

**ORDER ESTABLISHING SERVICE RATES, CHARGES AND TAP
FEES AND ADOPTING RULES AND POLICIES WITH RESPECT TO
THE
TRAVIS COUNTY WCID NO. 10'S WATER SYSTEM
Order No. 2019-12-11**

The Board of Directors of Travis County Water Control & Improvement District No. 10 met in a regular session, open to the public, after due notice, in the conference room of the Travis County Water Control & Improvement District 10, 5324 Bee Cave Rd, Austin, Texas 78746, inside the boundaries of the District, on the 11th day of December 2019; whereupon the roll was called of the members of the Board of Directors, to wit:

Paul Barker	President
Milam Johnson	Vice President
Harvey L Ford	Secretary/Treasurer
Jon Luce	Assistant Secretary
James Robertson	Assistant Secretary

All members of the Board were present, except for U/A, thus constituting a quorum.

WHEREUPON, among other business conducted by the Board, Director Ford introduced the Order set out below and moved its adoption, which Director Luce seconded the motion, and after full discussion and the question being put to the Board of Directors, said motion was carried by the following vote:

“Aye” 5; “No” 0.

WHEREAS, the Board of Directors (the “*Board*”) of Travis County Water Control & Improvement District Number 10 (the “*District*”) has determined that the District’s operating costs exceed revenues it receives from the services it provides to its Customers;

WHEREAS, Texas Water Code Chapters 49 and 51 authorizes the District to adopt and enforce all necessary charges and fees for providing and making available District’s water facilities or services;

WHEREAS, the District provides retail water services to Customers located within its statutory boundary and wholesale water services to Customers located outside its statutory boundary; and

WHEREAS, Section 49.215 (e) of the Texas Water Code authorizes the District to establish, maintain, revise, charge, and collect the rates, fees, rentals, or other charges for the use, services, and facilities that provide service to areas outside the district that the District determines are necessary and may be higher than those charged for comparable service to users within the district.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 10:

Section 1. That the District hereby adopts and approves the rates, charges, fees, rules, and policies as attached, which replace and supersede any prior rates, charges, fees, rules, and policies of the District.

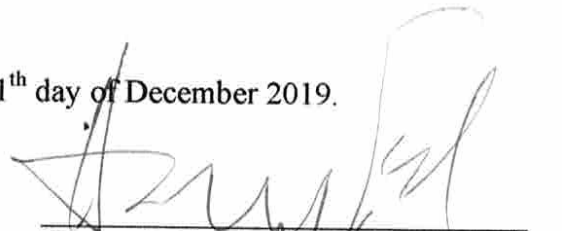
Section 2. That the District charges the rates, charges, and fees for providing or making available the Districts facilities and services.

Section 3. That the District enforces the rules and policies of the District for providing or making available District facilities and services.

Section 4. That the President or Vice-President is authorize to execute and the Secretary or Assistant Secretary to attest to the adoption of this Order on behalf of the Board of Directors.

PASSED, APPROVED, AND ADOPTED this 11th day of December 2019.


Paul Barker
President, Board of Directors
12-11-19


Harvey L. Ford
Secretary/Treasurer, Board of Directors

RULES AND POLICIES

of

**TRAVIS COUNTY WATER CONTROL
& IMPROVEMENT DISTRICT NO. 10**

5324 BEE CAVE ROAD

AUSTIN, TEXAS 78746

Phone: (512) 327-2230 After Hours: (512) 246-1400

WaterDistrict10.org

December 2019

TABLE OF CONTENTS

I. RESOLUTION AND AUTHORITY

- A. Order No. 2019-10-09 Establishing Service Rates, Charges and Tap Fees and Adopting Rules and Policies
- B. Water Service Rates (Appendix C)

II. GENERAL PROVISIONS

- A. Service Area
- B. Non-Discrimination Policy
- C. Applicability of Policies
- D. Service Commitment Policy
- E. Penalties
- F. Variances
- G. Damage Liability
- H. Drought Contingency Plan
- I. All Services Required
- J. All Services Charged
- K. Damage to District Facilities by Third Parties
- L. No Delinquency
- M. Fire Protection

III. DEFINITIONS

- 1. Apartment House
- 2. Applicant
- 3. Authorized Billing and Collection Agent
- 4. Backflow Prevention Device
- 5. Board of Directors
- 6. Code or Uniform Plumbing Code
- 7. Commercial Customer
- 8. Commercial Facilities
- 9. Connection
- 10. Construction Service through Hydrant Meter
- 11. Construction Service through Permanent Meter
- 12. Customer
- 13. Customer Service Inspection (CSI)
- 14. Developer
- 15. Developer Property
- 16. Distribution Main
- 17. District's Facility (Facilities)
- 18. District's representative
- 19. Duplex

20. Dwelling
21. Dwelling Unit or Dwelling Unit Equivalent
22. Fourplex
23. General Manager
24. Incident of tenancy
25. Irrigation Meter
26. Living Unit Equivalent (LUE)
27. Master Meter
28. Multiple Use Facility
29. Multi-Unit Residential Dwelling
30. Multi-Unit Residential Facility
31. Multi-Unit Residential Service
32. New Construction
33. Non-Residential Customer/Connection
34. Non-Standard Connection
35. Non-Standard Residential Connection
36. Non-Standard Service
37. Non-Standard Service Agreement
38. Online Portal System
39. Permanent Dwelling
40. Point of Use
41. PUC
42. Person
43. Property Owner(s)
44. Rental Property
45. Residential Customer
46. Rules
47. Service Line
48. Standard Connection
49. Standard Residential Connection
50. System
51. TCEQ
52. Temporary User
53. Transmission Main
54. Treated Water
55. Water Service Area

IV.

SERVICE RULES & REGULATIONS

- A. Connection without Approval of District Prohibited
- B. Application Procedures and Requirements
- C. Meters and Connections
- D. General Conditions for Water Service
- E. Easements
- F. Right of Access
- G. Emergency Rationing
- H. Responsibility for Water Leakage

- I. Payment of Other Fees
- J. Security Deposits
- K. Builders, Developers, and Contractors' Requirements
- L. Temporary Water Service
- M. Regulatory Assessment
- N. Metering
- O. Billing
- p. Delinquent Accounts
- Q. Disconnection and Reconnection; Administrative Fees
- R. Termination of Service
- S. Continuity of Service
- T. Customer Service Agreement and Plumbing Regulations
- U. Customer Service Inspections
- V. Other District Approvals and Review Fees
- W. Development and Utility Construction Agreements
- X. Moratorium Regarding New or Upgraded Water Service

V.

APPENDICES

- A. Service Area Map
- B. Application for Water Service Form
- C. Rates and Charges
- D. Standards and Review Procedures

**RATES, CHARGES, FEES, RULES, AND POLICIES
OF
TRAVIS CO. WCID NO. 10**

I. GENERAL PROVISIONS

A. Service Area. The District may sell and deliver potable treated water in accordance with this Order within the District's water service area (the "*Water Service Area*") more generally described or depicted in Appendix A.

The District will provide service in accordance with Chapters 49 and 51 of the Texas Water Code.

The Board of Directors of the District may amend the Water Service Area described or depicted in Appendix A subject to approval by regulatory authorities as applicable. Any amendments will automatically amend this Schedule without further action or proceeding.

The District may provide water service outside of the Water Service Area at the discretion of District when such service is within the capacity of the District's water facilities and the District can provide that service practically and economically, subject to the terms and provisions of the District wholesale water supply contract with the City of Austin.

B. Non-Discrimination Policy. The District will provide potable water service within the District to all persons applying for such service (the "Applicants") who comply with the terms and conditions for service set forth or referenced in this Order regardless of race, creed, color, national origin, sex, or marital status.

C. Applicability of Policies. The Policies, Rules, and Regulations ("Policies") described or referenced in this Order apply to the terms and conditions of treated water services furnished by the District, which the District's Board of Directors may amend from time to time. The Policies include, but are not limited to, the District's Water Conservation and Drought Contingency Plan. The District adopts and incorporates such rules, regulations, and policies as amended from time to time into the Policies provided herein by reference for all purposes. Copies of all Policies are available upon request by the Customer. The District has the authority to deny or to discontinue services if the Applicant or Customer fails to observe these Policies, terms, or conditions.

D. Service Commitment Policy. The Board of Directors of the District determined it is in the best interest of the District that the District process all requests for service commitments as provided in this Order to ensure the integrity of the District's Systems; enable the District to plan for future needs; ensure the ability of the District to provide service on a uniform, nondiscriminatory basis; and provide standard criteria for the evaluation, issuance, and retention of service commitments. Service commitments issued by the District will be subject to completion of all necessary facilities, payment of all applicable fees, and subject to all the terms and conditions of the District's contract with the City of Austin and the Rules and Policies of the District in this Order. To maintain a sanitary water supply, the District will not provide water service to any property in the District less than one acre in size or in an amount greater than 600 gallons per day per acre or 35 gallons per minute per acre unless the property has wastewater service from the City

of Austin or similar utility. The District may agree to provide water service to less than one-acre lots and amounts greater than those set forth herein on terms acceptable to the Board of Directors or District Representative, on a case-by-case basis.

E. Penalties for Violation of this Order. Violation of any provision of this Order will result in the violator being subject to a penalty, not to exceed \$5,000 per violation. Each day during which an offense continues constitutes a separate violation. In addition, the violator will be liable to the District for any violation of other laws of this State that result in the District incurring costs to repair or correct damages resulting from the violation(s). If the District prevails in any suit to enforce the provisions of this Order, the District may additionally recover its reasonable attorneys' fees, expert witness fees, and other court costs.

