, operates a water distribution system, a portion of which is located in the area City provides sanitary sewer collection service, and provides potable water service to the same customers which use City's sanitary sewer system. City has asked the Corporation to provide City with billing service for monthly, individual, customer sewer service charges to its common customers and Corporation has agreed to do so. The Corporation and City therefore agree as follows:

1. Upon the effective date of this Agreement, Corporation shall continue to provide billing services for City's sewer customers who exist within the Corporation's service area.
2. As new customers are added to locations with existing water and sewer service, Corporation shall take applications and initiate said services. Corporation shall notify such customers of all applicable fees and rates to be charged and the manner of billing for the sewer service. Before initiating service, Corporation shall require that customer show they have signed up for garbage/recycling with the City. Corporation is to initiate billing on the next immediate billing cycle and continue to bill such customer until otherwise notified of the cessation of the sewer service. The Corporation shall bill such customers at the City's established rates and shall receive the payments made for such charges and any penalties for late payments of such charges.
3. As new sewer taps/connections are made to City sewer mains, City shall notify such customers of all appropriate fees and rates charged and the manner of billing for the sewer charges, and shall collect and retain the connection fees. City shall notify Corporation to initiate billing on the next immediate billing cycle and Corporation shall continue to bill such customer until otherwise notified of the cessation of the sewer service. The Corporation shall bill such customers at the City's established rates and shall receive the payments made for such charges and any penalties for late payments of such charges.
4. Corporation shall bill City's customers on the cycle of approximately thirty days duration for which it bills its own customers. As compensation for these services, City shall pay the Corporation's actual billing costs, per sewer customer, per month. This compensation shall be retained by the Corporation from its monthly payment to the City.
5. On or before the fifteenth day of each month, Corporation will submit payment and a monthly billing report to the City for the sewer charges collected from all of City's


customers for the previous calendar month. The billing report shall also include a listing of all new customers added in that calendar month.


6. In the event customers of the City's sewer system fail to pay charges submitted by the Corporation on behalf of the City on or before fifteen (15) days after the date of billing, then Corporation will charge and collect from such customers ten percent (10%) of the amount originally billed attributable to the City's charges as a penalty for late payment.
7. City shall notify Corporation in writing of any change in sewer and other City service rates at least thirty (30) days prior to the date that such rates shall become effective.
8. Corporation shall be obligated to suspend water service where City's sewer service charges are not paid and/or when City so directs. Because of hearing requirements, Corporation shall follow its standard cut-off procedures in terminating service to a customer. Partial payments on any account shall be applied on a pro rata basis among all services.
9. This Contract shall be in effect for a period of five (5) years from the date of execution by the parties thereto, provided, however, this Contract may be canceled by either party hereto at any time effective at the end of the first billing cycle falling on or after sixty (60) days after written notice of cancellation is received by either party.

WITNESS OUR HANDS this 23 day of May 2019.

ATTEST:

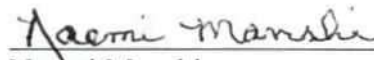
**SPRINGS HILL WATER SUPPLY CORPORATION**

  
Secretary

  
Atilano Aguero  
General Manager

ATTEST:

**CITY OF SEGUIN, TEXAS**

  
Naomi Manski  
City Secretary

  
Rick Cortes  
Acting City Manager



THE STATE OF TEXAS §  
COUNTY OF GUADALUPE §

BEFORE ME, the undersigned authority, on this day personally appeared **Rick Cortes, known to me to be the person whose name is subscribed to the foregoing instrument as City Manager of the City of Seguin, Texas**, a home rule city, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said authority.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22 day of May 2019.



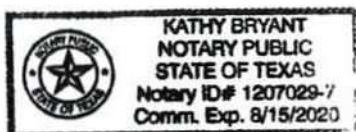
SEAL

Naomi J. Manski  
Notary Public in and for  
The State of Texas  
My Commission Expires: 6-15-2022

THE STATE OF TEXAS §  
COUNTY OF GUADALUPE §

BEFORE ME, the undersigned authority, on this day personally appeared **Atilano Aguero, General Manager of the Springs Hill Water Supply Corporation, a Texas non-profit Corporation**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said authority.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 23 day of May 2019.



SEAL

Kathy Bryant  
Notary Public in and for  
The State of Texas  
My Commission Expires: 8/15/2020

**SECTION J.22**  
**Developer Dedication, Bill of Sale, & Assignment Agreement**

**DEDICATION, BILL OF SALE AND ASSIGNMENT**  
**(Developer Form)**

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

This Dedication, Bill of Sale and Assignment is entered into and effective as of \_\_\_\_\_, 20\_\_\_, by and between Springs Hill Water Supply Corporation, a Texas non-profit, member-owned water supply corporation organized and operating under Chapter 67, Texas Water Code (“Corporation” ) and \_\_\_\_\_(“Developer”).

**RECITALS:**

Corporation and Developer have previously entered into that certain Non-Standard Service Agreement dated \_\_\_\_\_ (the “Agreement”). Pursuant to Section 4 of the Agreement, Developer has agreed to dedicate and convey to Corporation the water lines, hydrants, valves, fittings and other appurtenances constructed to provide water service to the \_\_\_\_\_ Subdivision, a subdivision in Guadalupe County, Texas, together with all rights and interests therein or appurtenant thereto as more particularly described in Exhibit “A” hereto (the “Facilities”), and all other capacity, contracts, rights, interests, easements, rights-of-way, permits, licenses, approvals, documents, warranties and other matters, if any, related to the Facilities as more particularly described in Exhibit “B” hereto (the “Related Rights”).

