

10/29/2015  
8:51:23AM

City of Cottonwood Shores

# AUDIT HISTORY

Program Version 14.11.100

Account: 324

Benedum, Jane

Date	Amount	Description	Balance
8/27/2015	\$55.00	Usage of 686 Water	\$55.00
8/27/2015	\$1.50	LCRA Drought Surcharge	\$56.50
		Beginning Month Balance	\$56.50
9/8/2015	\$4.00	VFD/EMS Vol. Fee	\$60.50
9/8/2015	(\$60.50)	Payment Check # 9884	\$0.00
9/24/2015	\$55.00	Usage of 0 Water	\$55.00
9/24/2015	\$18.01	Garbage	\$73.01
9/24/2015	\$1.50	LCRA Drought Surcharge	\$74.51
9/24/2015	\$1.49	Sales Tax	\$76.00
		Beginning Month Balance	\$76.00
10/7/2015	\$4.00	VFD/EMS Vol. Fee	\$80.00
10/7/2015	(\$80.00)	Payment Check # 9931	\$0.00
Totals for Water		1,056.61	
Totals for Garbage		18.01	
Totals for Late Fee		10.00	
Totals for LCRA Drought Surc		13.50	
Totals for VFD/EMS Vol. Fee		44.00	
Totals for Sales Tax		1.49	
Payments Received		1,198.16	
Total Usage Amount		52,395	

Qualified By: Account # 324

City of Cottonwood Shores

10/29/2015  
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2574 RR #147 West  
Cottonwood Shares Tr  
**AUDIT HISTORY**

City of Cottonwood Shores

Program Version 14.11.100

Account: 325

Sullivan, Debra

1 Year 9 months

Date	Amount	Description	Balance
		Beginning Month Balance	\$90.92
11/4/2014	(\$90.92)	Payment Check # 3295	\$0.00
11/25/2014	\$76.56	Usage of 4679 Water	\$76.56
11/25/2014	\$18.01	Garbage	\$94.57
11/25/2014	\$1.49	Sales Tax	\$96.06
		Beginning Month Balance	\$96.06
12/2/2014	(\$96.06)	Payment Check # 3310	\$0.00
12/26/2014	\$72.41	Usage of 4210 Water	\$72.41
12/26/2014	\$18.01	Garbage	\$90.42
12/26/2014	\$1.49	Sales Tax	\$91.91
		Beginning Month Balance	\$91.91
1/5/2015	(\$91.91)	Payment Check # 3339	\$0.00
1/28/2015	\$67.50	Usage of 3619 Water	\$67.50
1/28/2015	\$18.01	Garbage	\$85.51
1/28/2015	\$1.50	LCRA Drought Surcharge	\$87.01
1/28/2015	\$1.49	Sales Tax	\$88.50
		Beginning Month Balance	\$88.50
2/5/2015	(\$88.50)	Payment Check # 3359	\$0.00
2/24/2015	\$67.21	Usage of 3583 Water	\$67.21
2/24/2015	\$18.01	Garbage	\$85.22
2/24/2015	\$1.50	LCRA Drought Surcharge	\$86.72
2/24/2015	\$1.49	Sales Tax	\$88.21
		Beginning Month Balance	\$88.21
3/4/2015	(\$88.21)	Payment Check # 3385	\$0.00
		Beginning Month Balance	\$0.00
4/8/2015	\$54.55	Usage of 1286 Water	\$54.55
4/8/2015	\$18.01	Garbage	\$72.56
4/8/2015	\$1.50	LCRA Drought Surcharge	\$74.06
4/8/2015	\$1.49	Sales Tax	\$75.55
4/8/2015	\$75.55	Adjustment-Adjustment for misread meter	\$151.10
4/8/2015		Meter did not read for March	
4/8/2015	(\$54.55)	Manually Removed Water	\$96.55
4/8/2015	(\$18.01)	Manually Removed Garbage	\$78.54
4/8/2015	(\$1.49)	Manually Removed Sales Tax	\$77.05
4/8/2015	(\$1.50)	Manually Removed LCRA Drought Surcharge	\$75.55
4/9/2015	\$4.00	VFD/EMS Vol. Fee	\$79.55
4/9/2015	(\$79.55)	Payment Check # 3412	\$0.00
4/23/2015	\$93.76	Corrected Usage of 6622 Water	\$93.76
4/23/2015	\$18.01	Garbage	\$111.77
4/23/2015	\$1.50	LCRA Drought Surcharge	\$113.27
4/23/2015	\$1.49	Sales Tax	\$114.76
		Beginning Month Balance	\$114.76
5/5/2015	(\$114.76)	Payment Check # 3430	\$0.00
5/22/2015	\$79.15	Usage of 4921 Water	\$79.15
5/22/2015	\$18.01	Garbage	\$97.16
5/22/2015	\$1.50	LCRA Drought Surcharge	\$98.66
5/22/2015	\$1.49	Sales Tax	\$100.15
		Beginning Month Balance	\$100.15
6/8/2015	(\$100.15)	Payment Check # 3448	\$0.00
6/24/2015	\$66.10	Usage of 3387 Water	\$66.10
6/24/2015	\$18.01	Garbage	\$84.11

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City of Cottonwood Shores

# AUDIT HISTORY

Program Version 14.11.100

Account: 325

Sullivan, Debra

Date	Amount	Description	Balance
6/24/2015	\$1.50	LCRA Drought Surcharge	\$85.61
6/24/2015	\$1.49	Sales Tax	\$87.10
		Beginning Month Balance	\$87.10
7/9/2015	(\$87.10)	Payment Check # 3476	\$0.00
7/27/2015	\$57.00	Usage of 2250 Water	\$57.00
7/27/2015	\$18.01	Garbage	\$75.01
7/27/2015	\$1.50	LCRA Drought Surcharge	\$76.51
7/27/2015	\$1.49	Sales Tax	\$78.00
		Beginning Month Balance	\$78.00
8/7/2015	(\$78.00)	Payment Check # 3493	\$0.00
8/27/2015	\$55.00	Usage of 1920 Water	\$55.00
8/27/2015	\$18.01	Garbage	\$73.01
8/27/2015	\$1.50	LCRA Drought Surcharge	\$74.51
8/27/2015	\$1.49	Sales Tax	\$76.00
		Beginning Month Balance	\$76.00
9/3/2015	(\$76.00)	Payment Check # 3511	\$0.00
9/24/2015	\$58.18	Usage of 2392 Water	\$58.18
9/24/2015	\$18.01	Garbage	\$76.19
9/24/2015	\$1.50	LCRA Drought Surcharge	\$77.69
9/24/2015	\$1.49	Sales Tax	\$79.18
		Beginning Month Balance	\$79.18
10/5/2015	(\$79.18)	Payment Check # 3534	\$0.00
Totals for Water		692.87	
Totals for Garbage		180.10	
Totals for Adjustments		75.55	
Totals for LCRA Drought Surc		12.00	
Totals for VFD/EMS Vol. Fee		4.00	
Totals for Sales Tax		14.90	
Payments Received		1,070.34	
Total Usage Amount		15,992	

Qualified By: Account # 325  
City of Cottonwood Shores

## HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>CURRENT ASSETS</b>						
Cash	75,305.00	84,031.00	122,382.00	75,934.00	54,933.00	124,976.00
Accounts Receivable	75,477.00	98,013.00	116,047.00	287,756.00	60,274.00	63,186.00
Inventories						
Income Tax Receivable						
Other	42,806.00	46,806.00	-3,138.00	3,098.00	95,068.00	246,668.00
<b>Total</b>	<b>193,588.00</b>	<b>228,850.00</b>	<b>235,291.00</b>	<b>366,788.00</b>	<b>210,275.00</b>	<b>434,830.00</b>
<b>FIXED ASSETS</b>						
Land	21,134.00	18,984.00	18,984.00	18,984.00	18,984.00	18,984.00
Collection/Distribution System	650,938.00	650,938.00	648,914.00	518,899.00	518,899.00	518,899.00
Buildings	8,805.00	8,805.00	8,805.00	8,805.00	8,484.00	8,805.00
Equipment	3,234,651.00	3,234,561.00	2,773,486.00	2,706,283.00	2,442,323.00	2,186,902.00
Other						
Less: Accum. Depreciation or Reserves	1,268,593.00	1,268,593.00	1,043,210.00	1,128,232.00	1,046,433.00	832,857.00
<b>Total</b>	<b>2,938,546.00</b>	<b>2,691,543.00</b>	<b>2,723,112.00</b>	<b>2,487,957.00</b>	<b>2,314,143.00</b>	<b>2,892,024.00</b>
<b>TOTAL ASSETS</b>	<b>3,132,134.00</b>	<b>2,920,393.00</b>	<b>2,958,403.00</b>	<b>2,854,745.00</b>	<b>2,524,418.00</b>	<b>3,326,854.00</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	12,333.00	18,115.00	17,732.00	222,954.00	107,425.00	87,586.00
Notes Payable, Current	128,903.00	134,231.00	76,094.00	91,882.00	81,880.00	162,416.00
Accrued Expenses						
Other						
<b>Total</b>	<b>141,236.00</b>	<b>152,346.00</b>	<b>93,826.00</b>	<b>314,836.00</b>	<b>189,305.00</b>	<b>250,002.00</b>
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term	463,376.00	488,183.00	511,353.00	403,000.00	414,000.00	607,815.00
Other						
<b>TOTAL LIABILITIES</b>	<b>604,612.00</b>	<b>640,529.00</b>	<b>652,589.00</b>	<b>555,346.00</b>	<b>507,826.00</b>	<b>922,651.00</b>
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other	2,527,522.00	2,279,864.00	2,332,814.00	2,299,399.00	2,016,592.00	2,404,293.00
Current Period Profit or Loss	11,001.00	-48,190.00	471,356.00	353,614.00	285,566.00	374.00
<b>TOTAL OWNER'S EQUITY</b>	<b>2,538,523.00</b>	<b>2,231,674.00</b>	<b>2,804,170.00</b>	<b>253,013.00</b>	<b>2,302,158.00</b>	<b>2,404,667.00</b>
<b>TOTAL LIABILITIES AND EQUITY</b>						
<b>WORKING CAPITAL</b>						
<b>CURRENT RATIO</b>						
<b>DEBT TO EQUITY RATIO</b>						
<b>EQUITY TO TOTAL ASSETS</b>						