F. Variances. The District's Board of Directors or its designee may grant variances to this Order to the extent that such variances are consistent with District Policies.

G. Damage Liability. The District will plan, furnish, and maintain production, treatment, storage, collection, transmission, and distribution facilities as required by Texas Commission on Environmental Quality ("TCEQ") or its successor agency. By accepting service, the Customer will hold the District harmless from any and all claims, liability, or damages to persons or property of the Customer or third parties arising from the District's provision of water service or caused by service interruptions, tampering by other Customers of District or users of the System, System failures, or quality of water.

H. Drought Contingency Plan. Provision of water service is contingent upon restrictions outlined in the District's Drought Contingency Plan, curtailment measures as outlined in the District's wholesale treated water agreement with the City of Austin, and any other restrictions as required by the Texas Commission on Environmental Quality or other regulatory agencies, as applicable.

I. All Services Required. Except as otherwise expressly authorized in the Rules and Policies, the District may not provide service through the District's System unless the Applicant agrees to apply for and take water service.

J. All Services Charged. The District shall not render any water services without charge to any person, firm, corporation, organization, or entity, with the exception of District-owned facilities.

K. Damage to District Facilities by Third Parties. Prior to installing underground facilities or excavating in the area of the District System, representatives of customers, property owners, developers, contractors, and utility companies must meet with the District to file their construction plans and schedules and review the engineering plans identifying the location of the District's facilities. Any contractor, developer, or other person or entity that damages the District's facilities is responsible for all costs and expenses incurred by the District as a result of such damage. A District Representative must be present at any time anyone modifies or excavates a District water line or water facility.

L. No Delinquency. The District shall not permit a Customer that is delinquent in the payment of any sum due to the District to purchase any additional taps or make any additional connections to the District System. The District shall not establish any new accounts for any Customer that is not in good standing due to non-payment, and the District reserves the right to require a security deposit sufficient to protect the District's interests based on a Customer's history of non-payment for any other District account.

M. Fire Protection. The primary purpose of the District's water system is to provide treated drinking water to all District Customers. The District does not guarantee the availability of water for fire protection purposes. The District provides fire hydrants installed within the District's distribution system for the convenience of the District and does not have any responsibility on the part of the District to meet fire flow requirements of local, county, state, or federal governmental agencies.

II. DEFINITIONS

For purposes of this Order, the following terms have the meanings indicated:

1. "Apartment house" means one or more buildings containing five or more dwelling units occupied primarily for non-transient use, including a residential condominium.
2. "Applicant" means any person or entity requesting water service from the District.
3. "Authorized billing and collection agent" mean any treated water service provider or any other person or entity with whom the District contracts to provide billing, collection services, or both to Customers served under this Order.
4. "Backflow Prevention Device" means an assembly or device designed to prevent backflow of water into the District's system and meets the testing standards accepted by the American Water Works Association or the University of Southern California Foundation for Cross Connection Control and Hydraulic Research.
5. "Board of Directors" means the governing body of the District as provided in Chapters 49 and 51 of the Texas Water Code.
6. "Code" or "Uniform Plumbing Code" means the District's adopted version of the Uniform Plumbing Code, as amended from time to time.
7. "Commercial Customer" means any Customer that is not receiving service for a single-family residence or dwelling or for a Multi-Unit Residential Dwelling.
8. "Commercial Facilities" means any facility or structure characterized or used for any business or income-producing purpose.
9. "Connection" means each residential dwelling unit occupied by a separate family or family unit, including separate apartments or dwelling units located within a single multi-unit residential

complex, and each business unit occupied by a separate business, including separate establishments within a single building.

10. "Construction Service through a Hydrant Meter" is the temporary provision of water service from a hydrant, which does not serve a Permanent Dwelling. Construction Service through a Hydrant Meter is available for a maximum of four months, with the possibility of one four-month extension.

11. "Construction Service through a Permanent Meter" is the temporary provision of water service from a service point that requires a tap to serve a Permanent Dwelling. Construction Service through a Permanent Meter is available for a maximum of six months, with the possibility of one six-month extension.

12. "Customer" means any person or entity receiving water service from the District.

13. "Customer Service Inspection" or "CSI" means an examination of the private water distribution facility for the purpose of providing or denying water service. The inspection is limited to the identification and prevention of cross-connections, potential contaminant hazards, and illegal lead materials.

14. "Developer" means a person or an entity that (a) subdivides a single, legal tract of property into multiple tracts or (b) requests more than two meters or taps for treated water service to a single, legal tract of property.

15. "Developer Property" means any land owned, developed, or both by a Developer.

16. "Distribution Main" means a water transmission and distribution facility designed to transport water within a pressure zone between the Transmission Mains and Service Lines.

17. "District's Facility" ("Facilities") means the water system, including the water service line between the Distribution Main to the Customer's side of the meter.

18. "District's Representative" means the General Manager of the District or another representative or employee of the District acting under the direction of the General Manager or the Board of Directors.

19. "Duplex" means a house divided into two apartments, with a separate entrance for each.

20. "Dwelling" means a home, house, mobile home, manufactured home, or one or more rooms in an apartment building or condominium, suitable for occupancy as a residence, and containing kitchen and bathroom facilities.

21. "Dwelling Unit" or "Dwelling Unit Equivalent" means a residential dwelling unit occupied by a separate family or family unit, including separate apartments or units located within a single multi-unit residential complex, or, in the case of a commercial Customer other than a multi-unit residential complex, its equivalent based on Living Unit Equivalent (LUEs) determined by meter size under the definition set forth below.

22. “Fourplex” means a building that contains four separate apartments.
23. “General Manager” means the General Manager of the District.
24. “Incident of tenancy” means water service provided to tenants of rental property for which the tenant does not pay a separate or additional service fee for water other than the rental payment.
25. “Irrigation Meter” means a separate meter for water used for landscape irrigation purposes only.
26. “Living Unit Equivalent” or “LUE” means a living unit equivalent that represents water use associated with a three-bedroom single-family house or its equivalent determined as follows: (i) each apartment or unit in a multi-unit residential complex will constitute 0.75 LUEs, and (ii) in the case of a commercial Customer other than a multi-unit residential complex, LUEs will be determined according to the following schedule:

<u>Meter Size</u>	<u>Living Unit Equivalent</u>
5/8”	1.0
3/4”	1.0
1”	1.1
1 ½”	1.47
2”	1.72
3”	2.08
4”	2.70
6”	8.20
8”	13.0
10”	19.0

27. “Master Meter” means a meter used to measure, for billing purposes, all water usage of an apartment house, condominium, multiple use facility, or manufactured home rental community, including common areas, common facilities, dwelling units, and for a wholesale Customer.
28. “Multiple Use Facility” means a commercial or industrial park, office complex, or marina with five or more units occupied primarily for non-transient use that are rented at intervals of one month or longer.
29. “Multi-Unit Residential Dwelling” means one or more rooms in an apartment building or condominium, suitable for occupancy as a residence.
30. “Multi-Unit Residential Facility” means a building or buildings containing five or more dwelling units occupied primarily for non-transient use, including a residential condominium whether rented or owner-occupied.
31. “Multi-Unit Residential Service” means the provision of water service through a single connection to a building or buildings containing five or more dwelling units occupied primarily for non-transient use, including a residential condominium whether rented or owner-occupied.

32. “New Construction” means the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any structure.
33. “Non-Residential Customer/Connection” means any Customer who is not receiving service for a single-family residence, dwelling, or Multi-Unit Residential Facility.
34. “Non-Standard Connection” for water service means a connection for which service is provided through a meter larger than a ¾-inch meter.
35. “Non-Standard Residential Connection” means a connection at a new residence where the service location is beyond an existing District water Distribution Main, a connection that requires boring or extraordinary measures, or a connection that requires a ¾-inch or larger meter.
36. “Non-Standard Service” means service that is not currently on, or not intended to be on, an existing pipeline, service that will require service facility extensions, or service that requires special design, engineering considerations, or both.
37. “Non-Standard Service Agreement” means an agreement between the Customer and the District providing the terms for Non-Standard Service to the Customer.
38. “Online Portal System” means an on-demand, internet-based, service website accessible to Customers to provide metering and water usage information communicated through a network provided by Badger Meter, Inc., pursuant to that Beacon AMA Managed Solution Master Agreement entered into with the District on June 12, 2019.
39. “Permanent Dwelling” means a home, house, mobile home, manufactured home, or any unit in a Multi-unit Residential Facility connected to utilities and includes electrical, plumbing, heating, and air conditioning systems.
40. “Point of Use” means the primary location where a Customer uses water, including a residence or commercial or industrial facility.
41. “PUC” means the Public Utility Commission of Texas.
42. “Person” or any pronoun reference or other reference to Person in this Order shall mean a natural person, individual, firm, partnership, corporation, association, or other business, legal or governmental entity and the officers, employees, agents, attorneys, servants, or representatives of such entity, as the context requires.
43. “Property Owner(s)” means an Individual or entity in possession of title for land, building, or other item. The owner may be responsible for paying taxes in relation to the property.
44. “Rental Property” is a property that is inhabited by persons other than the Property Owner on a permanent or temporary basis.
45. “Residential Customer” means a Customer that desires or receives service for or to a single-family residence or dwelling.