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

**DEDICATION, ASSIGNMENT AND AGREEMENT**

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

EXECUTED AND EFFECTIVE as of the date first written above.

DEVELOPER:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

THE STATE OF TEXAS §

§

THE COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by  
\_\_\_\_\_ [DEVELOPER]

\_\_\_\_\_  
Notary Public - State of Texas

(Seal)

Printed Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**AFTER RECORDING RETURN TO:**

Springs Hill Water Supply Corporation

P O Box 29  
Seguin, Texas 78156-0029

**SECTION J.23**  
**Applicant's Notice of Insufficient Information**

**SPRINGS HILL WATER SUPPLY CORPORATION**

P O BOX 29 SEGUIN, TX 78156-0029

(830) 379-7683

Member/Owner: \_\_\_\_\_

**APPLICANT'S NOTICE OF INSUFFICIENT INFORMATION**

**TO:**

**LOCATION NUMBER:** \_\_\_\_\_

**ACCOUNT NUMBER:** \_\_\_\_\_

**DATE:**

**DATE OF SCHEDULED DISCONNECTION:** \_\_\_\_\_

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

Circle all the forms needing additional information from the Applicant/Member.

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

SPRINGS HILL WSC MANAGEMENT

Signed by: \_\_\_\_\_



**SECTION J.24**  
**Individual Dedication Agreement**

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

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

This Dedication, Bill of Sale and Assignment is entered into and effective as of \_\_\_\_\_, 20\_\_, by and between Springs Hill Water Supply Corporation, a Texas non-profit, member-owned water supply corporation organized and operating under Chapter 67, Texas Water Code (“Corporation”) and \_\_\_\_\_ (“Member”).

**RECITALS:**

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

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

**DEDICATION, ASSIGNMENT AND AGREEMENT**

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

In addition, the Springs Hill Water Supply Corporation, through its authorized representative, having agreed to accept the Facilities described in Exhibit “A”, shall hold harmless Member from this day forward, from any costs for repairs or maintenance of said Facilities or any part of said Facilities.

EXECUTED AND EFFECTIVE as of the date first written above.

MEMBER:

Member: \_\_\_\_\_

Printed Name: \_\_\_\_\_

THE STATE OF TEXAS §

§

THE COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_ day of \_\_\_\_\_, 20\_\_, by  
\_\_\_\_\_ [MEMBER]

\_\_\_\_\_  
Notary Public - State of Texas

Printed Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

FOR SPRINGS HILL WSC:

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

THE STATE OF TEXAS

THE COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on the \_\_\_ day of \_\_\_\_\_, 20\_\_, by  
\_\_\_\_\_.

\_\_\_\_\_  
Notary Public - State of Texas

Printed Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

AFTER RECORDING RETURN TO:

Springs Hill Water Supply Corporation

P O Box 29  
Seguin, Texas 78156-0029

**SECTION J.25**  
**Service Inspection Certification**



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

# Customer Service Inspection Certificate

Date / Time	Account Number
Customer Name	ADDRESS
PHONE	MAILING ADDRESS

Reason for Inspection:  New Construction  Existing service with suspected contaminant hazard  
 Major renovation or expansion of distribution facilities

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

	<i>Compliance</i>	<i>Non Compliance</i>
NO DIRECT CONNECTION between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with Commission regulations.	<input type="checkbox"/>	<input type="checkbox"/>
NO CROSS CONNECTIONS between the public drinking water supply and a private water system exist. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention inspector.	<input type="checkbox"/>	<input type="checkbox"/>
NO CONNECTIONS EXIST which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.	<input type="checkbox"/>	<input type="checkbox"/>
NO PIPE OR PIPE FITTING which contains more than 8.0% lead exists in private water distribution facilities installed on or after July 1, 1988 and prior to Jan. 4, 2014	<input type="checkbox"/>	<input type="checkbox"/>
PLUMBING installed after Jan. 4, 2014 bears expected labeling indicating <0.25% lead content. If not properly labeled, please provide written comment	<input type="checkbox"/>	<input type="checkbox"/>
NO SOLDER OR FLUX which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988.	<input type="checkbox"/>	<input type="checkbox"/>

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

Comments: \_\_\_\_\_  
 \_\_\_\_\_

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

SERVICE LINE	Lead	<input type="checkbox"/>	Copper	<input type="checkbox"/>	PVC	<input type="checkbox"/>	Other	<input type="checkbox"/>
SOLDER / FLUX	Lead	<input type="checkbox"/>	Lead Free	<input type="checkbox"/>	Solvent Weld	<input type="checkbox"/>	Other	<input type="checkbox"/>

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

Signature of Inspector \_\_\_\_\_ Registration Number \_\_\_\_\_  
 Title \_\_\_\_\_ Type of Registration \_\_\_\_\_

**SECTION J.26**  
**Agreement to Provide Fire Flow in Designated Areas**

STATE OF TEXAS

AGREEMENT TO PROVIDE FIREFLOW

\_\_\_\_\_ COUNTY

IN DESIGNATED AREAS

This Agreement ("Agreement") is executed by and between \_\_\_\_\_ Volunteer Fire Department ("Department"), an emergency service organization, and Springs Hill Water Supply Corporation ("Corporation"), a nonprofit water supply corporation organized and operating under the provisions of Chapter 67, Texas Water Code, for the purposes and consideration set forth herein.