## HISTORICAL INCOME STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>METER NUMBER</b>						
Existing Number of Taps	523.00	515 00	512 00	509 00	505 00	500.00
New Taps per Year	8 00	8.00	3.00	3 00	4.00	5.00
Total Meters at Year End	531.00	523.00	515.00	512 00	509.00	505.00
<b>METER REVENUE</b>						
Fees Per Meter	4,000.00	4,000.00	4,000.00	4,000.00	4,000 00	4,000.00
Cost Per Meter	1,125 00	1,125 00	1,125 00	1,125 00	1,125 00	1,125 00
Operating Revenue Per Meter	2,875.00	2,875.00	2,875.00	2,875.00	2,875.00	2,875.00
<b>GROSS WATER REVENUE</b>						
Fees	638,434.00	648,105.00	604,630.00	538,046.00	487,828 00	449,088.00
Other	199,522 00	139,717.00	177,066 00	172,412 00	182,030 00	184,024 00
Gross Income	837,956.00	787,822.00	781,696 00	710,458.00	669,858.00	633,112.00
<b>OPERATING EXPENSES</b>						
General & Administrative	215,947.00	228,251.00	312,864 00	205,639 00	221,284 00	241,239 00
Interest	30,979.00	34,497.00	36,101.00	29,341.00	29,720.00	43,035.00
Other						
<b>NET INCOME</b>	591,030 00	525,074.00	432,731.00	475,478.00	418,854.00	348,838.00

## HISTORICAL EXPENSES STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries	316,856.00	287,642.00	275,831.00	211,674 00	283,226.00	445,032.00
Office Expense	5,862.00	6,323 00	11,749 00	12,254 00	8,658 00	17,839 00
Computer Expense	39,116.00	4,711.00	6,912.00	6,973.00	2,582.00	5,880 00
Auto Expense	6,261 00	36,543 00	5,558 00	9,377 00	7,097.00	22,210 00
Insurance Expense	16,909.00	11,342.00	10,708 00	8,964.00	9,668 00	11,105.00
Telephone Expense	9,332 00	10,017.00	11,277 00	8,604 00	11,034 00	19,888.00
Utilities Expense	23,580.00	25,233.00	25,289.00	28,346.00	25,446.00	39,276.00
Depreciation Expense						
Property Taxes						
Professional Fees	43,096.00	43,948 00	66,869.00	99,533.00	45,323.00	62,132.00
Other						
<b>Total</b>	<b>461,012.00</b>	<b>425,759.00</b>	<b>414,193.00</b>	<b>385,725.00</b>	<b>392,034.00</b>	<b>623,362.00</b>
% Increase Per Year	8.00%	3.00%	7.00%	-2.00%	-37.00%	0.00%
<b>OPERATIONAL EXPENSES</b>						
Salaries	247,392.00	234,804.00	172,353 00	92,257.00	99,533.00	444,821.00
Auto Expense						
Utilities Expense	21,410.00	30,767 00	21,264.00	8,882.00	18,240.00	39,276.00
Depreciation Expense						
Repair & Maintenance	7,288.00	2,561 00	1,784.00	779.00	20,004.00	258,013.00
Supplies	9,997.00	9,423.00	7,803.00	6,463 00	14,114.00	42,007.00
Other						
<b>Total</b>	<b>286,087 00</b>	<b>277,555 00</b>	<b>203,204.00</b>	<b>108,381.00</b>	<b>151,891.00</b>	<b>784,117.00</b>
% Increase Per Year	3.00%	37.00%	87.00%	-29.00%	-81.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

## PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>CURRENT ASSETS</b>						
Cash	77,250.00	79,568 00	81,955.00	84,413.00	86,946.00	89,554 00
Accounts Receivable	77,250.00	79,568 00	81,955.00	84,413.00	86,946 00	89,554.00
Inventories						
Income Tax Receivable						
Other	154,500.00	159,135.00	163,909.00	168,826.00	173,891.00	179,108.00
<b>Total</b>	<b>309,000.00</b>	<b>318,270.00</b>	<b>327,818 00</b>	<b>337,653.00</b>	<b>347,782.00</b>	<b>358,216.00</b>
<b>FIXED ASSETS</b>						
Land	22,000.00	22,000.00	22,000.00	22,000 00	22,000.00	22,000.00
Collection/Distribution System	651,000.00	651,000.00	700,000.00	700,000.00	750,000.00	750,000 00
Buildings	8,805.00	8,805 00	8,805.00	8,805.00	8,805.00	8,805.00
Equipment	3,250,000.00	3,750,000.00	3,750,000.00	3,750,000.00	3,750,000.00	3,750,000.00
Other						
Less: Accum. Depreciation or Reserves	1,300,000 00	1,345,000 00	1,385,000 00	1,425,000 00	1,465,000 00	1,510,000.00
<b>Total</b>	<b>2,631,805 00</b>	<b>3,086,805 00</b>	<b>3,055,805 00</b>	<b>3,055,805 00</b>	<b>3,105,805.00</b>	<b>3,020,805.00</b>
<b>TOTAL ASSETS</b>	<b>2,940,805.00</b>	<b>3,405,075.00</b>	<b>3,383,623.00</b>	<b>3,393,458.00</b>	<b>3,453,587.00</b>	<b>4,108,216.00</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	25,000.00	25,000 00	25,000.00	25,000 00	25,000.00	25,000.00
Notes Payable, Current	125,000.00	125,000 00	125,000.00	125,000 00	125,000.00	125,000.00
Accrued Expenses						
Other						
<b>Total</b>	<b>150,000.00</b>	<b>150,000.00</b>	<b>150,000.00</b>	<b>150,000 00</b>	<b>150,000.00</b>	<b>150,000.00</b>
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term	500,000 00	1,000,000 00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Other						
<b>TOTAL LIABILITIES</b>	<b>650,000.00</b>	<b>1,150,000 00</b>	<b>1,150,000.00</b>	<b>1,150,000.00</b>	<b>1,150,000 00</b>	<b>1,150,000 00</b>
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other	2,290,805.00	2,255,075.00	2,233,623.00	2,243,458 00	2,303,457 00	2,958,216.00
Current Period Profit or Loss						
<b>TOTAL OWNER'S EQUITY</b>	<b>2,290,805.00</b>	<b>2,255,075.00</b>	<b>2,233,623.00</b>	<b>2,243,458 00</b>	<b>2,303,457.00</b>	<b>2,958,216.00</b>
<b>TOTAL LIABILITIES AND EQUITY</b>						
<b>WORKING CAPITAL</b>						
<b>CURRENT RATIO</b>						
<b>DEBT TO EQUITY RATIO</b>						
<b>EQUITY TO TOTAL ASSETS</b>						

## PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>METER NUMBER</b>						
Existing Number of Taps	531.00	541.00	551.00	562.00	573.00	585.00
New Taps per Year	10.00	10.00	11.00	11.00	12.00	12.00
Total Meters at Year End	541.00	551.00	562.00	573.00	585.00	597.00
<b>METER REVENUE</b>						
Fees Per Meter	4,000.00	4,000.00	4,000.00	5,000.00	5,000.00	5,000.00
Cost Per Meter	1,125.00	1,125.00	1,125.00	1,200.00	1,200.00	1,200.00
Operating Revenue Per Meter	2,875.00	2,875.00	2,875.00	3,800.00	3,800.00	3,800.00
<b>GROSS WATER REVENUE</b>						
Fees	657,587.00	677,315.00	697,634.00	718,563.00	740,120.00	762,324.00
Other	205,508.00	211,673.00	218,023.00	224,564.00	231,301.00	238,240.00
Gross Income	863,095.00	888,988.00	915,657.00	934,127.00	971,421.00	1,000,563.00
<b>OPERATING EXPENSES</b>						
General & Administrative	250,000.00	257,500.00	265,225.00	273,182.00	281,377.00	289,819.00
Interest	31,000.00	31,000.00	31,000.00	31,000.00	31,000.00	31,000.00
Other						
<b>NET INCOME</b>	582,095.00	600,488.00	619,432.00	629,945.00	659,044.00	679,744.00



## PROJECTED EXPENSES STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries	320,000.00	329,600.00	339,488.00	349,673.00	360,163.00	370,968.00
Office Expense	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Computer Expense	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00
Auto Expense	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00
Insurance Expense	20,000.00	21,000.00	22,000.00	23,000.00	24,000.00	25,000.00
Telephone Expense	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00
Utilities Expense	25,000.00	26,000.00	27,000.00	28,000.00	29,000.00	30,000.00
Depreciation Expense						
Property Taxes						
Professional Fees	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00
Other						
<b>Total</b>	399,000.00	410,600.00	422,488.00	434,673.00	447,163.00	459,968.00
% Increase Per Year		3.00	3.00	3.00	3.00	3.00
<b>OPERATIONAL EXPENSES</b>						
Salaries	250,000.00	257,500.00	265,225.00	273,182.00	281,377.00	289,819.00
Auto Expense						
Utilities Expense	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00
Depreciation Expense						
Repair & Maintenance	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
Supplies	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Other						
<b>Total</b>	289,500.00	297,000.00	304,725.00	312,682.00	320,877.00	329,319.00
% Increase Per Year		3.00	3.00	3.00	3.00	3.00
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

## PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income	500,000.00	525,000.00	550,000.00	575,000.00	600,000.00	625,000.00
Depreciation (if Funded)						
Loan Proceeds						
Other						
Total Sources	500,000.00	525,000.00	550,000.00	575,000.00	600,000.00	625,000.00
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.	18,000.00	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00
Fixed Asset Purchase						
Reserve						
Other						
TOTAL USES	18,000.00	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00
<b>NET CASH FLOW</b>	482,000.00	489,000.00	514,000.00	539,000.00	564,000.00	589,000.00
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00
Service (CADS)						
Net Income (Loss)						
Depreciation , or Reserve Interest						
TOTAL	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00
<b>REQUIRED DEBT SERVICE (RDS)</b>						
Principle Plus Interest	45,000.00	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00
<b>DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by RDS	200.00	100.00	100.00	100.00	100.00	100.00



City of Cottonwood Shores, Texas

**ORDINANCE 13001**

**AN ORDINANCE OF THE CITY OF COTTONWOOD SHORES, BURNET COUNTY, TEXAS (the "City"), PROVIDING RULES, REGULATIONS AND REQUIREMENTS FOR WATER AND WASTEWATER SERVICE WITHIN THE JURISDICTION OF THE CITY; PROVIDING FOR AN EFFECTIVE DATE, SEVERABILITY, PENALTIES, SEVERABILITY, APPENDIX A AND OTHER RELATED MATTERS.**

1) History

1. Ordinance No 042888-1A established regulations for the wastewater disposal via Septic systems;
2. Ordinance No. 092889-1A amended 042888-1A by adding inspection requirements;
3. Ordinance No. 022891-1A Amended all previous by defining terms of Maintenance and Repair;
4. Ordinance 031992 established Sewer System rates;
5. Ordinance No. 062493-1A regulated Sewer Connection and Land Acquisition by Eminent Domain;
6. Ordinance No. 111606 set increases in Service Deposits;
7. Ordinance No. 012491-1A regulated Maximum Flows or Discharges for Plumbing;
8. Ordinance No. 062091 established Water Service Fees and their Collection;
9. Ordinance No. 121991-A Set Water Vacation Rates;
10. Ordinance No. 062493-1B mandated Water and Sewer Connections;
11. Ordinance No. 041494 amended Water Service Fees and their Collection;
12. Ordinance No. 051195 amended Water Service Fees and their Collection;
13. Ordinance No. 101295 amended Water Service Fees and their Collection;
14. Ordinance No. 092106 set forth Landlord Deposit Accounts for Water and Wastewater Services;
15. Ordinance No. 122097 amended all previous regulating Water and Wastewater Services, Garbage Collection, Sewer System Fees and their Collection;
16. Ordinance No. 021998 amended Garbage Collection Fees, Sewer System Fees and their Collection;
17. Ordinance No. 031899 amended Garbage Collection Fees, Sewer System Fees and their Collection;
18. Ordinance No. 021501 established a Water I&S Fund;
19. Ordinance No. 041201-A amended Water Service and Sewer System Fees;
20. Ordinance No. 091604 amended Garbage Collection Fees, Sewer System Fees and their Collection;
21. Ordinance No. 091505-B amended Garbage Collection Fees, Sewer System Fees and their Collection;
22. Ordinance No. 062507 amended Wastewater and Solid Waste Rules;
23. Ordinance No. 062507-A amended Tap Fees, Garbage Collection Fees and Sewer System Fees and their Collection;
24. Ordinance No. 011008 amended to correct error of omission in the calculation of water as well as wastewater rates based on CPI and to reflect the resulting rate changes.
25. Amendment of Late Fee from 10% to \$10.00.
26. March 19, 2009 amended to clarify administrative issues and update rate schedules.
27. October 1, 2009 amended delinquent fees and grinder pump policy included.
28. November 9, 2009 amendment naming the 2 master meters. 1<sup>st</sup> being at Plaza del sol & 2<sup>nd</sup> at Bay Marine.
29. May 13, 2010 amended Water Service Fees and their Collection.
30. November 18, 2010, amendment to correct the second master meter being at LBJ Yacht Club instead of Bay Marina as originally voted on and to update cost of repair of damaged sewer clean out caps. Also added in conflicting ordinance section.
31. April 21, 2011, amended water/wastewater rates to .5% base rate.
32. May 5, 2011, amended line extensions for developers, change to strengthen meter tampering and access laws, strengthened the grinder pump risk pool rules, and changed service deposit rates for residential renters.
33. July 21, 2011 amended Exhibit 1, Section 3 Service Deposits, adding \$25.00 to each classification.
34. September 1, 2011, amended the grinder pump risk pool monthly fee from \$10.00 to \$15.00.
35. October 20, 2011, amended Ordinance number to 13001 for proper codification.

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36. December 15, 2011, amended: At Risk Customers added; deposits increased, depending on risk assessment; amended the Grinder Pump Maintenance Fee to reflect that only the grinder pump would be covered by the pool and that the fee would be adjusted quarterly, removed percentages of participation; added the fee for on-demand payment processing; changed "Mayor's discretionary powers", to "Administrative Powers" and added the deviation clause.
37. January 11, 2012: Adjusted the rates to reflect the rounding-up as was intended by Council on May 13, 2010.
38. February 02, 2012: Adjusted Grinder Pump Maintenance Pool to reflect a \$20.00 monthly contribution.
39. July 5, 2012: Designate Landlord Deposits of \$100 and add to Exhibit I, Section 3, Service Deposits
40. July 19, 2012: Updated water rate usage cost per gallon with a 2,000 minimum usage; revised content eliminating grinder pump fund.
41. August 2, 2012: Updated Waste Water rates and dates
42. November 15, 2012: Amended Exhibit I, Section 5, Item D, adding Water Meter Consumption Audit and fee. Added definitions for Water Meter Test and Water Meter Audit.
43. April 18, 2013: Amended Exhibit I, Section 5, Item e) Billing rates for labor (and equipment).
44. June 20, 2013: Amended inconsistencies regarding water shutoff and clarified water usage billing rates.
45. January 2, 2014: Amended reconnect fees to re-establishment fees
46. March 20, 2014: Amended Tap Fees
47. April 17, 2014: Amended water rates for Commercial and Residential water service customers inside and outside the City
48. August 21, 2014: Amended to include Vacation rate info and sewer clean out cap repair charge
49. February 5, 2015: Amended to include graywater, LCRA surcharge and enforcement
50. April 2, 2015: Raised Water and Wastewater rates to CIP rate.

**Whereas**, the provision of Water and Wastewater Services within the jurisdiction of the City is necessary for the public health of the citizens of the City and the protection of the environment and natural resources of the City;

**Whereas**, the City provides, or causes to be provided, Water and Wastewater Service to all residences and businesses within the City limits and certain other properties located outside the City; and,

**Whereas**, the City desires to establish the rates and conditions under which Water and Waste water Service should be provided;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COTTONWOOD SHORES, TEXAS THAT:**

### **Article I. Authority and Definitions**

#### Section 1. Authority.

This ordinance is adopted pursuant to the policing powers and authority given general law cities by the constitution, codes and general laws of the State of Texas, including but not limited to Chapters 51 and 402 of the Tex. Loc. Gov't. Code, as amended.

#### Section 2. Definitions.

For the purposes of this ordinance, the following terms, phrases, words and their derivations shall have the meaning ascribed to them in this section; provided that, unless specifically defined below, words and/or phrases used in this ordinance shall be interpreted so as to give them the same meaning as they have in common usage, and so as to give this ordinance its most reasonable application.

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- 1) **City** shall mean the City of Cottonwood Shores, Burnet County, Texas.
- 2) **City's Operator** shall mean the person, firm, corporation, Municipal Corporation or political subdivision which the City has designated to operate and maintain the City's Water and Wastewater facilities.
- 3) **Commercial Site** shall mean and include any establishment rendering a service or offering a product for sale to the public.
- 4) **Connection** shall mean the initial or first connection ("tap") or any subsequent additional connection of a residential or commercial site to the City's water facilities.
- 5) **Connect Fee** shall mean a nonrefundable fee assessed at the time of application for water service in addition to the Customer service account deposit.
- 6) **Consumer Price Index - Urban (CPI-U)** is a program by the Bureau of Labor Statistics that produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.
- 7) **Contractor** shall mean the person, corporation or partnership performing supply, collection and disposal services under contract with the City.
- 8) **Customer** shall mean shall mean the occupant of any residential or commercial or other unit or other property within the jurisdiction of the City, whether the owner, renter or lessee thereof who is or receiving or proposes to receive water and/or wastewater service from the City.
- 9) **Delinquent Bill** shall mean any Customer service bill not paid by the 20<sup>th</sup> day of any month.
- 10) **Delinquent Handling Fee** shall mean an administrative handling fee in addition to the service bill and late charge applicable to a Customer service account.
- 11) **Demand Factor** shall mean a factor used to multiply the base rate for water services to compensate for the additional demand put on the City's Water Facilities with meters larger than the standard ¾" meters installed for normal residential service.
- 12) **Due Date** shall mean on or before 8:00 a.m. on the 11<sup>th</sup> day of any month, or post marked by the 10<sup>th</sup> day of the month.
- 13) **Facilities** shall mean the Water and/or Wastewater Facilities of the City.
- 14) **Graywater** is defined as wastewater from: (1) showers; (2) bathtubs; (3) hand washing lavatories; (4) sinks that are not used for disposal of hazardous or toxic ingredients; (5) sinks not used for food preparation or disposal; and (6) clothes-washing machines.
- 15) **Grinder Pump System.** Individual lift station(s) located at any commercial building or residence, including but not limited to a pump, a tank, controls, a control panel, valves, piping, electric wiring and related facilities.