46. "Rules" means the Policies and Rules adopted in this Order by the District under Texas Water Code Chapters 49 and 51, as amended from time to time.
47. "Service Line" means the District Facilities extending from a water Distribution Main to a water meter at the property line for the purpose of providing water to a Customer.
48. "Standard Connection" means a connection for which the District provides service through a 5/8-inch or 3/4-inch meter.
49. "Standard Residential Connection" means a connection at a new residence with a 5/8-inch or 3/4-inch water meter and where the service location is within 100 feet of an existing District Distribution Main and does not require any boring or extraordinary measures to extend District's Facilities.
50. "System" or "Water System" means the District's water production, treatment, storage facilities, water transmission, and distribution facilities.
51. "TCEQ" means the Texas Commission on Environmental Quality or its successors.
52. "Temporary User" means a Person within the District's jurisdictional boundaries or in the District's service area who uses the District's water service as a temporary water supply.
53. "Transmission Main" means a water transmission and distribution facility designed to transport water between pressure zones, from a well field or intake structure to points in the distribution system within the same pressure zone, or mains between pumps and reservoirs between the same pressure zone.
54. "Treated Water" means water treated for human consumption in accordance with standards set by the TCEQ.
55. "Water Service Area" means the area for water service described and/or depicted herein.
-

III. SERVICE RULES AND REGULATIONS

A. Connection Without Approval of District Prohibited. It is unlawful for any Person to connect to the District's System without applying to the District for service, obtaining the approval of the District, executing a service agreement, and paying all District-required fees to the District, in accordance with this Order.

B. Application Procedures and Requirements.

1. Any party desiring to make a connection to the District's System and obtain service must first file an application to the District on a District approved form (Appendix B) and pay all applicable fees (Appendix C). The Applicant must, upon request, furnish the District with evidence that the party who will install the tap and connecting line has comprehensive general liability insurance in the minimum amounts of \$300,000 bodily injury and \$50,000 property damage, with an underground rider and a completed operations rider. In cases when the Property Owner is not the occupant of the premises, the District may require both parties to sign an agreement specifying who is responsible for the bills and deposits.

2. The District's Representative will review all applications for connections to the District's System. If the District finds that the materials to be used and the procedures and methods to be followed in the plumbing system and making the connection are equal to or better than the standards established by the City of Austin, Texas and the most recently adopted Uniform Plumbing Code and are in compliance with all terms and conditions of the Rules, the District may approve the application and the proposed connection, subject to such terms or conditions as he/she deems necessary to accomplish the objectives of the Rules.

3. At the time any Applicant requests a new service connection from the District, the Applicant must submit the following to the Board or its designated representative:

(a) A non-refundable application fee as stated in Appendix C to cover the administrative costs associated with establishing and service the account;

(b) A Review Fee deposit as stated in Appendix C;

(c) Fixture Unit Analysis, based on currently adopted Uniform Plumbing Code, that is signed and sealed by an engineer licensed in the State of Texas;

(d) Fire Flow Demands;

(e) Two hard copies and one digital file (pdf) of utility plan showing the property, the proposed utility facilities and sizing, final subdivision plat, and any required easements; and

(f) Proof of ownership of the property and proof of identity.

4. The District will forward a copy of the documentation to the District's engineer, who will review it and determine the level of service requested; if the District's Systems are sufficient

to provide the level of service requested; if the level of service requested is reasonable and necessary for the uses contemplated; and if the capacity requested is available.

5. The District's engineer will prepare a written report to the Board, which the District's engineer will present at the first Board meeting following the expiration of 60 days from the date the Applicant files the application and all required supporting documentation. The process will consist of two phases: water service approval and plan approval. The Applicant must execute and record any necessary easements prior to approval. Upon completion of the project, the Applicant must provide two (2) sets of as-built drawings to the District Manager. Applicant must comply with most recently adopted Standards and Review Procedures, attached as Appendix D.

6. If the Board approves an application for service, the District shall require the Applicant to pay the tap, meter, and inspection fees, as determined by the District's General Manager before the commitment becomes effective. The District will issue service commitments for specific tracts, which are non-transferable. Prepaid tap, meter, and inspection fees are nonrefundable. In the event of termination of a service commitment to a tract, the District will hold and credit the fees against the fees applicable to the tract in question when an Applicant ultimately requests service. If the ultimate use of a tract with an existing service commitment requires a meter of a size other than the size upon which the District based the estimated tap fee, the District shall adjust and collect the adjusted fee at the time the District installs the tap so that the tap fee collected corresponds to the size of meter installed. The District will determine the actual tap, meter, and inspection fees applicable to a tract at the time the Applicant requests service based upon the District's actual rates and charges in effect at that time. The Applicant must pay any shortfall between the estimated fees and the actual fees prior to the time the District connects service. The District will credit any excess of the estimated fees over the actual fees against the Customer's future water billings.

C. Meters and Connections

1. Each individual residential Permanent Dwelling located on one (1) lot or plot of ground shall have a separate water tap and meter. Upon application and payment of associated fees, the District will install at the Customer's expense a separate Irrigation Meter for a Customer who requests one;

2. The District will install individual meters in Multiple Use Facilities and Multi-unit Residential Facilities, unless the installation of individual meters is not feasible. The District may charge reasonable costs for the installation of individual meters;

3. The District requires a separate Irrigation Meter for Multiple Use Facilities, Multi-unit Residential Facilities, and Commercial Facilities;

4. The District prohibits the installation of Subtractive or Subtraction Meters;

5. Public properties, schools, industrial properties, Non-residential, or Multiple Use Facilities and Multi-unit Residential Facilities shall have meters and service as required by the District;

6. The water meter connection is for the sole use of the Customer. The District prohibits the extension of pipe(s) to transfer or submeter water to any other person, dwelling, business, or property or to share or resell water unless the District provides written approval in advance of the installation of the pipe; and

7. If a Property Owner with more than one Permanent Dwelling and a single connection intends to subdivide the property, then the Property Owner must obtain a connection for each subdivided lot. The Property Owner must convey to the District all easements necessary to provide water service to the property prior to subdivision of the property.

D. General Conditions for Water Service

1. The Applicant does not qualify for service as a Customer until the Applicant meets all requirements of this Order. The District may decline to serve an Applicant until the Applicant has paid all applicable fees, executed all necessary forms and agreements, and complied with any applicable Policies of the District. The District may decline to serve an Applicant for other reasons as identified in Sections A, B and C, above;

2. The District may refuse service to an Applicant if federal, state, or local law, including the requirement of Section 212.012 of the Texas Local Government Code for certification of compliance with plat requirements, prohibits the District from serving the property;

3. If the District refuses to serve an Applicant, the District will inform the Applicant in writing of the basis of its refusal; and

4. In addition to the reasons above, the District may deny water service for any of the following reasons:

(a) The Customer has not paid a bill in full by the due date listed on the bill. The District will provide the Customer with notice that the Customer is delinquent on a bill and that the District will terminate service. The termination date will be ten (10) days after the District mails or hand delivers a delinquency notice;

(b) The Customer fails to provide reasonable access to property to connect, maintain, or repair service;

(c) The Customer fails to comply with this Order, the Customer Service Agreement, Construction Agreement, the District's Water Conservation or Drought Contingency Plans, or other applicable Policies of the District, including Customer's obligation to upgrade facilities to standards required by District Policies;

(d) The Customer fails to comply with any existing applicable local, state, or federal regulations and amendments thereto, including Customer's obligation to upgrade facilities to standards required by local, state, or federal regulations;

(e) The District determines that providing services will exceed the capacity of the District's water system;

(f) The Applicant fails to demonstrate to the District that every Permanent Dwelling at the location of service is connected to a sewage collection, treatment, or disposal system or properly permitted on-site sewage facility;

(g) The Customer fails to pay its bill to another water or wastewater provider and the District has an agreement with that utility provider pursuant to Texas Water Code Section 13.250(b) (2);

(h) The Customer has not submitted an approved CSI to the District following completion of new construction, remodel, addition, installation of a pool or irrigation system;

(i) The Customer has not submitted backflow testing as required; and

(j) As-built or record drawings were not submitted to the District within 30 days of completion.

5. *Disconnection of Service without Prior Notice.* The District may disconnect service without notice for any of the following:

(a) When a dangerous condition exists, for as long as the condition exists;

(b) When an unauthorized connection established service;

(c) When a person without authority connects service without making application for service or who has reconnected service without authority following termination of service for nonpayment; or

(d) In instances of tampering with the District's equipment or services, bypassing the same, or other instances of diversion.

6. *Reconnection of Service.* If a Customer requests the reconnection of services, the District will reconnect service only after the Customer pays all past due bills, the Reconnect Fee provided in this Order, and any other outstanding charges and the Customer corrects the conditions that caused disconnection of service. The District will notify the Customer within a reasonable time of the basis for disconnection. The Customer must also pay the full amount of the deposit as specified in Appendix C to this Order. The District will hold this deposit and return it in full when the Customer closes the account, if no balance due is remaining on the closed account.

7. *Meters.* The District will bill all water sold based on meter measurements. Deposits, rates, fees, or charges contained in this Order that are based on meter size apply to simple, compound, and turbine meters, unless expressly stated otherwise. Only District furnished, maintained, and installed meters shall meter all water delivered to Customers. The District shall read service meters at monthly intervals and as nearly as possible on the corresponding day of each

monthly meter reading period, but the District may read at other than monthly intervals if circumstances warrant.

8. *Billing.* The District will send bills for water service monthly. The bill will state the due date for payment on the bill. The District considers payment for service late if the District does not receive full payment, including late fees, regulatory assessment fees, and other fees, at the District or the District's authorized payment agency by the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next business day after the due date. In the event of a dispute between a Customer and the District regarding any bill for service, the District will investigate and report its findings to the Customer.