RECITALS

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

WHEREAS Corporation is a nonprofit water supply corporation, organized and operating under the provisions of Chapter 67, Water Code, and furnishes a water supply in Guadalupe County and specifically in the area described in Texas Commission on Environmental Quality ("TCEQ") Certificate of Convenience and Necessity No. 10666; and

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

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

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

I.  
PARTIES

1.1 This Agreement is entered into by and between Guadalupe County Volunteer Fire Department, domiciled and conducting business in Guadalupe County, Texas, and Springs Hill Water Supply Corporation, domiciled and conducting business in Guadalupe County, Texas.

1.2 Department is authorized to enter into this Agreement pursuant to \_\_\_\_\_.

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

II.  
PROVISION OF FIREFLOW

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

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

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

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

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

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

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



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

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

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

### III. COMPENSATION

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

### IV. TERMINATION OF AGREEMENT

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

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

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

### V. MISCELLANEOUS

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

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

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

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

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

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

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

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

Springs Hill Water Supply Corporation \_\_\_\_\_ County Volunteer Fire  
Department

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SECTION J.27**  
**Renter Service Agreement**

**RENTER SERVICE AGREEMENT**

LOCATION # \_\_\_\_\_

RENTERS NAME \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_  
\_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

HOME NUMBER \_\_\_\_\_

CELL NUMBER \_\_\_\_\_

SERVICE ADDRESS \_\_\_\_\_

The Owner/Member of service located at the above address has authorized **SPRINGS HILL WATER SUPPLY CORPORATION** to bill the above mentioned **RENTER** for water service at this location. The **RENTER** agrees to pay the renters deposit in the amount of \$\_\_\_\_\_, which will be held by the Corporation until the time the renter moves from this location in the Corporation service area.

\_\_\_\_\_  
Signature of Renter

\_\_\_\_\_  
Date

**SECTION K.1**  
**Tariff Filing Requirements (PUC)**

## CHAPTER 24. SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS.

### Subchapter B. RATES AND TARIFFS.

#### §24.25. Form and Filing of Tariffs.

- (a) **Approved tariff.** A utility may not directly or indirectly demand, charge, or collect any rate or charge, or impose any classifications, practices, rules, or regulations different from those prescribed in its approved tariff filed with the commission or with the municipality exercising original jurisdiction over the utility, except as follows:
- (1) A utility may charge the rates proposed under Texas Water Code (TWC) §§ 13.187, 13.1871, 13.18715, or 13.1872(c)(2) on or after the proposed effective date, unless the proposed effective date of the proposed rates is suspended or the regulatory authority sets interim rates.
  - (2) The regulatory assessment fee required in TWC §5.701(n) does not have to be listed on the utility's approved tariff to be charged and collected but must be included in the tariff at the earliest opportunity.
  - (3) A person who possesses facilities used to provide retail water utility service or a utility that holds a certificate of public convenience and necessity (CCN) to provide retail water service that enters into an agreement in accordance with TWC §13.250(b)(2), may collect charges for sewer services on behalf of another retail public utility on the same bill with its water charges and must at the earliest opportunity include a notation on its tariff that it has entered into such an agreement.
  - (4) A utility may enter into a contract with a county to collect solid waste disposal fees and include those fees on the same bill with its water or sewer charges and must at the earliest opportunity include a notation on its tariff that it has entered into such an agreement.
- (b) **Requirements as to size, form, identification, minor changes, and filing of tariffs.**
- (1) **Tariffs filed with applications for CCNs.**
    - (A) When applying to obtain or amend a CCN, or to add a new water or sewer system or subdivision to its certificated service area, each utility must file its proposed tariff with the commission and any regulatory authority with original rate jurisdiction over the utility.
      - (i) For a utility that is under the original rate jurisdiction of the commission, the tariff must include schedules of all the utility's rates, rules, and regulations pertaining to all its utility services when it applies for a CCN to operate as a utility. The tariff must be on the form prescribed by the commission or another form acceptable to the commission.
      - (ii) For a utility under the original rate jurisdiction of a municipality, the utility must file with the commission a copy of its tariff as approved by the municipality.
    - (B) If a person applying for a CCN is not currently a retail public utility and would be under the original rate jurisdiction of the commission if the CCN application were approved, the person must file a proposed tariff with the commission. The person filing the proposed tariff must also:
      - (i) provide a rate study supporting the proposed rates, which may include the costs of existing invested capital or estimates of future invested capital;
      - (ii) provide all calculations supporting the proposed rates;
      - (iii) provide all assumptions for any projections included in the rate study;
      - (iv) provide an estimated completion date for the construction of the physical plant;
      - (v) provide an estimate of the date service will begin for all phases of construction; and
      - (vi) provide notice to the commission once billing for service begins.
    - (C) A person under the original rate jurisdiction of the commission who has obtained an approved tariff for the first time must file a rate change application within 18 months from the date service begins to revise its rates to be based on a historic test year. Any dollar amount collected under the rates initially approved by the commission that exceeds the revenue requirement established by the commission during the rate change proceeding must be reflected as customer contributed capital going forward as an offset