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- 16) **Hazardous Waste** shall mean waste, in any amount, which is defined, characterized or designated as hazardous by the United States Environmental Protection Agency, TCEQ or other appropriate State agency by or pursuant to Federal or State law, or waste, in any amount, which is regulated under Federal or State law, including but not limited to motor oil, gasoline, paint and Freon.
- 17) **Late Fee** shall mean a fee as set forth in Appendix A.7 assessed on any Customer service account not paid by the Due Date of the month in which a Customer service bill is due.
- 18) **Living Unit Equivalent ("LUE")** shall mean the flow volume of water and wastewater that is equivalent to the average requirements of one (1) Single Family Residential Unit served by a  $\frac{3}{4}$ " water meter, modified by the capacity of the water meter size actually installed.
- 19) **Past Due** shall mean the status of a Customer service account if payment for services is not at City Hall on or before the due date.
- 20) **Re-establishment Fee** shall be a fee assessed in addition to the service bill, Late Fee and Delinquent Handling Fee when a payment is received after initiation of the termination procedure (i.e., City Staff has initiated a work order to shut off a Customer's service, whether or not a service technician has been dispatched from City Hall to disconnect services for non-payment) and before services can be re-established.
- 21) **Residential Unit** shall mean a dwelling within the corporate limits or service area of the City intended for occupancy by a person or group of persons comprising not more than one (1) family. Duplex Residences and multifamily apartment complexes shall be deemed as Multiplex Residential. Each dwelling unit therein may be either individually metered or gang-metered as determined and agreed to with the Development Committee and City. A dwelling shall be deemed occupied when either water and/or electrical power services are being supplied thereto.
- 22) **Separate Connection** shall mean the individual metering facility for any residential, commercial or industrial unit for which City services have been connected, whether occupied or not.
- 23) **Service** shall mean the delivery of Water or collection of Wastewater for a Customer by the City.
- 24) **TCEQ** shall mean the Texas Commission on Environmental Quality.
- 25) **Wastewater** shall mean any waste or effluent collected by the City's Wastewater Facilities, together with such infiltration water as may be present.
- 26) **Wastewater Facilities** shall mean a facility for the collection, transport, disposal, and treatment of wastewater and any and all related appurtenances owned or/operate by the City.
- 27) **Water** shall mean water treated in the City's Water Facilities serving its Customers as potable water.
- 28) **Water Facilities shall mean** a facility for the transport and treatment of water and any water pumps and motors, storage and/or pressure tanks, booster pumps, controls, computer systems, pipelines, meters, and related appurtenances owned and/or operated by the City.

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- 29) **Water Meter Test** shall mean a physical test of the meter to insure it is measuring properly.
- 30) **Water Meter Audit** shall mean providing data from an individual meter as to how much water flowed through meter per hour/day/month and to check the parameters of the meter head.

### Article II. Water and Wastewater Service

#### Section 1. Mandatory Connection to City Water and Wastewater Facilities.

- 1) Except as otherwise provided in this ordinance, any building or structure within the corporate limits or service area of the City, shall be connected to the City Water and Wastewater Facilities by a connection dedicated solely to one residential or commercial site, whether or not the unit is occupied or in use for any purpose.
- 2) Each commercial site within the corporate limits or service area of the City shall be connected by separate connection to the City Water and/or Wastewater Facilities, as soon as the connection has been approved by the City, except as otherwise provided/approved by Council.
- 3) Any two or more single family residential units that are found to be obtaining using water service through a single meter shall be required to connect each individual unit by a separate connection to the City's Water Facilities within 30 days.
- 4) Any two or more residential units (unless an approved multi-plex unit) that are found to be discharging wastewater through a single connection to the City's Wastewater Facilities shall be required to connect each individual unit by a separate connection within 30 days.
- 5) Any source of wastewater, including Grinder Pump Systems, connected to the City's Wastewater Facilities, shall be approved by the City on a case-by-case basis.
- 6) Any residential unit within the corporate limits or service area of the City being served by a privately owned water well (effective 1/24/1993) shall be connected to the City's Water Facilities by a separate connection at such time as:
  - a) the water well fails to meet annual permit testing, TCEQ regulations, or any other laws of this State; or
  - b) upon a change in ownership of the property where the residential unit is located.
- 7) No one shall be permitted to provide Water and/or Wastewater services to another person or entity or to obtain Water except through a master meter as provided for herein.
- 8) Commercial establishments located within a single building and currently served by a master meter may continue to receive Water through such master meter as further outlined in Article III, Section 4.4.
- 9) Existence of a water well or septic tank on the premises does not exempt the premises from compliance with this Section.



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- 10) Use of any property as a residence for any period exceeding 10 days without legal connection to the City's Facilities shall be cause for the City to pursue eviction proceeding against any person residing on the property in question.

### Section 2. Application for Water and/or Wastewater Connection.

- 1) Any person desiring water service and/or wastewater service shall be required to complete an application for such service and pay such fees as set forth in Appendix A. No service shall be rendered until such fees are paid.
- 2) Owners that wish to lease their property may establish a Landlord's Service Account with the City to ensure continuity of Water and Wastewater service when such property is not occupied or upon change of tenants. The deposit will be as set forth in Section 3 of Appendix A. Service to the property shall automatically revert to the property owner's name upon termination of service by tenant.

Alternatively, landlords are required to notify the City of any change in occupant(s) by submitting a copy of the landlord/tenant agreement to the City.

Unless the property owner assumes responsibility for the payment of Service by setting up a Landlord's Service Account, the new occupant(s) is/are required to apply for Service and pay all applicable fees and deposits.

- 3) A Customer Service Inspection ("CSI") shall be required when a change of occupant(s) takes place following a period exceeding 2 years of occupancy by prior occupant.
- 4) Extension of Water and Wastewater Services.
  - a) In the event that a property owner wishes to build in an undeveloped area, all costs associated with extending Service to the property shall be payable in accordance with the fees set forth in Appendix A. The property owner shall pay estimated costs of extending Service prior to the start of any construction; any difference between the actual cost and the estimated cost for extension of Service shall be payable prior to connection.
  - b) Absent any other agreement for reimbursement of costs associated with extension of Services from the City, any property owner that has paid the cost of facilities required to extend Service shall be reimbursed for the costs incurred from any new connection made to the City's Facilities using those facilities based on a pro rata basis. Upon the expiration of 10 years after construction of the aforementioned facilities, there will be no reimbursement for additional connections.
  - c) Pro rata charges shall be collected prior to connection to the City's Facilities, unless otherwise agreed to by the City in writing. Any money received shall be reimbursed to the property owner that bore the cost of extension of necessary facilities within ten years.
  - d) All Water and Wastewater Facilities, excluding grinder pumps, shall be owned and operated by the City except the customer owns all facilities after the water meter, before the sewer intersection within the right of way, and is responsible for all costs and repairs thereto. No extension of the City's Facilities shall be accepted prior to review and approval of plans and construction of facilities by the City. Any facilities accepted by the City shall have a minimum 1 year warranty on construction.

Section 3. Connections and Taps to Water and Wastewater Facilities.

- 1) Certification. Connections shall not be made to the City's Facilities until the City or a party designated by the City has certified that the respective system, or applicable portion thereof is adequate and operational. Water service shall not be provided to any residential or commercial site not in compliance with rules and regulations of the City, the TCEQ, and all other applicable laws of the State of Texas.
- 2) Right to Inspect. All non-residential connections to the City Wastewater Facilities and any source of commercial Wastewater shall be approved and inspected by the City prior to the discharge of such waste by such entity into the City's Facilities. The City shall maintain a right to inspect such connection at all times.
- 3) Unauthorized Connections. Unauthorized connections to the City's Facilities are prohibited. All unauthorized connections to the City's Facilities shall be terminated by the City at the expense of the owner of the property where the unauthorized connection is found.
- 4) Grease Traps. The City shall require grease traps and/or sampling ports for all non-residential connections that engage in food preparation or commercial activities that may create a chemical or grease discharge, i.e., carwashes, paint shops, etc. The City shall determine the necessity for a grease traps and/or sampling ports for non-residential connections not engaged in food preparation shall be determined on a case-by-case basis prior to connection of such to the City's Water and Wastewater Facilities.

The City is authorized to collect samples from grease traps and sampling ports for analysis to determine effective operation. If the City determines that the Wastewater introduced into the City's Wastewater Facilities does not meet the qualitative parameters set forth herein, the City shall require the offending Customer to immediately cease discharging until such time as the appropriate pre-treatment has been implemented or the Wastewater otherwise meets the qualitative parameters set forth herein in Appendix A, Paragraph 6.

- 5) Service Access. The City shall retain, unless specifically relinquished by what is commonly known as a lot combination, a 5 foot utility easement along all side and rear property lines within the City and designated building set back along the street side(s) of all lots according to plats of record of the subdivision sections of the City and the official City Map recorded at the Burnet County Clerk's office unless abandoned by the City.

Upon submission to the City of an application for connection to the City's Facilities, the applicant shall be deemed to have granted a permanent easement of ingress and egress to and from the meter or point of connection for such installation, maintenance, repair, to facilitate billing for services, or any other cause, as the City may deem necessary. Access to the City water meters shall be unobstructed at all times. If it is determined that access to the meter has been obstructed and that the Customer is responsible for that obstruction, water usage will be estimated at five (5) times the base rate. Failure to provide such access for a consecutive period of three (3) months may result in a fine between \$50.00 and \$200.00 as determined by the judge, termination of services, the installation of an automatic reading meter at the Customer's expense, and/or other penalties as provided by law.