9. *Non-Standard Service.* Requests for Extension of Water Service to a Developer or Developer Property within the District's Water Service Area requires a District application. The application for an extension to serve a Developer or Developer Property shall meet the following requirements prior to the initiation of service by the District:

(a) The Applicant shall provide the District a written request for service. The request shall specify the location of property, size of development (in LUEs), and number and size of tracts to be served;

(b) The Applicant shall submit to the District a set of detailed maps, plans, specifications, and demand requirements for the extension project that have been prepared, signed, and sealed by a professional engineer licensed by the State of Texas. The final plat maps (approved by the governmental body with appropriate jurisdiction), plans, specifications, and demand requirements shall comply with all Policies as well as ordinances, rules, or regulations of local governmental bodies with jurisdiction over the Applicant's property that are subject to approval by the District;

(c) In addition, the Applicant is responsible for paying the fees as provided in Appendix C of this Order. The District reserves the right to upgrade design of service facilities to meet future demands, provided however, that the District pays the expense of such upgrading above the Applicant's facility requirements; and

(d) The District may require all Applicants pursuant to this Section to enter into a written contract, as drafted by the District, in addition to submitting the District's Customer Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to, the following:

(i) All costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which the Applicant pays these costs;

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

(iii) Terms by which the Applicant shall indemnify the District from all third-party claims or lawsuits in connection with the project contemplated;

(iv) Terms by which the Applicant shall deed all constructed facilities to the District and by which the District shall assure operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project; and

(v) Terms by which the Applicant shall grant title or easement for rights-of-way, constructed facilities, and facility sites and/or by which the Applicant shall provide for securing required rights-of-way and sites.

(e) The District may install pipeline construction and facility installations for extensions pursuant to this Section at the Developer's expense or by a contractor retained by the Applicant subject to District approval. The District shall have the right to inspect and approve all pipeline construction and facility installations. The Developer shall pay fees to the District for inspection services pursuant to this Order. Unless the District otherwise agrees by contract, the District shall require the Applicant to pay, in addition to any fees including impact fees (if any), provided in the Appendix of this Order, all costs associated with construction and installation of the facilities. These costs shall include, but are not limited to, expenditures for materials, equipment, labor, legal fees, inspection fees, and design or engineering fees. The District may also require the Applicant to pay a higher monthly minimum and volumetric charge if the District is to perform pipeline construction and facility installations at Applicant's expense. The District will provide Applicant with an estimate of the construction and installation costs. Applicant shall either provide a cash-deposit with the District for the estimated costs, or provide other acceptable securities as approved by the District. Upon completion of construction and installation, Applicant shall transfer title of all facilities, up to and including the Applicant's meter(s), to the District. Thereafter, the District shall own such facilities and shall be responsible for the maintenance thereof.

(f) The Applicant shall provide, after substantial completion of construction, the following deliverables:

(i) Three sets of record drawings of the as-built plans;

(ii) AutoCAD plans (Version 2018 or later);

(iii) GPS files noting location of meter boxes, meters, water valves, pump stations, storage facilities, and all other underground utilities located within the project area; and

(iv) Backflow assembly serial number(s), location, purpose, and passing certification.

E. Easements. The District, at its sole discretion, shall require the dedication of either a public utility easement or a private exclusive easement for extensions, which the Applicant shall provide prior to the commencement of construction of District's facilities to serve the Applicant according to the following conditions:

1. If the District determines the necessity for right-of-way easements or facility sites outside the Applicant's property to serve the Applicant, the District shall require the Applicant to secure easements or title to facility sites on behalf of the District on a form acceptable to the District. The District shall research, validate, and file all right-of-way easements and property titles at the Applicant's expense; and

2. The Customer will grant to the District any easements or rights-of-way on the Customer's property for the purpose of constructing, installing, maintaining, replacing, upgrading, disconnecting, inspecting, and testing of any facilities necessary to serve the Customer as well as to fulfill the District's purposes in providing system-wide service. The District may require the Customer to use certain forms to grant the easement or right-of-way.

F. Right of Access. The District shall have the right to access the Customer's premises at all reasonable times for the purpose of installing, inspecting, reading, or repairing pipelines, meters, or other components used in connection with water service or for the purpose of removing its property and disconnecting service. The District will charge a fee to Customers that fail to trim or remove landscaping around the meter if a District employee or contractor must clear the area to get access to the meter. Said fee is to be the invoiced cost from the District's contractor for landscape removal.

G. Emergency Rationing. In the event the total water supply is insufficient to serve all the Customers, or in the event there is a shortage of water, the District may initiate an emergency rationing program or implement measures in accordance with the District Utility Water Conservation and Drought Contingency Plan, or measures implemented by other regulatory authorities, as applicable.

H. Responsibility for Water Leakage. All Property Owners, their agents, and tenants shall be responsible, as consumers and Customers, for any loss of water and property damage due to leakage in pipes or plumbing on the Customer's side of the meter or on the owner's property. Customers who have experienced water loss may request an adjustment to their account once per calendar year. The District must receive a written request along with proof of repair such as plumbing invoices or receipt of plumbing supplies within 120 days of the repair date. The adjustment will be based on the consumption billed at the time of leak detection and calculated as per leak allowance policy set forth in this Order. The District will consider a leak adjustment for a maximum of two (2) consecutive months usage.

I. Payment of Other Fees.

1. As specified in Appendix C of this Order, the District may assess a fee for the first inspection of the water tap for each single-family detached or single-family attached residence (with individual meters for each dwelling unit) in the tap fee. The Applicant must pay the fee for any additional inspections to the District at the time the Applicant requests the inspection, as specified in Appendix C of this Order.

2. The District will determine the District's fee for the first inspection of the water tap for each commercial structure, including a multi-unit residential complex, based on time and materials required for the tap, which the Applicant must pay to the District prior to any

connection.

3. *Plumbing Inspection Fees.* The District will conduct plumbing inspections of any modifications to existing construction that affects the Customer's plumbing, including remodeling, installation of irrigation systems, and construction of swimming pools.

(a) Residential. Appendix C provides the District's plumbing inspection fees for changes to existing residential property, other than multi-unit residential complexes. Appendix C also provides the fee for each re-inspection. The District will charge a re-inspection fee in addition to the original cross-connection inspection fee if the Applicant's plumber misses the appointment for a scheduled inspection; and

(b) Commercial. The District's representative will determine the District's plumbing inspection fee for changes to existing commercial construction, including a multi-unit residential complex, based upon the size and scope of each project.

4. *Cross-Connection Inspection Fees.* The District will conduct cross-connection inspections of any modifications to existing construction that affects the Customer's plumbing, including remodeling, installation of irrigation systems, and construction of swimming pools.

(a) Residential. Appendix C provides the District's cross-connection inspection fees for changes to existing residential property, other than multi-unit residential complexes. Appendix C also provides the fee for each re-inspection. The District will charge a re-inspection fee in addition to the original cross-connection inspection fee if the Applicant's plumber misses the appointment for a scheduled inspection; and

(b) Commercial. The District's cross-connection inspection fee for changes to existing commercial construction, including a multi-unit residential complex, will be determined by the District based upon the size and scope of each project.

J. Security Deposits. Each Customer must pay a security deposit, in the form of cash, money order, or other acceptable form to the District prior to the District providing service to that Customer. Security deposits are not transferable, and the District will hold the deposits to ensure the prompt payment of all bills for water service to the Customer and any other charges due and payable by the Customer to the District. At its option, the District may apply all or any part of a Customer's security deposit to any delinquent bill of the Customer or other sum due and payable by the Customer to the District. Upon discontinuation of service, whether because of the Customer's delinquency or upon the Customer's request, the District will apply the deposit against all amounts due to the District, including any disconnection fees, penalties, judgments, or other charges. The District will refund any portion of the deposit remaining after deduction of these amounts to the Customer, as appropriate. In no event will a security deposit bear interest for the benefit of the Customer.

1. *Residential and Residential Irrigation Security Deposits.* The District requires initial security deposit(s) set forth in Appendix C of this Order for each building unit based on LUE meter size. All security deposits must be in the form of cash, money order, or other form of payment acceptable to the District.

2. *Commercial and Commercial Irrigation Meter Security Deposits.* Any commercial Customer must pay the deposit, as set forth in Appendix C, at the time the commercial Customer requests service.

3. *Additional Charges.* The Applicant is responsible for any non-routine charges that the District incurs in connection with any water tap or inspection, and the Applicant must pay these charges to the District upon demand.

K. Builder's, Developer's, and Contractor's Requirements.

1. *Contractors.* Each builder or contractor within the District must pay the costs of any water service provided to it in accordance with the terms and provisions of this Order. Contractors may not withdraw water from any District fire hydrant unless the Contractor measures the volume of water obtained and installs a fire hydrant meter in accordance with Subsection 2, below.

2. *Fire Hydrant Meter and Deposit.* No builder, developer, contractor, or other person may temporarily connect to the District's water system or withdraw water from the District's system through a fire hydrant unless it utilizes a fire hydrant meter obtained from and assigned to it by the District. The builder, developer, contractor, or other person must attach the assigned fire hydrant meter directly to the fire hydrant and must use it when making a temporary water connection for construction, street cleaning, or other construction-related activities, unless the District agrees otherwise. In addition, directly downstream from the fire hydrant meter, the builder, developer, contractor, or other person must install a reduced pressure Backflow Prevention Device or a Code-approved air gap. The builder, developer, contractor, or other person must pay a security deposit and other applicable fees, as set forth in Appendix C, to the District at the time the District issues the fire hydrant meter. The District will hold this deposit and refund it, without interest, at the completion of the builder's or contractor's construction project within the District. The District will not require any deposit if the contractor's construction agreement with the District requires the use of a fire hydrant. A violation of this metering requirement or the Backflow Prevention Device requirement will result in the violator being subject to a fine in the amount of \$5,000 per violation. The District may deduct the amount of any fines imposed as a result of a builder's, developer's, or contractor's violation of this requirement from the meter deposit and may further require that the builder, developer, or contractor replenish the deposit by an amount equivalent to the total deducted.