## CHAPTER 24. SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS.

### Subchapter B. RATES AND TARIFFS.

- to rate base for ratemaking purposes. A Class D utility must file a rate change application under TWC §13.1872(c)(2) to satisfy the requirements of this subparagraph.
- (D) A water supply or sewer service corporation must file with the commission a complete tariff containing schedules of all its rates, rules, and regulations pertaining to all its utility services when it applies to operate as a retail public utility and to obtain or amend a CCN.
- (2) **Minor tariff changes.** Except for an affected county or a utility under the original rate jurisdiction of a municipality, a utility's approved tariff may not be changed or amended without commission approval. Changes to any fees charged by affiliates, the addition of a new extension policy to a tariff, or modification of an existing extension policy are not minor tariff changes. An affected county may change rates for retail water or sewer service without commission approval, but must file a copy of the revised tariff with the commission within 30 days after the effective date of the rate change.
- (A) The commission, or regulatory authority, as appropriate, may approve the following minor changes to utility tariffs:
- (i) service rules and policies;
  - (ii) changes in fees for customer deposits, meter tests, return check charges, and late charges, provided they do not exceed the maximum allowed by commission rules;
  - (iii) addition of the regulatory assessment fee payable to the Texas Commission on Environmental Quality (TCEQ) as a separate item or to be included in the currently authorized rate;
  - (iv) addition of a provision allowing a utility to collect retail sewer service charges in accordance with TWC §13.250(b)(2) or §13.147(d);
  - (v) rate adjustments to implement commission-authorized phased or multistep rates or downward rate adjustments to reconcile rates with actual costs;
  - (vi) implementation of an energy cost adjustment clause under subsection (n) of this section;
  - (vii) implementation or modification of a pass-through provision calculation in a tariff, as provided in subparagraphs (B)-(F) of this paragraph, which is necessary for the correct recovery of the actual charges from pass-through entities, including line loss;
  - (viii) some surcharges as provided in subparagraph (G) of this paragraph;
  - (ix) modifications, updates, or corrections that do not affect a rate may be made to the following information contained in the tariff:
    - (I) the list of the cities, counties, and subdivisions in which service is provided;
    - (II) the public water system name and corresponding identification number issued by the TCEQ; and
    - (III) the sewer system names and corresponding discharge permit number issued by the TCEQ.
- (B) The commission, or other regulatory authority, as appropriate, may approve a minor tariff change for a utility to establish reduced rates for a minimal level of retail water service to be provided solely to a class of customers 65 years of age or older to ensure that those customers receive that level of retail water service at more affordable rates. The utility may establish a fund to receive donations to cover the cost of providing the reduced rates. A utility may not recover the cost of the reduced rates through charges to other customer classes.
- (i) To request approval of a rate as defined in this subparagraph, the utility must file a proposed plan for consideration by the commission. The plan must include:
    - (I) A proposed plan for collection of donations to establish a fund to recover the costs of providing the reduced rates.
    - (II) The account or subaccount name and number, as included in the system of accounts described in §24.127(1) of this title (relating to Financial

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Records and Reports—Uniform System of Accounts), in which the donations will be accounted for, and a clear definition of how the administrative costs of operation of the program will be accounted for and removed from the cost of service for rate making purposes. Any interest earned on donated funds will be considered a donation to the fund.

- (III) The proposed effective date of the program and an example of an annual accounting for donations received and a calculation of all lost revenues and the journal entries that transfer the funds from the account described in this subparagraph of this clause to the utility's revenue account. The annual accounting must be available for audit by the commission upon request.
- (IV) An example bill with the contribution line item, if receiving contributions from customers.
- (ii) For the purpose of clause (i) of this subparagraph, recovery of lost revenues from donations is limited to the lost revenues due to the difference in the utility's tariffed retail water rates and the reduced rates established by this subparagraph.
- (iii) The minimal level of retail water service requested by the utility must not exceed 3,000 gallons per month per connection. Additional gallons used must be billed at the utility's tariffed rates.
- (iv) For purposes of the provision in this subparagraph, a reduced rate authorized under this section does not:
  - (I) Make or grant an unreasonable preference or advantage to any corporation or person;
  - (II) Subject a corporation or person to an unreasonable prejudice or disadvantage; or
  - (III) Constitute an unreasonable difference as to retail water rates between classes of service.
- (C) If a utility has provided notice as required in subparagraph (F) of this paragraph, the commission may approve a pass-through provision as a minor tariff change, even if the utility has never had an approved pass-through provision in its tariff. A pass-through provision may not be approved for a charge already included in the utility's cost of service used to calculate the rates approved by the commission in the utility's most recently approved rate change under TWC §§ 13.187, 13.1871, 13.18715, or 13.1872. A pass-through provision may only include passing through of the actual costs charged to the utility. Only the commission staff or the utility may request a hearing on a proposed pass-through provision or a proposed revision or change to a pass-through provision. A pass-through provision may be approved as follows:
  - (i) A utility that purchases water or sewage treatment and whose rates are under the original jurisdiction of the commission may include a provision in its tariff to pass through to its customers changes in such costs. The provision must specify how it is calculated.
  - (ii) A utility may pass through a temporary water rate provision implemented in response to mandatory reductions in water use imposed by a court, government agency, or other authority. The provision must specify how the temporary water rate provision is calculated.
  - (iii) A utility may include the addition of a production fee charged by a groundwater conservation district, including a production fee charged in accordance with a groundwater reduction plan entered in to by a utility in response to a groundwater conservation district production order or rule, as a separate line item in the tariff.