- 6) City Property. All water meters, fittings, valves and related appurtenances installed by City personnel shall remain the property of the City. City maintenance of Water Facilities ends at the water meter. Maintenance of Wastewater Facilities ends at the tap or point of connection of the

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lateral line into the City Wastewater line. It is a violation to tamper with City Facilities. Those guilty of tampering will incur a minimum one hundred (\$100.00) dollar fine and up to two thousand (\$2000.00) dollar fine per occurrence. Additionally, any cost to repair damage to City property caused by the tampering will be charged to the owner.

- 7) Connections. All connections to Facilities shall be made by the City unless otherwise provided for by City Council. Dual or multiple connections to a single meter are prohibited. No person(s), other than those authorized by the City, shall be permitted to make any connections to the Facilities, except for emergency fire fighting purposes or emergency repairs.
- 8) Requirements for Connection and Tap Services. An application for Service must be completed in full and submitted to the City, with all applicable fees, subject to the following:
  - a) Information required with the application shall include:
    - i) a general description of the type of requested service with
    - ii) one (1) set of drawings showing details of the site plumbing, including the building plumbing, location, size and number of proposed connections to the City's facilities
  - b) The City operator or other party designated by the City shall make a best effort to review any application within 10 days of receipt by the City.
  - c) The City may request additional information before providing Service.
  - d) Customer shall be notified in writing in the event Service cannot be provided.
  - e) Failure to construct site plumbing on the Customer's side of the point of connection in accordance with approved drawings shall constitute a basis for denial of Service.
  - f) The City shall not be held responsible for project delays caused by the permitting process.
  - g) Fees paid with the application do not signify approval of an application and are refundable only in the event of the rejection of an application.
  - h) Incomplete applications will not be considered.
- 9) Water Conservation Provisions.
  - a) All new construction, whether residential or otherwise, shall use plumbing fixtures which are compatible with the plans of the Texas Water Development Board (TWDB) and/or the Texas Commission on Environmental Quality (TCEQ).
  - b) The City shall be supplied with a schedule of fixtures to be incorporated in all new construction and manufacturers or laboratory certification that the fixtures meet the conservation criteria set forth herein.
  - c) All Service to new connections, subsequent to the adoption of this Ordinance, are subject and conditioned upon compliance with these provisions.
- 10) Wastewater Facilities Maintenance.

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- a) Wastewater Clean-Out (the "Clean-Out"). All Customers are responsible for keeping the Clean-Out located on their property free of obstructions.
- i. The City shall be responsible for keeping Wastewater Facilities clear from the Clean-Out located in the utility easement through the main Wastewater line.
  - ii. The maintenance of the Clean-Out and Grinder Pump System lids are the property owner's responsibility. If a property owner reports a Clean-Out to the City, they will receive a free replacement. If damage is detected by the City, a charge for labor and materials shall be assessed to replace any damaged Clean-Out Caps. (see Appendix A). Any lids to Grinder Pump Systems that are below surface grade shall be protected from storm water infiltration.
- b) Grinder Pump Systems. Certain areas within the City may require the installation of a Grinder Pump System to assist in the transport of wastewater into the City's Facilities.
- i. Property owners are responsible for the cost of purchasing, installation, labor, supplies, rental, repairs and maintenance, or other related expenses for Grinder Pump Systems. Property owners may elect to install one of the following 2 horsepower pumps: either an E1 or a Liberty Omnivore or equivalent.
  - ii. In emergency situations only, the City may repair a non-functioning unit, but the property owner will be charged the current hourly rate for labor, as well as for parts and materials. The Director of Public Works shall determine when an emergency situation exists.
  - iii. The property owner shall be responsible for the purchase and installation of new pumps at any new construction.
  - iv. The property owner shall be responsible for the costs of any ancillary equipment such as the tank, control panel or electrical wiring of grinder pumps. ~~such~~

### Section 4. Interconnections and Graywater.

- a) Interconnections. Any interconnections or cross connection to the City's Facilities, whether directly or through the Customer's private system to another source of water or otherwise, is strictly prohibited. Customers shall maintain water connections and related appurtenances so as to avoid infiltration of any other substance into the City's Facilities. The City shall have access to all connections and related appurtenances to inspect for unauthorized connections upon notification.

The City reserves the right to immediately and without notice disconnect water services to any Customer who has been found to be interconnected or cross connected. Penalties shall be assessed as provided by law and as provided herein, in addition to any costs incurred by the City to repair any damage to the system.

- b) Graywater. Any discharge of graywater other than into the City's Wastewater Facilities, is prohibited and subject to penalties under all applicable State and Federal law unless otherwise provided for in this Section.

Graywater used for landscape irrigation is allowed through above-ground release provided that it is not visible from the street and/or through underground French Drain or other available technologies/methodologies (i.e., pressure dosed systems and others). Graywater systems plans must be reviewed by CWS Director of Public Works and approved by CWS Building Inspection Official in conjunction with new construction or remodel permitting procedures before installation.

**Article III. Deposits, Rates and Fees for Service**

Section 1. Application for Service.

Each Customer desiring Service shall provide appropriate information for billing, accounting, and rate classification purposes in order to obtain such service and shall pay applicable fees, deposits, and monthly charges as set forth in this ordinance.

Section 2. Connection Fees.

- 1) Fees for connection to the City's Facilities are detailed in Appendix A. Connection fees may be amended from time to time, at the discretion of City Council, by applying the Standard Calculation for Living Unit Equivalents and the Consumer Price Index.
- 2) Appendix A provides minimum charges for connection fees. Additional charges may apply in the event additional cost of materials and labor are required as a result based of unforeseen site conditions on a Customer's property. Customers shall be made aware of these additional charges prior to any work and billed for any additional amounts owed with payment required prior to the connection of service unless otherwise agreed upon by the City Administrator.

Section 3. Service Deposits.

- 1) Each Customer shall pay a deposit as detailed in the Appendix A. Separate deposits are required for each active meter.
- 2) Deposits are refundable at the time service is terminated at the Customer's request, providing all monies owed to the City are paid in full.
  - a) If all or any portion of the Customer's bill is delinquent at the time the Customer requests termination of Service, the City shall apply any deposits as payment for delinquent amounts.
  - b) The City shall refund any remaining balance of the deposit to the Customer or shall bill such Customer for any sum(s) remaining past due.

Section 4. Determining Rates.

- 1) Water usage shall be calculated and billed as follows:
  - a) Residential and Commercial Customers shall be charged the applicable minimum monthly rate set forth in the Appendix A per account as long as such meter is connected.
  - b) The base charge shall be based for 2,000 gallons of water. Additional usage is billed in at rates set forth in Appendix A.

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- 2) Wastewater usage for Residential and Commercial Customers shall be calculated and billed at a fixed rate as determined by the City Council and as may be amended from time to time.
- 3) Rates shall be determined by type of business and number of LUEs. Rates are recalculated annually on the basis of:
  - a) Water: Changes to water rates are determined by the Consumer Price Index - Urban (CPI-U), rounded up to the nearest nickel.
  - b) Wastewater: Changes to the wastewater rates are determined by:
    - i. the percentage increase in Consumer Price Index - Urban (CPI-U) as reported by the Bureau of Labor Statistics for the previous year, rounded up to the nearest nickel; or
    - ii. as necessary based on City Council's determination of alternate criteria.
- 4) Nonresidential and Commercial Customer accounts and any account outside the corporate City limits are not averaged.
- 5) No free service or reduced rates for Service shall be allowed unless otherwise approved by the City Council.
- 6) Vacation rates: Should a residential Customer be away from the City for one (1) month or more, a request to have Service disconnected until they return will be allowed. Upon return, a \$25 re-establishment fee will be charged.
- 7) All Customers receiving Service shall be subject to the provisions of this Ordinance and shall be charged at the rates established herein.

### Section 5. Lower Colorado River Authority ("LCRA") Fees

Due to the City's obligation to comply with LCRA rules and regulations, the City may impose additional charges based on fees that are charged to the City by the LCRA for any water used.

## Article IV. Billing, Payment for and Termination of Services

### Section 1. Billing and Payment for Services.

- 1) Bills for Services shall be mailed monthly on or before the 1<sup>st</sup> day of each month for the Service provided during the preceding service period.
- 2) The billing date shall be the 1<sup>st</sup> day of the month and failure of the Customer to receive any such bill shall in no way relieve the Customer of the duty to pay for Services on or before the due date.
- 3) The bill shall, at a minimum, include the following information:
  - a) Date of meter reading;
  - b) The due date as the 10<sup>th</sup> of each month;
  - c) The notice that service is subject to disconnection if not paid by the 20<sup>th</sup> day of month at 1:00 p.m.

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- 4) Payments shall be made in cash, by money order, cashier's check, or credit card (Visa, Master Card, or Discover) at the City.
- 5) Payments received at the City on or before 8:00 a.m. on the 11<sup>th</sup> day of the month or payments postmarked the 10<sup>th</sup> day of the month will be considered paid on time.
- 6) Any payments not meeting the criteria of Article IV, Section 1.5. shall be deemed past due and subject to additional charges as set forth in Appendix A.
- 7) The City reserves the right to charge a convenience fee to cover costs associated with processing credit cards.

### Section 2. Termination of Services and Related Charges.

- 1) Service is subject to termination at any time after 8:00 a.m. on the next workday following the 20<sup>th</sup> day of the month. The City's failure to shut off service as called for shall NOT negate its right to do so as long as a payment delinquency exists. If the day following the 20<sup>th</sup> is a holiday or a Saturday, termination will occur take the next business day.
- 2) There will be no notice of intent to disconnect sent to Customers. The notice on the bill is considered sufficient notice to the Customer of the consequence of nonpayment.
- 3) Delinquent accounts are subject to a delinquent handling fee, per Appendix A.
- 4) Once the City employee has received the notice of disconnect at 8:00 a.m. on the next workday following the 20<sup>th</sup> day of the month, and initiated the termination process, a fee for restoration of service, outlined in Appendix A, shall apply whether or not Services is actually terminated and before services can be restored.
- 5) Termination from nonpayment may be forestalled for 2 weeks 1 time per year by the Customer's execution of a promissory note. Such promissory note also carries a surcharge set forth in the Appendix A.