L. Temporary Water Service. The District will provide temporary water service for a five calendar-day period up to a maximum usage of 5,000 gallons for the purpose of maintaining rental property or unoccupied property that is for sale. The service requestor must pay the non-refundable flat fee set out in Appendix C to the District at the time of requesting the temporary service. The District will use the fee to cover the cost of initiating and terminating service and the water used during the temporary connection period.

M. Regulatory Assessment. The District shall add the TCEQ regulatory assessment charge, currently set at 0.5% of retail water sales, to each Customer's monthly billing. The District will remit the required assessment to the appropriate state agency for use in performing its regulatory duties and in providing technical assistance and training to utilities.

N. Metering

1. General Meter Requirements.

(a) Use of Meter. The District shall charge for all water sold by meter measurements.

(b) Installation by District. The District will provide, install, own, and maintain all meters necessary for the measurement of water to its Customers.

(a) Standard Type. The District will not furnish, set up, or put in use any meter that is not reliable and of a standard type which meets industry standards; provided, however, the District may use special meters not necessarily conforming to these standards for investigation or experimental purposes.

2. *Meter Readings. Meter Unit Indication.* In general, each meter will indicate clearly the gallons of water or other units of service for which the District shall charge the Customer.

3. *Bill Adjustment Due to Meter Error.* If the District finds any meter to be outside of the accuracy standards established by the American Water Works Association, the District will correct previous readings for the period of six months immediately preceding the removal of the meter from service for the test. The District will not make any refund except to the current Customer. If the District finds a meter not registered for any period, bypassed, or tampered with, not installed, or not locatable, the District will prepare a bill based on the amount of water used under similar conditions during the preceding or subsequent period, during corresponding periods in previous years, or used by similar users under similar circumstances.

4. *Meter Tampering.* All water meters used to measure the water delivered to a District Customer are District property, and the District strictly prohibits any meter tampering. For purposes of this section, "meter tampering" or any similar term means:

(a) tampering with a water meter or other District equipment;

(b) damaging, destroying, or altering a meter;

(c) bypassing a meter;

(d) reconnecting service without authorization to do so, whether the disconnection was due to non-payment or for any other reason;

(e) installing a lock or other device on a meter or otherwise impairing the ability of the District or its authorized representative to terminate service;

(f) any other instance of alteration, modification, diversion, or bypass, including physically disorienting a meter, attaching objects to a meter, including in order to divert service or to bypass the meter, inserting objects into the meter, or using other electrical or mechanical means to tamper with, bypass, or divert water service;

(g) failing to have a meter installed or covering or physically obstructing the location

of the meter;

(h) modifying, altering, tampering with the Online Portal System, the District's electronic metering system.

The District prohibits any meter tampering, bypass, or diversion of service. The District will prosecute any reconnection of service without authorization as theft of service. Any party who tampers with a District meter or takes water from an unmetered or other unauthorized connection to the District's Systems will be subject to (1) a penalty in the amount up to \$5,000 per violation and each day shall constitute a separate violation, (2) payment for all water unmeasured or diverted as a result, and (3) payment of all attorney's fees incurred by the District and court costs. The District may deduct any penalties or costs imposed as a result of a violation of this Section from the Customer's security deposit and may further require that the Customer replace the deposit and pay any unpaid penalties due before the District reconnects service.

5. Meter Re-reads and Meter Tests.

(a) Re-reads. The District's Representative will, upon request of a Customer, re-read the Customer's meter. Upon receipt of such request, the District will advise the Customer that, if the District confirms the original meter reading, the District will bill the Customer for the cost of the re-read, as set forth in Appendix C. If the District finds the original reading to be correct, the District will bill the Customer accordingly. If the original reading is incorrect, there will be no charge to the Customer;

(b) Field Testing. The District's Representative will, upon request of a Customer, field test the accuracy of the Customer's meter or engage a water meter testing company to test the meter. Upon receipt of a request, the District will advise the Customer that, if the test confirms the meter's accuracy, the District will bill the Customer for the cost of the test, as set forth in Appendix C. If the District finds the meter to be accurate, the District will bill the Customer accordingly. If the District finds the meter to be inaccurate, there will be no charge to the Customer; and

(c) Pulling and Testing Meter. If a Customer requests that the District pull a meter and test it for accuracy, the Customer will be responsible for all costs incurred by the District in removing and testing the meter, unless the meter registers more than two percent above the test result under reasonable flow quantities, in which event the District will bear the costs. The Customer may receive a copy of the test report upon request.

6. *Meter Test Facilities and Equipment.* The District will test the accuracy of a water meter by comparing the actual amount of water passing through it with the amount indicated on the dial. The District will conduct the test in accordance with the standards for testing cold water meters as prescribed by the American Water Works Association. The District will provide the necessary standard facilities, instruments, and other equipment for testing its meters in compliance with these sections.

7. Meter Test Measurement Standards.

(a) Measuring devices for meter tests may consist of a calibrated tank for volumetric

measurement or tank mounted upon scales for weight measurement. If the District uses a volumetric standard, a certificate of accuracy from any standard laboratory will accompany the tank. If the District uses a weight standard, the District will test the scales and calibrate periodically by an approved laboratory and maintain a record of the test results;

(b) Standards used for meter testing will be of a capacity sufficient to ensure accurate determination of accuracy; and

(c) The District may provide and use a standard meter for the purpose of testing meters in place. The District will test and calibrate this standard meter periodically to ensure its accuracy within the limits required by these sections. In any event, the District will make these tests at least once per year while the standard meter is in use and keep a record of such tests of the standard meter.

8. *Meter Test Prior to Installation.* The District will not place any meter in service unless the District has established its accuracy. If the District removes any meter from service, it must be properly tested and calibrated before the District will place the meter in service again. The District will not place any meter in service if its accuracy falls outside the limits as specified by the American Water Works Association.

9. *Online Portal System.*

(a) *Access and Ownership.* To access the Online Portal System, a User must be a Customer of the District with an active District water account. The User must select and use certain usernames, passwords, or codes to access and use the Online Portal System. By accessing the Online Portal System, the User will not obtain any rights, title, or interest in the Online Portal System or any associated intellectual property rights, other than the right to access and use the Online Portal System, subject to the terms and conditions set forth in this Order. The District's Board of Directors, in its sole and absolute discretion, may suspend or terminate access to the Online Portal System at any time for any User for violation of this Order or any other cause.

(b) *Restrictions on Right to Use.* Customer may not:

(i) Sell, license, resell, sublicense, or otherwise permit any third party to access or use the Online Portal System;

(ii) Remove, patent, copyright, trademark, or otherwise copy intellectual markings from the Online Portal System;

(iii) Modify, alter, tamper with, repair or otherwise create derivatives from the Online Portal System;

(iv) Copy, reverse engineer, disassemble, or decompile the Online Portal System or apply any other process or procedures to derive the source code from any software included in the Online Portal System;

(v) Provide user content that infringes on or is in violation of the intellectual property rights of any person or entity including, but not limited to, the District, Badger, or any of

either party's suppliers;

(vi) Use the Online Portal System in a manner that violates any applicable international, federal, state, or local law, rule, or regulation;

(vii) Assert, authorize, or encourage any third party to assert any intellectual property infringement claim against the District or Badger regarding the Online Portal System;

(viii) Transmit content or messages that are illegal, fraudulent, threatening, abusive, defamatory, or obscene;

(ix) Make any unauthorized connection to the District's billing system or any third party's network via the Online Portal System;

(x) Communicate any unsolicited commercial, voice, SMS, or other message;

(xi) Upload or transmit any "virus," "worm," or malicious code or access, alter, or interfere with the communications of or information about another User, District customer, or other person; and

(xii) Take actions related to the Online Portal System that could cause damage to or adversely affect the District, Badger, the Online Portal System, or any of the District's or Badger's third-party consultants or suppliers.

(c) Customer Content and Responsibilities. By assessing or utilizing the Online Portal System, Users agree to the following:

(i) User consents to the District and Badger Meter's right to host, access, store, copy, and use necessary customer information, including but not limited to the User's address, meter read information, water usage history, and account information as reasonably necessary to provide, maintain, repair, and enhance the Online Portal System;

(ii) User is solely responsible for any actions User may take with regard to the Online Portal System;

(iii) User agrees to comply with the Badger Meter Terms of Use Policy (<https://beaconama.net/termsfuse.html>) and the Badger Meter Privacy Policy (<https://beaconama.net/privacy/privacy.html>) as either may be amended from time to time;

(iv) User agrees that User shall not access or use the Online Portal System in any manner that violates any applicable international, federal, state, or local laws, rules, or regulations, including but not limited to all applicable data protection, intellectual property, and privacy laws;

(d) USER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE DISTRICT, ITS OFFICERS, DIRECTORS, EMPLOYEES, CONSULTANTS, AND OTHER REPRESENTATIVES (COLLECTIVELY THE "DISTRICT PARTIES") FROM AND AGAINST ANY LEGAL PROCEEDINGS FILED AGAINST THE DISTRICT PARTIES BY A THIRD PARTY ARISING OUT OF USER'S NEGLIGENT OR

WRONGFUL USE OF THE ONLINE PORTAL SYSTEM; and

(e) User acknowledges privacy or security of transmissions over the internet cannot be guaranteed, and as such, the District is not responsible for the following:

- (i) Customer's access to the internet;
- (ii) Interception, unauthorized use, or interruptions of communications through the Internet; or
- (iii) Changes or losses of data through the Internet.