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- (iv) A utility may pass through the costs of changing its source of water if the source change is required by a governmental entity. The pass-through provision may not be effective prior to the date the conversion begins. The pass-through provision must be calculated using an annual true-up provision.
  - (v) A utility subject to more than one pass-through cost allowable in this section may request approval of an overall combined pass-through provision that includes all allowed pass-through costs to be recovered in one provision under subparagraph (D) of this paragraph. The twelve calendar months (true-up period) for inclusion in the true-up must remain constant, e.g., January through December.
  - (vi) A utility that has a combined pass-through provision in its approved tariff may request to amend its tariff to replace the combined pass-through provision with individual pass-through provisions if all revenues and expenses have been properly trued up in a true-up report and all overcollections have been credited back to the customers. A utility that has replaced its previously approved combined pass-through provision with individual provisions may not request another combined pass-through until three years after the replacement has been approved unless good cause is shown.
- (D) A change in the combined pass-through provision may be implemented only once per year. The utility must file a true-up report within one month after the end of the true-up period. The report must reconcile both expenses and revenues related to the combined pass-through charge for the true-up period. If the true-up report reflects an over-collection from customers, the utility must change its combined pass-through rate using the confirmed rate changes to charges being passed through and the over-collection from customers reflected in the true-up report. If the true-up report does not reflect an over-collection from the customers, the implementation of a change to the pass-through rate is optional. The change may be effective in a billing cycle within three months after the end of the true-up period as long as the true-up clearly shows the reconciliation between charges by pass-through entities and collections from the customers, and charges from previous years are reconciled. Only expenses charged by the pass-through provider may be included in the provision. The true-up report must include:
- (i) a list of all entities charging fees included in the combined pass-through provision, specifying any new entities added to the combined pass-through provision;
  - (ii) a summary of each charge passed through in the report year, along with documentation verifying the charge assessed and showing the amount the utility paid;
  - (iii) a comparison between annual amounts billed by all entities charging fees included in the pass-through provision with amounts billed for the usage by the utility to its customers in the pass-through period;
  - (iv) all calculations and supporting documentation;
  - (v) a summary report, by year, for the lesser of all years prior or five years prior to the pass-through period showing the same information as in clause (iii) of this subparagraph with a reconciliation to the utility's booked numbers, if there is a difference in any year; and
  - (vi) any other documentation or information requested by the commission.
- (E) For any pass-through provision granted under this section, all charges approved for recovery of pass-through costs must be stated separately from all charges by the utility to recover the revenue requirement. Except for a combined pass-through provision, the calculation for a pass-through gallonage rate for a utility with one source of water may be made using the following equation, which is provided as an example:  $R = G / (1 - L)$ , where R is the utility's new proposed pass-through rate, G equals the new gallonage charge by source supplier or conservation district, and L equals the actual line loss reflected as a

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percentage expressed in decimal format (for example, 8.5% would be expressed as 0.085). Line loss will be considered on a case-by-case basis.

- (F) A utility that requests to revise or implement an approved pass-through provision must take the following actions prior to the beginning of the billing period in which the revision takes effect:
- (i) file a written notice with the commission that must include:
    - (I) each affected CCN number;
    - (II) a list of each affected subdivision public water system (including name and corresponding number issued by the TCEQ), and water quality system (including name and corresponding number issued by the TCEQ), if applicable;
    - (III) a copy of the notice to the customers;
    - (IV) documentation supporting the stated amounts of any new or modified pass-through costs; (V) historical documentation of line loss for one year;
    - (VI) all calculations and assumptions for any true-up of pass-through costs;
    - (VII) the calculations and assumptions used to determine the new rates; and
    - (VIII) a copy of the pages of the utility's tariff that contain the rates that will change if the utility's application is approved; and
  - (ii) e-mail (if the customer has agreed to receive communications electronically), mail, or hand-deliver notice to the utility's customers. Notice may be in the form of a billing insert and must contain:
    - (I) the effective date of the change;
    - (II) the present calculation of customer billings;
    - (III) the new calculation of customer billings;
    - (IV) an explanation of any corrections to the pass-through formula, if applicable;
    - (V) the change in charges to the utility for purchased water or sewer treatment or ground water reduction fee or subsidence, if applicable; and
    - (VI) the following language: "This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code §24.25. The cost to you as a result of this change will not exceed the costs charged to your utility."
- (G) The following provisions apply to surcharges:
- (i) A surcharge is an authorized rate to collect revenues over and above the usual cost of service.
  - (ii) If authorized by the commission or the municipality exercising original jurisdiction over the utility, a surcharge to recover the actual increase in costs to the utility may be collected over a specifically authorized time period without being listed on the approved tariff for:
    - (I) sampling fees not already recovered by rates;
    - (II) inspection fees not already recovered by rates;
    - (III) production fees or connection fees not already recovered by rates charged by a groundwater conservation district; or
    - (IV) other governmental requirements beyond the control of the utility.
  - (iii) A utility must use the revenues collected through a surcharge approved by the commission to cover the costs listed in subparagraph (G)(ii) of this section or for any purpose noted in the order approving the surcharge. The utility may redirect or use the revenues for other purposes only after first obtaining the approval of the commission.