### Section 3. Administrative Powers.

- 1) If a request is presented to the City Administrator by a Customer and it is determined that infrequent and extenuating circumstances exist, an alternate special arrangement to pay may be made (i.e. by executing a promissory note).
- 2) Such special arrangements must be requested no later than 5:00 p.m. on the nineteenth (19<sup>th</sup>) day of the month.
- 3) Deviation from the rules of this Section shall be determined by the City Administrator.

### Section 4. Disposition of Delinquent Bills and Clarification of Rules.

- 1) Customers with unpaid bills over 1 month past due without prior arrangements made for payment shall be mailed a written final warning to the Customer's mailing address before the balance owed, plus a collection fee, is be turned over to a collection agency.

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- 2) Balances remaining unpaid past 12 months shall be written off and reported to the City Council in the monthly financial statement.
- 3) Bills are mailed between the 20<sup>th</sup> and the last day of each month.
- 4) Bills are due and payable no later than 5 p.m. on the 10<sup>th</sup> of each month.
- 5) Payment received at City Hall on or before 8:00 a.m. on the 11<sup>th</sup> day of month or post marked by the 10<sup>th</sup> of the month count as paid on time.
- 6) Payment must be received at City Hall by 1:00 p.m. on the 20<sup>th</sup> day of the month, regardless of means of delivery, to avoid shut-off of services.
- 7) After 1:00 p.m. on the 20<sup>th</sup> day of the month, the account incurs the delinquent handling fee outlined in Appendix A, in addition to the amount owed and including the late charges.
- 8) After the City has begun termination (generally at 8:00 a.m. on the next workday following the 20<sup>th</sup> day of the month, but based on workload, time permitting), any applicable late charges and re-establishment fees, as outlined in Appendix A, shall be due.
- 9) Alternate payment arrangements shall be considered until 5:00 p.m. on the 19<sup>th</sup> day of each month.

### Article V. WATER THEFT

The following schedule of penalties for the theft or unauthorized use of water by any residential, commercial or temporary water user as defined in this Order shall be assessed:

First Offense:	\$1,500 plus the cost of the water taken and attorneys' fees.
Second Offense:	\$2,500 plus the cost of the water taken and attorneys' fees.
Third Offense:	\$5,000 plus the cost of the water taken and attorneys' fees.

### Article VI. Penalties

Section 1. Civil and criminal penalties. The City shall have the power to administer and enforce the provisions of this article as may be required by governing law. Any person violating any provision of this article is subject to suit for injunctive relief as well as prosecution for criminal violations. Any violation of this article is hereby declared to be a nuisance.

Section 2. Criminal prosecution. Any person violating any provision of this article shall, upon conviction, be fined a sum not exceeding five hundred dollars (\$500.00), except as may be otherwise expressly provided herein or by State law. Each day that a provision of this article is violated shall constitute a separate offense. An offense under this article is a misdemeanor.

Section 3. Civil remedies. Nothing in this article shall be construed as a waiver of the City's right to bring a civil action to enforce the provisions of this article and to seek remedies as allowed by law, including, but not limited to the following:



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- (1) Injunctive relief to prevent specific conduct that violates this Ordinance or to require specific conduct that is necessary for compliance with this Ordinance;
- (2) A civil penalty up to \$2,000.00 a day when it is shown that the defendant was actually notified of the provisions of this Ordinance and after receiving notice committed acts in violation of this Ordinance, failed to take action necessary for compliance with this Ordinance; and
- (3) Other available relief.

### Article V. Appeal

Any determination by the City, regarding the terms and provisions of this Ordinance may be appealed to the City Board of Adjustment and Appeals which shall conduct a hearing on the matter as prescribed by Texas Local Government Code.

### Article VI. General Provisions

#### Section 1. Damages to City Facilities.

- 1) No person other than a duly authorized agent of the City shall work on the meter box, meter, water service line, wastewater service line, or other Water or Wastewater Facilities.
- 2) The City reserves the right to immediately and without notice remove the meter or shut off water service to any Customer and assess damages as necessary or advisable to protect the public health or the operation and function of the City's Facilities when apparent damage is occurring to the City system.
- 3) The City further reserves the right and authority to proceed immediately and without notice to shut off or to repair, when and as necessary and appropriate, any pipe, line or other appurtenance connected to the City Facilities if damage or leaks occur, and if such repair is made to any such line, pipe, or other facilities owned by the Customer or private property owner to assess the actual costs of repair to the Customer who owns or controls such property.

#### Section 2. Notification of Construction.

- 1) The City requires notification prior to the commencement of any construction activity on any City easement so that the City may identify the location of any City Facilities.
- 2) Charges will be assessed if City Facilities are damaged as a result of digging, excavation, planting, etc done with the City's easement.
- 3) Any charges assessed for damages to City Facilities are payable within 30 days from the date of invoice.
  - a) If not paid within 30 days from date of invoice, the City reserves the right to immediately and without notice remove the meter or terminate Service to any Customer responsible for any damages to District Facilities until all repairs have been paid in full.
  - b) Labor charges, equipment and supplies shall be billed as set forth in Appendix A, Section 5.e or 7.g, as applicable.

#### Section 3. No service guarantee.

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- 1) Customers are not guaranteed a specific quality, volume or pressure of water except as mandated by Federal and State law.
- 2) Wastewater volume capacities are not guaranteed.
- 3) In no instance shall the City be liable for inability, failure or refusal to furnish water or wastewater services or for any interruption of such services as a result of causes outside of City influence or control.

Section 4. Effective date.

This Ordinance shall be in full force and effect from and after publication of the caption in the manner and for the time provided by the Texas Local Government Code.

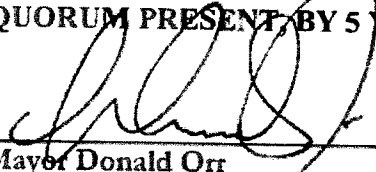
Section 5. Conflicting Ordinances.

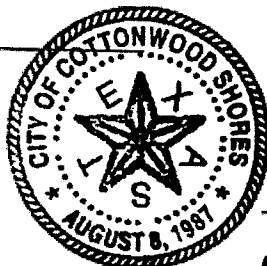
All ordinances or parts of ordinances in conflict with this ordinance are hereby amended to the extent of such conflict and shall hereinafter read and be interpreted as provided herein. To the extent necessary to accomplish the purposes of this ordinance any term, condition or provision of any other ordinance of the City that is in conflict herewith is hereby repealed to the extent of such conflict.

Section 6. Severability.

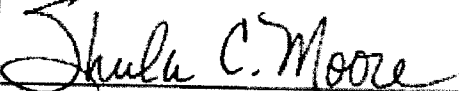
- 1) It is hereby declared to be the intention of the that the sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable and if any phrase, sentence, paragraph, or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and Sections of this ordinance since the same would have been enacted by the without the incorporation in this ordinance of any such invalid phrase, clause, sentence, paragraph, or Section.
- 2) If any provision of this Ordinance shall be adjudged by a court of competent jurisdiction to be invalid, the invalidity shall not affect other provisions or applications of this ordinance which can be given without the invalid provision and, to this end, the provisions of this ordinance are declared to be severable.

**AMENDED ORDINANCE PASSED THIS THE 2<sup>ND</sup> DAY OF APRIL, 2015, AT A MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD SHORES, TEXAS, THERE BEING A QUORUM PRESENT, BY 5 YEAS, 0 NAYS AND 0 ABSTAINS.**

  
Mayer Donald Orr



Attest:

  
Sheila C. Moore  
City Administrator/City Secretary

APPENDIX A

1. TAP FEES:

Type of Service	Meter Type	Inside City \$	Outside City \$	Demand Factor
Water-Residential	3/4"	1,500.00	2,000.00	0
Water-Residential	1"	2,000.00	2,500.00	1.2
Water-Residential	2"	3,000.00	4,000.00	1.6
Water-Commercial	3/4"	1,500.00	2,000.00	0
Water-Commercial	1"	2,000.00	2,500.00	1.2
Water-Commercial	2"	3,000.00	4,000.00	1.6
Wastewater-Residential	-	1,500.00	2,500.00	

The above fees represent minimums which may be exceeded due to site conditions.

Construction of additional lines required will be billed at the following rates:

Pipe Size (inches)	\$/Lin. Foot
2	3.50
4	5.00
6	6.50
8	8.00

When additional pipe must cross a road for a connection, the following fees apply:

Dirt Road: \$400.00  
 Paved Road: \$800.00

2. Water Service Rates (Effective June 1, 2015).

Base Rate:

Tier	Residential	Residential	Commercial	Commercial
Gallons	Inside City - \$	Outside City - \$	Inside City - \$	Outside City - \$
Up to 2,000	36.20	55.00	54.20	63.90

Usage Rates billed in addition to the Base Rate:

Tier	Residential	Residential	Commercial	Commercial
Gallons*	Inside City - \$ (per 1000)	Outside City - \$ (per 1000)	Inside City - \$ (per 1000)	Outside City - \$ (per 1000)

2,001 - 5,000	6.25	8.10	6.80	8.10
5,001 - 8,000	7.20	8.95	7.50	8.95
8,001 +	7.65	9.80	8.00	9.80

3. Service Deposits

Connection	Inside City Limits	Outside City Limits
Residential Owners	\$225.00	\$250.00
Residential Renters	\$325.00	\$350.00
Commercial	\$250.00	\$275.00
Landlord	\$100.00	\$100.00

4. Standard Calculation of Living Unit Equivalent ("LUE")

- a) A single-family residence shall always be considered as one (1) LUE.
- b) ¾" water meters are commonly used in residential taps and are used as reference in this calculation.
- c) Meter size/capacity shall be used to determine the number of LUEs for any connection.
- d) The number of LUEs other than single-family residences will be determined by the ratio of the installed water meter size to the capacity of a three-quarter-inch meter.
- e) If a water meter smaller than ¾" is installed, the connection shall be considered 1 LUE.
- f) Meter sizes and their corresponding LUEs shown in the table below.