(f) Miscellaneous Online Portal System Conditions.

(i) The rules and regulations in this Order are in addition to and not in lieu of all federal, state, and local laws, rules, and regulations applicable to the Online Portal System, its use, or its contents.

(ii) Use of the Online Portal System is at the sole risk of each User. The District does not accept any responsibility or liability for any losses or injuries sustained by a User as a result of such use.

O. Billing

1. *The District will render Bills for water monthly.* The District may bill service initiated less than one week before the next billing cycle with the following month's bill. The District will render bills as soon as possible following the reading of meters. The District shall render one bill for each meter.

2. *Information to be Included on the Bill.* The Customer's bill will show the following information arranged to allow the Customer to readily compute its bill using a copy of the applicable rate schedule available on the District's website. Upon request, the District will mail the rate schedule to the Customer.

- (a) The date of reading, current reading, and the previous reading;
- (b) The number of gallons metered;
- (c) The total amount due for water service;
- (d) Date of bill;
- (e) The total amount due as penalty for nonpayment within a designated period; and
- (f) The telephone number where the Customer may reach the District.

3. *Payment Obligation.* The Customer's failure to receive a bill or bills does not diminish or release the Customer from its obligation to make payment for services rendered.

4. *Overbilling and Underbilling.* If the District finds its billings for District services differ from the District's rates for the services, or if the District fails to bill the Customer for services, then the District will calculate a billing adjustment. If the Customer is due a refund, the District will make an adjustment for the entire period of the overcharges. If the District undercharged the Customer, the District will back-bill the Customer for the commodity used by the Customer. If the underbilling is \$25 or more, the District will offer the Customer a deferred payment plan option for the same length of time of the underbilling. In cases of meter tampering, bypass, or diversion, the District may, but is not required to, offer a Customer a deferred payment plan.

5. *Prorated Charges.* When a bill is issued for a period of less than one month, the District will compute charges as follows. For metered service, the District shall bill for the amount metered and the minimum charge will be the applicable minimum as shown in this Order prorated for the number of days that the District provided service. For flat-rate service, the District shall prorate the charge based on the proportionate part of the period during which the District rendered service.

6. *Disputed Bills.*

(a) A Customer may advise the District that a bill is in dispute by written notice to the District. A Customer must register a dispute with the District prior to the date of proposed discontinuance for a Customer to avoid discontinuance of service as provided by this Order;

(b) Notwithstanding any other section of this Order, the District will not require the Customer to pay the disputed portion of a bill that exceeds the amount of that Customer's average monthly usage at current rates pending the completion of the determination of the dispute. For purposes of this section only, the Customer's average monthly usage at current rates is the average of the Customer's gross District service for the preceding three-month period. If no previous usage history exists, the District will estimate consumption for purposes of calculating the average monthly usage based on usage levels of similar Customers and under similar conditions; and

(c) Notwithstanding any other section of this Order, a Customer's service is not subject to discontinuance for nonpayment of that portion of a bill under dispute pending the completion of the determination of the dispute. The Customer must pay any billings not disputed.

7. *Adjusted Bills Due to Meter Tampering.* If meter tampering occurs, a Customer's bill may be determined based on any of the following methodologies:

(a) The District will base an estimated bill upon service consumed by that Customer at that location under similar conditions during periods preceding the initiation of meter tampering. An estimated bill will be based on at least three consecutive months of comparable usage history of that Customer, when available, or a lesser usage history if the District has not served the Customer at that location for three months. This subsection does not prohibit the District from using another method of calculating a bill for unmetered water when the District determines that another method is more appropriate;

(b) Based upon that Customer's usage at that location after the meter tampering ended

when the District can calculate the amount of actual unmetered consumption using industry-recognized testing procedures, the District may calculate the bill for the consumption over the entire period of meter tampering; and

(c) In addition to charges under this section, the Customer will be responsible for all penalties and charges imposed under Subsection 4, above, and Subsection 8, below.

8. *Equipment Damage Charges.* The District will charge for all labor, material, equipment, and other costs necessary to repair or replace equipment damaged due to meter tampering, bypass, or service diversion. The District will charge for all costs incurred to correct any instance of meter tampering, service diversion, or unauthorized taps when there is no equipment damage, including incidents when service is reconnected without authority. The District will provide an itemized bill of these charges to the Customer.

9. *Leak Allowance Adjustment Policy.*

(a) A single-family residential Customer who receives a water bill showing metered consumption that exceeds the Customer's expected volume at that service address for up to two consecutive billing periods may apply for a bill adjustment if:

(i) The General Manager determines the volume exceeding the Customer's expected volume was due to water line leak(s) at the service address that were not within the Customer's control;

(ii) The Customer is current on their account up until the bill in question;

(iii) The Customer exercised due diligence in repairing the leaks; and

(iv) The Customer has not received any billing adjustment under this section within the preceding 12 months.

(b) The leak allowance adjustment is contingent upon the District receiving, within 120 days of having the leak(s) repaired, documentation in a form acceptable to the General Manager that the Customer has repaired all water line leak(s) on the Customer's property that contributed to the excess consumption.

(c) A Customer is not eligible for a bill adjustment if the General Manager determines that:

(i) The Customer has been or is wasting water by failing to repair a controllable leak, including but not limited to:

(1) a broken sprinkler head, a broken pipe, or a leaking valve; operating an irrigation system with a broken head; a head that is out of adjustment and the arc of the spray head is over a street, parking area or other impervious surface; or a head that is misting because of high water pressure; or

(2) allowing water flow during irrigation that runs, flows, or streams in a way

that extends into a street, parking area, or other impervious surface for a distance greater than 10 feet; or

(3) allows water to pond to a depth greater than 0.25 inch in a street, parking area, or on other impervious surface.

(ii) The Customer has been or is violating any provision of the District's Water Conservation Plan; or

(iii) The cause for any amount of the Customer's excess consumption is a result of negligence.

(d) If the District's General Manager approves a leak allowance, the District will base the calculation for the adjustment on a determination of the Customer's expected volume for a given billing period using any one of the following methods:

(i) Metered volume used at the service address for the same month in the previous year;

(ii) Average metered volume used at the service address for similar seasonal months in prior years;

(iii) Metered volume used at the service address for subsequent similar months; or

(iv) Average metered volume used at the service address for current seasonal months.

(e) If the District's General Manager determines that the Customer qualifies for a bill adjustment under this section, the District will bill the Customer at the rate indicated in the District's most recent adopted leak adjustment policy.

(f) A Customer may appeal the District General Manager's determination under this section to the Board of Directors if the Customer is not in agreement with the outcome. The Board of Directors' decision is final and unappealable.

P. Delinquent Accounts

1. *Due Date and Delinquency Date.* The District will bill each Customer monthly for all services rendered in the preceding month, in substantial compliance with the procedures established in the City of Austin Utility Service Regulations. The District considers all bills past due if not paid within 20-days from the billing date ("Due Date"). The bill is delinquent if not paid in good funds within 30-days from the billing date ("Delinquency Date"). If the due date falls on a Saturday, Sunday, or legal holiday on which banks close in the State of Texas, the District extends the Due Date to the next business day. The Customer will be subject to termination of service, if the District does not receive full payment within 15 days of being delinquent.

2. *Late Penalty.* The District shall add a late charge of ten percent (10%) of the total

amount of the bill due 20-days after the billing date.

3. *Non-Payment.* In the event that, due to non-payment of any sums due under this Order which the Customer has not paid when due, the District institutes suit for the collection of any unpaid amounts, the District shall recover interest thereon at the maximum legal rate and reasonable attorneys' fees and court costs from the responsible party. The District shall charge an additional fee to any Customer who pays its bill with a check that the bank dishonored, which the District or District's Representative shall establish from time to time based on the prevailing or usual charges made for dishonored checks and drafts by other vendors in the same general area as the District. If a Customer pays its account with a check that the bank dishonors, the District reserves the right to refuse to accept further checks from the Customer and to require the Customer to make all future payments by certified check, money order, cash, or credit or debit card.

4. *Notification of Alternative Payment Programs or Payment Assistance.* If a Customer contacts the District to discuss an inability to pay a bill or indicates a need for assistance with bill payment, the District will inform the Customer of all available alternative payment and payment assistance programs available from the District, such as deferred payment plans, as applicable, and of the eligibility requirements and procedure for applying for them. A deferred payment plan is any agreement between the District and a Customer in which the Customer pays an outstanding bill in installments that extend beyond the due date of the next bill, along with the current bill. All deferred payment agreements must be in writing and shall not exceed 12 months in duration. The District may suspend the termination of services to Customers for up to 30 days based upon the District's or District's Representative's determination that the Customer is making a good faith effort to pay the District's account and is current on paying subsequent monthly billings.

5. *Post-Bankruptcy Services.* In the event of bankruptcy of any Customer, the District will post the amount due for pre-bankruptcy services to the Customer's existing account, and the District shall post the amount due for post-bankruptcy services to a separate account. The District shall require the Customer to provide the District with adequate assurance of payment for services rendered after the date of the bankruptcy filing, in the form of a security deposit satisfying the requirements of this Order. The District will hold any existing security deposit as security for sums due for pre-bankruptcy services, and the District will not credit the existing security deposit toward the security deposit for post-bankruptcy services. If the Customer fails to furnish the required security deposit for post-bankruptcy services to the District, the District may discontinue service to the Customer in accordance with the provisions of this Order.