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- (iv) The commission may require a utility to file periodic and/or final accounting information to show the collection and disbursement of funds collected through an approved surcharge.
  - (3) **Tariff revisions and tariffs filed with rate changes.**
    - (A) If the commission is the regulatory authority, the utility must file its revisions with the commission. If a proposed tariff revision constitutes an increase in existing rates of a particular customer class or classes, then the commission may require that notice be given.
    - (B) Each revision must be accompanied by a copy of the original tariff and a red-lined copy of the proposed tariff revisions clearly showing the proposed changes.
  - (4) **Rate schedule.** Each rate schedule must clearly state:
    - (A) the name of each public water system and corresponding identification number issued by the TCEQ, or the name of each sewer system and corresponding identification number issued by the TCEQ for each discharge permit, to which the schedule is applicable; and
    - (B) the name of each subdivision, city, and county in which the schedule is applicable.
  - (5) **Tariff pages.** Tariff pages must be numbered consecutively. Each page must show section number, page number, name of the utility, and title of the section in a consistent manner.
- (c) **Composition of tariffs.** A utility's tariff, including those utilities operating within the corporate limits of a municipality, must contain sections setting forth:
- (1) a table of contents;
  - (2) a list of the cities, counties, and subdivisions in which service is provided, along with each public water system name and corresponding identification number issued by the TCEQ and each sewer system name and corresponding discharge permit number(s) issued by the TCEQ to which the tariff applies;
  - (3) each CCN number under which service is provided;
  - (4) the rate schedules;
  - (5) the service rules and regulations, including forms of the service agreements, if any, and customer service inspection forms to be completed as required by the TCEQ;
  - (6) the extension policy;
  - (7) an approved drought contingency plan as required by the TCEQ; and
  - (8) the forms of payment to be accepted for utility services.
- (d) **Tariff filings in response to commission orders.** Tariff filings made in response to an order issued by the commission must include a transmittal letter stating that the tariff attached is in compliance with the order, giving the docket number, date of the order, a list of tariff pages filed, and any other necessary information. Any service rules proposed in addition to those listed on the commission's tariff form or any modifications of a rule in the tariff must be clearly noted. All tariff pages must comply with all other sections in this chapter and must include only changes ordered. The effective date and/or wording of the tariff must comply with the provisions of the order.
- (e) **Availability of tariffs.** Each utility must make available to the public at each of its business offices and designated sales offices within Texas all of its tariffs currently on file with the commission or regulatory authority, and its employees must lend assistance to persons requesting information and afford these persons an opportunity to examine any such tariffs upon request. The utility must also provide copies of any portion of the tariffs at a reasonable cost to a requesting party.
- (f) **Rejection.** Any tariff filed with the commission and found not to be in compliance with this section must be returned to the utility with a brief explanation of the reasons for rejection.
- (g) **Change by other regulatory authorities.** Each utility operating within the corporate limits of a municipality exercising original jurisdiction must file with the commission its current tariff that has been authorized by the municipality. If changes are made to the utility's tariff for one or more service areas

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under the jurisdiction of the municipality, the utility must file its tariff reflecting the changes along with the ordinance, resolution or order issued by the municipality to authorize the change.

- (h) **Effective date.** The effective date of a tariff change is the date of approval by the regulatory authority, unless otherwise specified by the regulatory authority, in a commission order, or by rule. The effective date of a proposed rate increase under TWC §§13.187, 13.1871, 13.18715, or 13.1872 is the proposed date on the notice to customers and the regulatory authority, unless suspended by the regulatory authority.
- (i) **Tariffs filed by water supply or sewer service corporations.** A water supply or sewer service corporation must file with the commission, for informational purposes only, its tariff showing all rates that are subject to the appellate jurisdiction of the commission and that are in force for any utility service, product, or commodity offered. The tariff must include all rates, rules, and regulations relating to utility service or extension of service, each CCN number under which service is provided, and all affected counties or cities. If changes are made to the water supply or sewer service corporation's tariff, the water supply or sewer service corporation must file the tariff reflecting the changes, along with a cover letter with the effective date of the change. Tariffs filed under this subsection must be filed in conformance with §22.71 of this title (relating to Filing of Pleadings, Documents, and Other Materials) and §22.72 of this title (relating to Formal Requisites of Pleadings and Documents to be Filed with the Commission).
- (j) **Temporary water rate provision for mandatory water use reduction.**
- (1) A utility's tariff may include a temporary water rate provision that will allow the utility to increase its retail customer rates during periods when a court, government agency, or other authority orders mandatory water use reduction measures that affect the utility customers' use of water service and the utility's water revenues. Implementation of the temporary water rate provision will allow the utility to recover revenues that the utility would otherwise have lost due to mandatory water use reductions. If a utility obtains an alternate water source to replace the required mandatory reduction during the time the temporary water rate provision is in effect, the temporary water rate provision must be adjusted to prevent over-recovery of revenues from customers. A temporary water rate provision may not be implemented if an alternative water supply is immediately available without additional cost.
- (2) The temporary water rate provision must be approved by the regulatory authority having original jurisdiction in a rate proceeding before it may be included in the utility's approved tariff or implemented as provided in this subsection. A proposed change in the temporary water rate provision must be approved in a rate proceeding. A utility that has filed a rate change within the last 12 months may file a request for the limited purpose of obtaining a temporary water rate provision.
- (3) A utility may request a temporary water rate provision for mandatory water use reduction using the formula in this paragraph to recover 50% or less of the revenues that would otherwise have been lost due to mandatory water use reductions. The formula for a temporary water rate provision for mandatory water use reduction under this paragraph is  $TGC = cgc + [(pr)(cgc)(r)/(1.0-r)]$  where,  
TGC = Temporary gallonage charge  
cgc = current gallonage charge r = water use reduction expressed as a decimal fraction (the pumping restriction)  
pr = percentage of revenues to be recovered expressed as a decimal fraction (i.e., 50% = 0.5)
- (A) The utility must file a request for a temporary water rate provision for mandatory water use reduction and provide customer notice as required by the regulatory authority, but is not required to provide complete financial data to support its existing rates. Notice must include a statement of when the temporary water rate provision would be implemented, a list of all customer classes affected, the rates affected, information on how to protest or intervene in the rate change, the address of the regulatory authority, the time frame for protests, and any other information that is required by the regulatory authority. The utility's existing rates are not subject to review in this proceeding and the utility is only