Water Meter Size (inches)	Number of LUEs
¾	1.00
1	1.65
2	5.30
4	20.00

- g) The number of LUEs indicated in the above table shall be used to calculate the connection costs for both water and wastewater, except in the case of meters installed only for sprinkler systems or meters installed for improvements that are not served by the City's Wastewater Facilities.
- h) Wastewater service rates are based on a fixed rate, based on potable water usage, effective June 1, 2015, as follows:

Service Type	Potable Water Usage, Gallons	Inside City	Outside City
Residential	0 - 9,999	44.85	55.20
Residential	10,000 +	10.35*	10.35*
Commercial	0 - 9,999	55.20	65.50
Commercial	10,000 +	10.35*	10.35*

\*Monthly Excessive Use Surcharge

5) Special Rates:

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- a) Two-Week Clean-Up \$75.00 (does not require a deposit) - includes 2-week water & wastewater service, and a maximum of 2,000 gallons of water volume. Additional volume used will be billed additionally, at the prevailing rate.
- b) The minimum monthly charge for each business, office, commercial site, or entity served by the master water meter, without regard for the number of units actually occupied shall be \$49.25 up to 2,000 gal and \$3.95 per 1,000 gal thereafter for inside City, and \$57.90 up to 2,000 gal and \$4.75 per 1000 gal thereafter for outside City.
- c) A water meter test or water meter consumption audit shall be performed at the request of the Customer:
  - i) Water Meter Test
    - a. If the water meter is found to be registering over 101% (fast), there will be no charge for the test.
    - b. If found to be registering less than 101%, the Customer will be billed \$50.00 for the testing service.
  - ii) Water Consumption Audit
    - a. If the water meter consumption audit indicates an error in the water usage, there will be no charge for the audit.
    - b. If the consumption audit indicates the correct usage was registered, the Customer will be billed \$50.00 for the audit.
- d) Billing rate for emergency labor and equipment in relationship to water and wastewater issues (Customer side of the meter):
  - i) Straight time (during normal work hours): \$40.00/hr., per person.
  - ii) **For Emergencies Only:** Overtime (outside of normal work hours incl. weekends & holidays): \$60.00/hr., per person.
  - iii) Heavy equipment charge (i.e. backhoe): \$100.00/hr., (includes authorized City operator) minimum one (1) hour.
  - iv) Non-payment of labor and equipment fees: If fees are not paid within 30 days of billing date, the City reserves the right to, immediately and without notice, place a lien on relevant property plus charge for any associated court costs and/or filing fees.
- 6) Items prohibited from disposal through the Wastewater Facilities, including but not limited to, are:
  - a) Glass, metal, wood, seafood shells
  - b) Papers, socks, rags, feminine hygiene, or cloth of any kind
  - c) Plastic objects (toys, eating utensils, etc.)
  - d) Any strong chemical, toxic, caustic, or poisonous substance
  - e) Degreasing solvents
  - f) Any explosive or flammable material
  - g) Gasoline, kerosene, fuel oil, paint thinner, and antifreeze
  - h) Lubricating oil or grease
  - i) Cooking fat (lard, oil, grease)

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j) Hair clippings or dental floss

### 7) Penalties, Late - Connect - Disconnect - Shutoff - and Surcharges

a) Promissory Notes Charge: \$25.00.

b) Delinquent Handling Fee: \$25.00 (Payments received after the shutoff date and time (20<sup>th</sup> @ 1:00 p.m.) but before a shutoff has been initiated)

c) Collection fee: \$30.00.

d) Service Re-establishment Fee: (payable after 8:00 a.m. on the next workday following the 20<sup>th</sup> day of the month and/or before re-establishment) \$45.00

e) Damage done to City's Facilities shall be billed at 1.35 times the prevailing rates for labor, materials and equipment.

f) Late Charge due if paying in full after the 10<sup>th</sup> day but before the 20<sup>th</sup> day of any month: \$10.00 added to the amount of the utility bill.

g) Repair costs caused by Customers (on the City side of the meter):

i) Labor charges - Regular Time for repairs needed during normal business hours:

ii) 200% of regular time for repairs after 5:00 p.m. and on weekends and holidays:

iii) Equipment and supplies rental: Actual cost to City.

h) If not paid within 10 days from date of invoice, the City reserves the right to immediately and without notice remove the meter or shut off water service until all repair charges including the delinquent handling and re-establishment fees are paid in full.







1.3 "Commercial Waste" means any water and equivalent substances from non-domestic activities including industrial waste, other than waterborne human waste and waste from activities such as washing, bathing and food preparation from residential and retail businesses.

1.4 "Flow Meter" means the existing Wastewater flow meter installed at the current East boundary line of the District and the North right-of-way line of Texas State RM Highway 2147 and used to measure the quantity of Wastewater delivered by the City to the District for treatment and disposal.

1.5 "Point of Delivery" means the point at which the District shall accept Wastewater from the City for treatment and disposal. The Point of Delivery shall be at the same location that Wastewater has been delivered by the City to the District under the Agreement and may generally be described as the point of intersection between the east boundary line of the District and the north right-of-way of State Highway FM 2147.

1.6 "Wastewater" means waterborne waste discharged from sanitary conveniences of dwellings, business buildings and institutions, that is primarily organic and biodegradable or decomposable and that generally originates as human, animal or plant waste from certain activities including using toilet facilities, washing, laundering, bathing and food preparation.

1.7 "Wastewater Entitlement" means the maximum quantity of wholesale Wastewater treatment and disposal services to be provided by the District to the City under this Amended Agreement and shall be equal to 96,000 gallons per day on an average annual basis.

## II. Prior Agreement

### 2.1 Termination of Agreement.

As of the Commencement Date, this Amended Agreement shall replace for all purposes the terms and conditions of the Agreement. At such time, the Agreement shall be null and void in its entirety, except as to any payment obligation that may be owed by the City to the District for wholesale wastewater treatment and disposal services provided by the District to the City prior to the Commencement Date.

**III.**  
**Wholesale Wastewater Treatment And Disposal Services**

3.1 Treatment and Disposal of Wastewater.

Beginning with the Commencement Date and subject to the conditions and limitations of this Agreement, the District shall receive, treat and dispose of Wastewater delivered by the City through the Flow Meter at the Point of Delivery in accordance with the quantity limitations set forth herein. The City shall not deliver any Commercial Waste to the District from any source that is not approved in advance by the District pursuant to Section 3.6(b).

3.2 Quantity of Services.

(a) The District agrees to provide wholesale Wastewater treatment and disposal services in an amount not greater than the Wastewater Entitlement. The quantity of treatment and disposal services provided hereunder shall be determined by the Flow Meter and shall include all Commercial Waste, inflow and infiltration, and other liquids that may be commingled with the Wastewater.

(b) At such time as the annual daily average of Wastewater exceeds 75% of the Wastewater Entitlement, the City and the District will enter into good faith negotiations for the amendment of this First Amended Agreement in order to increase the Wastewater Entitlement. The amendment will specify the additional quantity of Wastewater treatment and disposal services that would be provided by the District to the City, and the costs associated therewith. It is contemplated that the amendment would provide for the payment by the City of an additional connection fee over a period of time such that the entire fee would be paid prior to the date on which the average annual daily flow of Wastewater from the City equals the Wastewater Entitlement. The parties further contemplate that the amendment would be entered into prior to the date on which the average annual daily flow of Wastewater from the City exceeds 90% of the Wastewater Entitlement. In the event that the parties have not entered into and executed the amendment at such time as the average annual daily flow equals the Wastewater Entitlement, then the City agrees that it will not permit or authorize any new connections to the City System that would cause an exceedance of the Wastewater Entitlement.

3.3 Point of Delivery.

The District will accept the Wastewater from the City at the Point of Delivery.

3.4 Failure to Receive Wastewater.

The District will operate and maintain its system in an efficient manner at all times and will take such action as may be necessary to furnish the City with Wastewater treatment and disposal services as contemplated by this Agreement. Temporary or partial failures to receive Wastewater shall be remedied with all possible dispatch. In the event of an extended failure to receive

Wastewater, the District will notify the City promptly, so that appropriate action can be taken by the City.

3.5 Ownership of Facilities.

The District shall own and operate all Wastewater facilities, equipment and appurtenances that are located at the Point of Delivery or on the District's side thereof. The City shall own and operate all Wastewater facilities, equipment and appurtenances that are located on the City's side of the Point of Delivery.

3.6 Wastewater Quality.

(a) The Wastewater to be delivered to the District shall meet at all times the qualitative parameters of normal domestic sewage as set forth by the standards of the Texas Natural Resource Conservation Commission, and City shall adopt and, as shall be necessary from time to time, revise, and enforce, appropriate rules and regulations governing discharges into the City's Wastewater System. The City further shall make every reasonable effort to control inflow and infiltration to City's Wastewater System, including the utilization of manhole locks and daily observation of lift station pumping into the District system. The City shall prevent and cause to be abated, and shall prohibit, the introduction into City's wastewater system of any substance not meeting the above described quality standard, if such introduction (i) results or will result in damage to or deterioration of the District's Wastewater treatment or disposal facilities or any part thereof or (ii) requires or will require an alteration of Wastewater treatment and/or disposal practices or procedures that increases or will increase the District's costs of operating, maintaining or repairing such facilities.