Q. Disconnection and Reconnection; Administrative Fees. If the District provides notice of disconnection and the Customer has not paid all past-due amounts by the time and date specified on the notice of disconnection, then, regardless of whether the District has physically disconnected service, the District will require the Customer to pay all past-due amounts, any additional security deposit required by this Order, and the administrative fee specified in this Section. To reconnect service, regardless of whether the District has physically disconnected service, the Customer must pay all delinquent and past-due amounts, plus any additional security deposit required by the terms of this Order and the applicable reconnect fee. Service will be reconnected on the same day if the Customer makes full payment prior to 2:00 p.m. If the Customer makes payment after 2:00 p.m.,

the District will require the Customer to pay the after-hours administrative fee in order to obtain same-day reconnection of service, as set forth in Appendix C.

R. Termination of Service

1. *Disconnection with Notice.* The District may disconnect service after proper notice for any of the following reasons:

(a) failure to pay a delinquent account for utility service or failure to comply with the terms of a deferred payment agreement;

(i) Payment by check which a bank has rejected for insufficient funds, closed account, or for which a stop payment order was issued;

(ii) The District will not accept payment of the bill to an employee or District representative who is at the Customer's location to disconnect service; and

(iii) The District considers payment at the District's office or authorized payment agency to be payment to the District;

(b) violation of the utility's rules pertaining to the use of service in a manner that interferes with the service of others;

(c) operation of non-standard equipment, if the District has made a reasonable attempt to notify the Customer and provided the Customer with a reasonable opportunity to remedy the situation;

(d) failure to comply with deposit or guarantee arrangements of the District;

(e) failure to pay charges for sewer service provided by another retail public utility;

(f) failure to submit approved backflow device testing or failure to install, maintain, or repair backflow device, as required; and

(g) failure to submit Customer service inspection, as required.

2. *Disconnection Without Notice.* The District may disconnect service without notice when a known dangerous condition related to the type of service provided exists, when a person without authority connects service without making application for service or who has reconnected service without authority following termination of service for nonpayment, or in instances of tampering with the District's meter or equipment, bypassing the same, or other instances of diversion. When reasonable and given the nature of the hazardous condition, the District will post a written statement providing notice of and the reason for disconnection at the place of common entry or upon the front door of each affected structure as soon as possible after the District disconnects service.

3. *Disconnection Prohibited.* The District may not disconnect service for any of the following reasons:

- (a) failure to pay for utility service provided to a previous occupant of the premises;
- (b) failure to pay for merchandise, or charges for non-utility service provided by the District;
- (c) failure to pay the account of another Customer as guarantor thereof, unless the District has in writing the guarantee as a condition precedent to service;
- (e) failure to pay charges arising from an underbilling due to any faulty metering, unless a person has tampered with the meter;
- (f) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter-reading plan, unless the District is unable to read the meter due to circumstances beyond its control;
- (g) failure to comply with regulations or rules regarding anything other than the water service, including failure to comply with septic tank regulations or sewer hook-up requirements; and
- (h) refusal of a current Customer to sign a service agreement; or failure to pay standby fees.

4. *Notice of Disconnection and Reconnection of Service and Door Tag Fee.*

- (a) In the event that any Customer is delinquent in the payment for water service, and the District posts a notice of such delinquency on the Customer's property, then the District shall charge the Customer a door-tagging fee shown in Appendix C for all costs incurred by District in providing such notice;
- (b) The Board of Directors shall determine when to terminate water service to a Customer upon the failure or refusal of that Customer to pay all fees, deposits, other charges, or delinquent taxes owed to the District or upon the failure to provide to the District record drawings ("as-builts"), or upon violation of any provision of this Order. Before termination of service, the District shall notify the Customer in writing and provide the Customer with an opportunity to address the Board of Directors at the meeting at which the termination of the District's service to that Customer will be determined in a manner prescribed in this Order;
- (c) The District shall not provide its services to a Customer for whom the District has discontinued water service until the Customer pays the District in full for all outstanding fees, taxes, or charges owed by Customer, the Customer pays the District a deposit in an amount specified in Appendix C, and the Customer pays the following reconnection charge to the District;
 - (i) if the District removed the meter, the Customer shall pay a reconnection charge as shown in Appendix C; or
 - (ii) if the District has not removed the meter, the Customer shall pay a reconnection charge as shown in Appendix C.

(d) The General Manager is authorized to approve reconnection upon receiving all the above specified amounts.

5. *Customer Appeal Procedures.*

(a) *Informal Hearing.* Upon receipt of a Customer's request to protest the termination of service, the District will schedule an informal hearing or meeting with the District Representative. The Customer will be allowed to question the District regarding the basis for the decision to terminate service and present any information or evidence regarding the termination of service or its basis. The District General Manager or Representative will render a decision on the matter and state reasons for the decision and the grounds for the decision.

(b) *Appeal.* The Customer may appeal the decision of District's Representative to the District's Board.

6. *Disconnection.* If the Customer has not made payment of all delinquent and past due amounts by 5:00 p.m. on the date specified by written notice to the Customer, and the Customer has not made any other arrangements for payment, the District will discontinue service. If a Customer defaults under a payment plan entered with the District, the District will initiate termination procedures immediately.

7. *Disconnection on Holidays or Weekends.* Unless a dangerous condition related to the type of service provided exists or the Customer requests disconnection, the District will not disconnect service on a day, or on a day immediately preceding a day, when personnel of the District are not available to the public for the purpose of making collections and reconnecting service.

8. *Disconnection for Ill and Disabled.* The District will not discontinue service to a delinquent residential Customer permanently residing in an individually metered Dwelling when that Customer establishes that discontinuance of service will result in some person residing at the residence becoming seriously ill or more seriously ill. Each time a Customer seeks to avoid termination of service under this section, the Customer must have the attending physician (for purposes of this section, the term "physician" means any public health official, including medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, and any other similar public health official) call or contact the District within 15 days of issuance of the bill. The District must receive a written statement from the physician within 30 days of the issuance of the bill. The Customer who makes such request must enter a deferred payment plan with the District.

9. *Reconnection of Services.* To reconnect service, the Customer must pay all delinquent and past-due amounts, plus any additional security deposit required by the terms of this Order and the applicable reconnect fee. The reconnect fee will be due regardless of whether the District physically disconnected service. If the Customer makes payment after 2:00 p.m. on the date of disconnection, the Customer must pay the after-hours reconnect fee in order to obtain same-day reconnection of service. If the District disconnects service for any reason, service will be reconnected within 24 hours of payment in full of the past due bill and any other outstanding charges, including any additional security deposit required by this Order, and the applicable reconnect fee.

10. *Meter Removal.* The District will remove a Customer's water meter if the Customer illegally restores its service without payment of its delinquent account.

11. *Incident in Tenancy/Rental Property.* In the case of Rental Property, whether residential or commercial, the District, at the discretion of the General Manager, may require all water service to be in the name of the Property Owner of such property and not in the name of the renter. The Property Owner may be responsible for the payment of all District fees and charges related to water services.

S. Continuity of Service

1. Service Interruptions.

(a) The District will make all reasonable efforts to prevent interruptions of service. When interruptions occur, the District will re-establish service within the shortest possible time;

(b) The District will make reasonable provisions to meet emergencies resulting from failure of service, and the District will issue instructions to its employees covering procedures in the event of emergency in order to prevent or mitigate interruption or impairment of service; and

(c) In the event of national emergency or local disaster resulting in disruption of normal service, the District may, in the public interest, interrupt service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until the District can restore normal service to these agencies.

2. *Record of Interruption.* Except for momentary interruptions due to automatic equipment operations, the District will keep a complete record of all interruptions, both emergency and scheduled. The District's record will show the cause for interruptions, date, time, duration, location, approximate number of Customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.

T. Customer Service Agreement and Plumbing Regulations

1. *Authority.* Under the requirements of the Chapter 341, Subchapter C of the Texas Health & Safety Code and Title 30 Texas Administrative Code Section 290.46(i), the District must adopt plumbing regulations with provisions for proper enforcement to ensure that the District does not allow either cross-connections or other unacceptable plumbing practices.

2. *Applicability.* All Customers receiving water utility service from the District are subject to the requirements of this Section. The provisions of this Section constitute a service agreement between the District and each Customer receiving utility services from the District.

3. *Purpose.* The District is responsible for protecting the drinking water supply from contamination or pollution that could result from improper plumbing practices. The purpose of this Section is to notify each Customer of the plumbing restrictions that are in place to provide this protection. The District enforces these restrictions to ensure the public health and welfare. By requesting or accepting utility service from the District, each Customer agrees to comply with the provisions of this Section, and each Customer's compliance is a condition to receiving water

service from the District.

4. *Plumbing Inspections.* The District will conduct five inspections of new residential and commercial plumbing construction as required by The Plumbing License Law, Chapter 1301, Texas Occupations Code for new construction. The District will conduct an inspection at the time the Customer or Customer's agent constructs the service line, at the time of plumbing rough-in, for copper, at top out, and upon completion of construction. Appendix C provides the fee for these inspections, which an independent plumbing inspector retained by the District shall perform on behalf of the District.