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- required to support the need for the temporary rate. A request for a temporary water rate provision for mandatory water use reduction under this paragraph is not considered a statement of intent to increase rates subject to the 12-month limitation in §24.29 of this title (relating to Time Between Filings).
- (B) The utility must establish that the projected revenues that will be generated by the temporary water rate provision are required by the utility to pay reasonable and necessary expenses that will be incurred by the utility during the time mandatory water use reductions are in effect.
- (4) A utility may request a temporary water rate provision for mandatory water use reduction using the formula in paragraph (3) of this subsection or any other method acceptable to the regulatory authority to recover up to 100% of the revenues that would otherwise have been lost due to mandatory water use reductions.
- (A) If the utility requests authorization to recover more than 50% of lost revenues, the utility must submit financial data to support its existing rates as well as the temporary water rate provision for mandatory water use reduction even if no other rates are proposed to be changed. The utility's existing rates are subject to review in addition to the temporary water rate provision for mandatory water use reduction.
- (B) The utility must establish that the projected revenues that will be generated by the temporary water rate provision for mandatory water use reduction are required by the utility to pay reasonable and necessary expenses that will be incurred by the utility during the time mandatory water use reductions are in effect; that the rate of return granted by the regulatory authority in the utility's last rate case does not adequately compensate the utility for the foreseeable risk that mandatory water use reductions will be ordered; and that revenues generated by existing rates do not exceed reasonable cost of service.
- (5) The utility may place the temporary water rate provision into effect only after:
- (A) it has been approved by the regulatory authority and included in the utility's approved tariff in a prior rate proceeding;
- (B) there is an action by a court, government agency, or other authority requiring mandatory water use reduction measures that affect the utility's customers' use of utility services; and
- (C) issuing notice as required by paragraph (7) of this subsection.
- (6) The utility may readjust its temporary water rate provision to respond to modifications or changes to the original required water use reductions by reissuing notice as required by paragraph (7) of this subsection. If the commission is the regulatory authority, only the commission or the utility may request a hearing on the proposed implementation.
- (7) A utility implementing a temporary water rate for mandatory water use reduction must take the following actions prior to the beginning of the billing period in which the temporary water rate provision takes effect:
- (A) submit a written notice, including a copy of the notice received from the court, government agency, or other authority requiring the reduction in water use, to the regulatory authority; and
- (B) e-mail, if the customer has agreed to receive communications electronically, or mail notice to the utility's customers. Notice may be in the form of a billing insert and must contain the effective date of the implementation and the new rate the customers will pay after the temporary water rate provision is implemented. If the commission is the regulatory authority, the notice must include the following language: "This rate change is being implemented in accordance with the temporary water rate provision approved by the Public Utility Commission of Texas to recognize the loss of revenues due to mandatory water use reduction ordered by (name of entity issuing order). The new rates will be effective on (date) and will remain in effect until the mandatory water use reductions are lifted or expired. The purpose of the rate is to ensure the financial integrity of the utility. The utility will recover through the rate (the percentage authorized by the temporary rate) % of the revenues the utility would otherwise have lost