In addition, the District will perform an inspection performed on all new irrigation system installations and all new swimming pools at the costs stated in Appendix C. If the installation fails an inspection, the District will assess a re-inspection fee as stated in Appendix C for each required re-inspection. If the property is not accessible for inspection at the scheduled inspection time, the District will deem the installation failed inspection, and the District will assess a re-inspection fee. The District will deduct inspection fees from the builder's deposit, and the District shall require the builder to replenish the deposit to its required level before conducting additional inspections.

The District will determine the estimated amount of inspection fees that will be applicable to any project other than a single-family residence, and the District shall require the builder or developer of the project to deposit with the District an amount equal to the estimate prior to the commencement of the required inspections. The District will deduct the actual cost of the inspections for the project from the deposit, and if the District determines at any time that the remaining balance on deposit will not be sufficient to cover the cost of the remaining inspections, the District will require the builder or Developer to replenish the deposit in the amount established previously by the District before conducting any additional inspections. The District will refund any remaining balance, without interest, upon completion of the builder's or Developer's project.

5. *Plumbing Restrictions.* The District prohibits the following undesirable plumbing practices:

(a) The District strictly prohibits any direct connection between the public drinking water supply and a potential source of contamination. The Customer must isolate potential sources of contamination from the public water system by a Code-approved airgap or an appropriate Backflow Prevention Device;

(b) The District strictly prohibits any connection between the public drinking water supply and a private water system. The Customer must eliminate these potential threats to the public drinking water supply at the service connection by the installation of an airgap or a reduced pressure-zone Backflow Prevention Device;

(c) The District prohibits any connection that allows water to be returned to the public drinking water supply;

(d) The District prohibits the use of any pipe or pipe fitting that contains more than eight percent (8.0%) lead for the installation or repair of plumbing at any connection which provides water for human use;

(e) The District prohibits the use of any solder or flux that contains more than two-tenths of one percent (0.2%) lead for the installation or repair of plumbing at any connection which provides water for human use; and

(f) The District will not permit copper water lines, including Customer service lines, unless completely wrapped with an impermeable material approved by the District at the time of installation, and the District inspects and approves such installation prior to covering the lines.

6. *Service Conditions.* The following are the terms for the provision of service between the District and each Customer of the District:

(a) The Customer must comply with the provisions of this Order if the Customer is receiving service from the District;

(b) The Customer must allow its property to be inspected for possible cross-connections and other undesirable plumbing practices as required by Section U of this Order. The District or its designated agent will conduct these inspections prior to initiating service and may conduct the inspections periodically thereafter. The District will conduct all inspections during the District's normal business hours. The District shall require the Customer to pay to the District inspection fees set forth in Appendix C;

(c) The District will notify the Customer in writing of any cross-connection or other undesirable plumbing practice that the District identified during the initial inspection or periodic reinspection;

(d) The Customer must immediately correct any undesirable plumbing practice on its premises;

(e) On an annual basis, the Customer must, at its sole expense, properly install, test, and maintain any Backflow Prevention Device required by the District. The Customer shall provide copies of all testing and maintenance records to the District within five days of the date of the annual inspection; and

7. *Backflow Prevention Devices.*

(a) If there is an actual or potential source of contamination, pollution, or hazard to the District's water system, the District shall not allow the Customer to connect to the District's water system unless:

(i) there is a Code-approved air gap between the potential source of contamination, pollution or hazard and the drinking water supply; or

(ii) the Customer installed a Backflow Prevention Device between the potential source of contamination, pollution or hazard and the drinking water supply.

(b) The Customer must test a Backflow Prevention Device upon installation. An individual who has completed a TCEQ-approved course on cross-connection control and backflow prevention devices and tests and passed an exam administered by the TCEQ to become

a licensed tester must conduct the test on behalf of the Customer. The currently licensed tester must certify that the Backflow Prevention Device is operating within specifications and present evidence; that the tester calibrated and tested for accuracy the gauges used in the test in accordance with American Water Works Association or University of Southern California standards;

(c) At least annually, a licensed inspector must inspect and certify a Backflow Prevention Device to be operating within American Water Works Association or University of Southern California specifications that the Customer installed to protect against cross-connection, potential cross-connection, or other situation involving any substances that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply. The Customer must complete all test and maintenance reports using a TCEQ form, or a form that contains the same information, and the Customer must file the test results and forms with the District within five-days regardless of whether the test indicates a passed or failed test;

(d) The District will maintain tests and maintenance reports under this Section for a period of at least three years; and

(e) The District may conduct a survey of the property to determine if required Backflow Prevention Devices are properly installed and functioning. The District may charge a fee for this activity as set forth in Appendix C.

8. *Enforcement.* The District shall assess any Customer who fails to comply with the terms of this Article with a penalty as provided under this Order. In addition, the District may terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection at the Customer's expense. The District shall bill any expenses associated with the enforcement of this Section to the Customer, and the Customer must pay the billed amount.

U. Customer Service Inspections

1. *Authority.* Title 30 Texas Administrative Code Section 290.46 requires the District to adopt rules providing for the conduct and certification of Customer Service Inspections.

2. *Inspections.* The Applicant for service or Customer must submit a completed Customer service inspection certification to the District in the following instances:

(a) before the District provides continuous and adequate service to new construction;

(b) when the District has reason to believe that cross-connections or other unacceptable plumbing practices exist at any existing service location; or

(c) after any material improvement, remodeling activity that involves modification to the Customer-side water improvements or fixtures, correction, or addition to any existing private plumbing facilities.

3. *Certifications.* The Applicant or Customer must fully complete a Customer Service

Inspection certification in the form available at the District's offices. The Applicant or Customer must complete certification at the Applicant's or Customer's sole expense.

(a) A Plumbing Inspector and Water Supply Protection Specialist licensed by the Texas State Board of Plumbing Examiners and in good standing at the time of the inspection must complete the Customer Service Inspection certification on behalf of the Customer or;

(b) a certified waterworks operator and employee of the District's management company who has completed a training course, has passed an examination administered by the TCEQ or its designated agent, and holds an endorsement granted by the TCEQ or its designated agent or a licensed plumber may complete the Customer Service Inspection on behalf of the Customer, if the inspection and certification are for a single-family residential service;

(c) The District must receive and approve the completed Customer Service Inspection certification prior to initiation of water service; and

(d) Customer is solely responsible for paying all cost associated with the Customer Service Inspection certification.

4. *Records.* The District will maintain copies of completed Customer Service Inspection certifications for a minimum of ten years.

5. *Unacceptable Plumbing Practices.* If the District discovers unacceptable plumbing practices, the Applicant or Customer must promptly repair and eliminate the unacceptable plumbing practices to prevent possible contamination before the District may supply water to the Customer. The existence of an unacceptable plumbing practice is sufficient grounds for immediate termination of service without notice to protect the health and safety of all District Customers. The District will not restore service until the Customer has eliminated the potential source of contamination or taken additional safeguards and provided the District with a new Customer Service Inspection certification.

6. *Enforcement.* The Customer is subject to District fines and penalties for failing to submit completed Certification forms to the District within 30 days of any remodeling activity. If a Customer fails to comply with any other terms of this Section, the District may assess fines and terminate service as provided under this Order. The District shall bill any expenses associated with the enforcement of this Section to the Customer, and the Customer shall pay the billed amount to the District.

V. Other District Approvals and Review Fees

1. Applicants for service commitments, out-of-district service requests, construction plan review, construction inspection, subdivision plan review, subdivision inspection, or other types of District approvals are responsible for the payment of all legal, engineering, and management fees incurred by the District in reviewing their applications. In addition, Applicants will be responsible for the cost of updating the District's water maps to reflect any facilities that the Applicant intends to construct pursuant to any approved plans. The District will establish a deposit amount equivalent to the estimated consultant fees that the District expects it will incur in connection with the application and the update of the District's water maps, and the Applicant

must deposit this amount with the District prior to the District initiating any review or processing work. The District will charge all consultants' fees associated with the application or map updates that the District incurs against the deposit. Upon completion of the review process, the Applicant must pay any fees incurred by the District in excess of the deposit. The District will return to the Applicant any excess deposit remaining after payment of all fees. The District shall not issue any service commitment or plan approval until the Applicant pays all fees.

2. Any service commitment or construction plan approvals by the District will be valid for a period of two years from the date of approval only. If the Applicant does not complete the project for which District made the commitment or approved the plans within two years from the date of such approval, the commitment or approval expires, and the District shall require the Applicant to submit a new application or set of plans to the District, and to pay all of the District's costs associated with its review and approval of any such new application or plans.

W. Development and Utility Construction Agreements. Applicants for a utility construction agreement or other type of development agreement with the District must pay all legal, engineering and/or management fees incurred by the District in the negotiation and preparation of the agreement and, in addition, must pay all engineering fees required to update the District's water maps to reflect any water facilities that the Applicant will construct under the terms of the agreement. The District will establish a deposit amount equivalent to the estimated consultant fees that the District expects to incur in connection with the agreement and map updates, and the Applicant must deposit this amount with the District prior to the District initiating any work. The District will charge against the deposit all consultants' fees associated with the agreement and map updates that the District incurs. Upon completion of the related work, the Applicant must pay any fees that the District incurred in excess of the deposit. The District will return to the Applicant any excess deposit remaining after payment of all fees to the District. The District shall not execute any agreement nor shall any agreement become effective until the Applicant makes full payment of all fees to the District.

X. Moratorium Regarding New or Upgraded Water Service. The Board of Directors may initiate a moratorium on new connections or upgrades of existing water service to the Water System to protect the Water System or to protect and preserve the purity and sanitary condition of the water of the State of Texas. Within 60 days after instituting a moratorium, District shall refund any deposits of Applicants who have made a deposit and who have not received District's water service or service upgrade.