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- due to mandatory water use reduction by increasing the volume charge from (\$ per 1,000 gallons to \$ per 1,000 gallons).”
- (8) A utility must stop charging a temporary water rate provision as soon as is practicable after the order that required mandatory water use reduction is ended, but in no case later than the end of the billing period that was in effect when the order was ended. The utility must notify its customers of the date that the temporary water rate provision ends and that its rates will return to the level authorized before the temporary water rate provision was implemented. The notice provided to customers regarding the end of the temporary water rate provision must be filed with the commission.
- (9) If the regulatory authority initiates an inquiry into the appropriateness or the continuation of a temporary water rate provision, it may establish the effective date of its decision on or after the date the inquiry is filed.
- (k) **Multiple system consolidation.** Except as otherwise provided in subsection (m) of this section, a utility may consolidate its tariff and rate design for more than one system if:
- (1) the systems included in the tariff are substantially similar in terms of facilities, quality of service, and cost of service; and
  - (2) the tariff provides for rates that promote water conservation for single-family residences and landscape irrigation.
- (l) **Regional rates.** The regulatory authority, where practicable, will consolidate the rates by region for applications submitted by a Class A, B, or C utility, or a Class D utility filing under TWC §13.1872(c)(2), with a consolidated tariff and rate design for more than one system.
- (m) **Exemption.** Subsection (k) of this section does not apply to a utility that provided service in only 24 counties on January 1, 2003.
- (n) **Energy cost adjustment clause.**
- (1) A utility that purchases energy (electricity or natural gas) that is necessary for the provision of retail water or sewer service may request the inclusion of an energy cost adjustment clause in its tariff to allow the utility to adjust its rates to reflect increases and decreases in documented energy costs.
  - (2) A utility that requests the inclusion of an energy cost adjustment clause in its tariff must file a request with the commission. The utility must also give notice of the proposed energy cost adjustment clause by mail, either separately or accompanying customer billings, by e-mail, or by hand delivery to all affected utility customers at least 60 days prior to the proposed effective date. Proof of notice in the form of an affidavit stating that proper notice was delivered to affected customers and stating the date of such delivery must be filed with the commission by the utility as part of the request. Notice must be provided on a form prescribed by the commission and must contain the following information:
    - (A) the utility name and address, a description of how the increase or decrease in energy costs will be calculated, the effective date of the proposed change, and the classes of utility customers affected. The effective date of the proposed energy cost adjustment clause must be the first day of a billing period, which should correspond to the day of the month when meters are typically read, and the clause may not apply to service received before the effective date of the clause;
    - (B) information on how to submit comments regarding the energy cost adjustment clause, the address of the commission, and the time frame for comments; and
    - (C) any other information that is required by the commission.
  - (3) The commission’s review of the utility’s request is not subject to a contested case hearing. However, the commission will hold a public meeting if requested by a member of the legislature who represents an area served by the utility or if the commission determines that there is substantial public interest in the matter.

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- (4) Once an energy cost adjustment clause has been approved, documented changes in energy costs must be passed through to the utility's customers within a reasonable time. The pass-through, whether an increase or decrease, must be implemented on at least an annual basis, unless the commission determines otherwise. Before making a change to the energy cost adjustment clause, notice must be provided as required by paragraph (5) of this subsection. Copies of notices to customers must be filed with the commission.
- (5) Before a utility implements a change in its energy cost adjustment clause as required by paragraph (4) of this subsection, the utility must take the following actions prior to the beginning of the billing period in which the implementation takes effect:
  - (A) submit written notice to the commission, which must include a copy of the notice sent to the customers, proof that the documented energy costs have changed by the stated amount; and
  - (B) e-mail, if the customer has agreed to receive communications electronically, mail, either separately or accompanying customer billings, or hand deliver notice to the utility's affected customers. Notice must contain the effective date of change and the increase or decrease in charges to the utility for documented energy costs. The notice must include the following language: "This tariff change is being implemented in accordance with the utility's approved energy cost adjustment clause to recognize (increases) (decreases) in the documented energy costs. The cost of these charges to customers will not exceed the (increase) (decrease) in documented energy costs."
- (6) The commission may suspend the adoption or implementation of an energy cost adjustment clause if the utility has failed to properly file the request or has failed to comply with the notice requirements or proof of notice requirements. If the utility cannot clearly demonstrate how the clause is calculated, the increase or decrease in documented energy costs or how the increase or decrease in documented energy costs will affect rates, the commission may suspend the adoption or implementation of the clause until the utility provides additional documentation requested by the commission. If the commission suspends the adoption or implementation of the clause, the adoption or implementation will be effective on the date specified by the commission.
- (7) Energy cost adjustment clauses may not apply to contracts or transactions between affiliated interests.
- (8) A proceeding under this subsection is not a rate case under TWC §§13.187, 13.1871, 13.18715, or 13.1872.

**SECTION K.2**  
**Equity Buy In Fee Calculation Example**



## CALCULATION OF THE AVERAGE NET EQUITY BUY IN FEE OF A SAMPLE UTILITY

Meaningful determination of the Average Net Equity Buy In Fee is achieved only when the following conditions are met in calculation of the fee:

1. An accurate accounting of the fixed and cash assets of the utility should be maintained, preferably by a Certified Public Accountant; and
2. All funds obtained as an "impact fee," Equity Buy In Fee, or other similar funds which are to be used for future capital expenditures should be maintained in a separate fund and ear-marked for this purpose. This amount should not include the Membership Reserve or debt reserves;
3. A realistic depreciation schedule should be maintained for each asset item based on its anticipated useful life rather than on the life of the debt incurred to pay for the asset; and
4. An actual count should be retained of existing and terminated accounts for which capital contributions have been received, but not to include Membership transfers. This count shall be the number of Contributing Members on which the average is taken in calculation of the Net Equity Buy In Fee.

**EXAMPLE:**

Fixed Assets Of The Corporation.....	\$3,000,000.00
Less Accumulated Depreciation.....	\$750,000.00
Less Outstanding Long Term Debt .....	\$800,000.00
Equals Corporation Equity.....	\$1, 450,000.00
Less Developer's Capital Contribution.....	\$57,000.00
Less Grants Received.....	\$500,000.00
Equals Net Equity .....	\$893,000.00
Average Net Equity Per 2,000 Contributing Members .....	\$446.50

**SECTION K.3**  
**AWWA Equivalency Chart**

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

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

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