(b) Without limiting the foregoing, the City agrees that it shall not permit or authorize the discharge of Commercial Waste or any other material not authorized hereunder into the City System without prior written approval by the District and upon the terms and conditions that the District may specify. Further, the City shall prohibit, and to the extent that it is able, prevent the discharge by any hauler of any material into the City System. Prior to the delivery of Commercial Waste to the District for treatment and disposal, the City agrees to seek authorization from the District by submitting a statement to the District specifying the following information: the name and address of the proposed discharger; the type of industry or business; the quantity of Commercial Waste to be discharged; the quality of the Commercial Waste to be discharged; the type of pretreatment proposed, together with such other information as the District may require. The District shall act on the City's request within twenty (20) days of receipt thereof.

(c) The City shall cause the Wastewater to be delivered to the Point of Delivery.

(d) The City shall provide as part of its facilities a sampling port for the District to determine whether the Wastewater and Commercial Waste leaving the City System is meeting the qualitative and quantitative requirements of this Amended Agreement.

3.7 The District Right to Inspect.

(a) The District shall have the right to inspect the City's Wastewater System at all reasonable times for the purpose of determining if such facilities are constructed, installed, maintained and operated in compliance with the provisions of this Amended Agreement.

(b) All non-residential connections to the City System and any source of Commercial Waste shall be approved by the District prior to the discharge of Commercial Waste by such entity into the City System. The City shall require grease traps and sampling ports for the inspection and enforcement of the qualitative standards set forth herein for all non-residential connections engaged in food preparation. The installation of grease traps and sampling ports for non-residential connections not engaged in food preparation will be determined by the District on a case-by-case basis prior to the connection of such discharging structure to City's system. The District shall be entitled to collect samples from the City System and sampling ports and analyze same. If the District determines that the Wastewater or Commercial Waste introduced into the City System does not meet the qualitative parameters set forth herein, the City shall require the offending person, entity or source to immediately cease discharging until such time as the appropriate pre-treatment takes place or the Wastewater otherwise meets the qualitative parameters set forth in this Amended Agreement.

3.8 Title to Wastewater.

As between the parties hereto, the City shall own title and all possessory rights to all Wastewater introduced into and transmitted by the City System from the point of such introduction to the Point of Delivery, from and beyond which point title and all possessory rights thereto shall vest in and be owned by the District. As between the parties hereto, title to substances other than Wastewater that are introduced into and transmitted by the City System, to the extent that such substances can be separated shall remain vested in City.

**IV.  
Metering and Points of Delivery**

4.1 Flow Meter.

The Flow Meter shall calculate the amount of Wastewater (and all other liquids commingled therewith) treatment and disposal services provided by the District to the City. The City shall be responsible for the operation, maintenance, repair, calibration and replacement of the Flow Meter at the City's expense.

4.2 Meter Calibration.

(a) The Flow Meter shall be calibrated when requested by the District and at least once each year by the City at the City's expense. The expense of such test shall be borne by the City if the tested meter is found to be within 5% of accuracy, and by the District if the tested meter is found

not to be within 5% of accuracy. If, as a result of any test, the meter is found to be registering inaccurately (in excess of 5% of accuracy), the readings of the meter shall be corrected at the rate of its inaccuracy for any period which is definitely known or agreed upon or, if no such period is known or agreed upon, the shorter of the following:

(i) a period extending back either sixty (60) days from the date of demand for the test or, if no demand for the test was made, sixty (60) days from the date of the test; or

(ii) a period extending back one-half of the time elapsed since the last previous test. The records of the readings, and all payments which have been made on the basis of such readings, shall be adjusted accordingly.

(b) Not later than five (5) days prior to the date(s) of any calibration of the Flow Meter, the City shall give written notice to the District of the date(s) and time(s) that any such calibrations are to take place. The District shall be entitled to have a representative present to observe all calibrations of the Flow Meter. All calibrations of the Flow Meter shall be performed by a commercial firm or other entity or person that is experienced and competent to perform such services.

#### 4.3 Information Concerning City System.

On or before June 1 of each year, the City shall furnish to the District the following information concerning the City's Wastewater System:

- (a) The number of active domestic residential connections served;
- (b) The number of active connections of business buildings served;
- (c) The number of active educational institutions, hospitals or similar institutions served; and
- (d) An estimate of the number of new connections (residential, business, and institutional) expected to locate within the City's service area within the next twelve months.

### V. Costs, Rates & Payments

#### 5.1 General.

(a) The City shall pay timely all fees, rates, charges and other claims for money properly due and owing by City to the District pursuant to this Amended Agreement.

(b) The City represents and covenants that the Wastewater treatment and disposal services to be obtained pursuant to this Amended Agreement are essential and necessary to the operation of the City System, and all payments to be made under this Amended Agreement, except

for the Connection Fee and Capital Costs as provided below constitute reasonable and necessary operating expenses of said facility.

5.2 Connection Fee.

As a condition of service hereunder, the City shall pay to the District a non-refundable Connection Fee equal to forty-eight thousand five hundred-seventy six dollars (\$48,576.00), which sum is based upon the amount by which the Wastewater Entitlement exceeds the quantity of Wastewater treatment and disposal services authorized to be rendered under the Agreement. The Connection Fee is payable by the City in three (3) payments as follows: the first payment of \$6667.40, on or before March 15, 2001; a second payment, in the amount of \$24,000.00, on or before March 15, 2002; and a third payment, in the amount of \$17,908.60, on or before March 15, 2003. The City agrees that each installment payment shall bear interest from the Commencement Date at the rate of six and one-half percent (6.5%) per annum.

During each year while any portion of the Connection Fee is owed to the District, including the fiscal year in which this agreement is first approved and executed, the City Council of the City shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and costs of tax collection, which will be sufficient to raise and produce the money required to pay any sums which may be or become due during any such year, in no instance to be less than two percent (2%) of such obligation, together with all interest thereon, because of the obligation herein assumed and undertaken. The City agrees that said rate and amount of ad valorem tax is hereby ordered to be levied and is hereby levied against all taxable property in the City for each year while any liability exists by reason of the obligation undertaken by this section, and said ad valorem tax shall be assessed and collected each such year until all of the obligations herein incurred shall have been discharged and all liability hereunder discharged.

5.3 Monthly Wastewater Service Rate.

(a) The Monthly Service Rate, payable from and after the Commencement Date, shall be based on the formula set forth in (b) below. Charges by the District for services rendered pursuant to this Amended Agreement shall fully compensate the District for the proportionate share of all of the District's assets and the business functions associated with providing Wastewater treatment and disposal services on an equitably shared basis using the District's books of recorded costs.

(b) The charges comprising the Monthly Service Rate are organized into two (2) component parts consisting of (i) operating costs and (ii) capital related costs, as follows:

(i) Operating Costs.

A. Indirect Costs.

Indirect costs are comprised of costs, other than direct costs (described in B below) and capital related costs (described in C below), borne by the District that the District, in its discretion reasonably exercised, shall determine to be attributable to the operation and maintenance of its Wastewater treatment and disposal system. At the Commencement Date, and each subsequent contract review date (which shall be set by the District to correspond to its fiscal year) the monthly charge for indirect costs for the ensuing twelve (12) months shall be derived by multiplying the District's total indirect costs recorded during the previous calendar year as applicable to providing treatment service by twelve percent (.12) divided by twelve (12), provided that such percentage shall be revised upward or downward proportionately if and as the Wastewater Entitlement as a percentage of the District's total wastewater treatment capacity varies.

B. Direct Costs.

The direct costs allocation shall be determined by dividing the quantity of Wastewater measured in gallons through the Flow Meter during the preceding month by the total quantity of Wastewater measured in gallons that was pumped to the District's treatment plant during the same month, and using the resulting percentage to equitably allocate the amount of the actual electrical, chemical, and potable water costs incurred by the District in the operations and maintenance of its Wastewater treatment and disposal plant and Wastewater effluent holding pond facilities in that month.

C. Capital Related Costs.

a. Investment Debt Interest on General Fixed Assets.

This calculation consists of identifying the percentages of specific District assets necessary for providing service to the City and dividing the value of those assets by the value of the total assets of the District. The resulting percentage is the allocation factor. The monthly charge shall be derived by multiplying the annual interest amount due with respect to the District's total debt in the twelve (12) months following the Commencement Date or the Contract Review Date by the allocation factor and dividing by twelve (12).

b. Depreciation.

At the Commencement Date, the percentages of specific District assets necessary for providing service to the City will be identified by the District in the exercise of its reasonable discretion. The monthly charge shall be derived by multiplying the proportionate book cost of assets necessary for service to the City by 0.0333 (30 years straight line) and dividing by twelve (12).

(c) Not later than the forty-fifth (45th) day before the beginning of each District fiscal year, commencing with the District fiscal year following commencement of services pursuant to this Amended Agreement, the District shall prepare and deliver to the City a proposed budget for the operations and maintenance of the District's entire Wastewater treatment and disposal system for the following the District fiscal year. The City shall have thirty (30) days to review and comment on the proposed budget. The District shall adopt a final budget as soon as practicable following the expiration of such thirty (30) day period and shall deliver to the City a copy of each final budget within five (5) days after the adoption thereof.

5.4 Incremental Costs.

City agrees to reimburse the District for any incremental costs incurred by the District in providing Wastewater treatment and disposal services pursuant to this Amended Agreement not previously identified, which are directly attributable to the City's Wastewater operation or the material emanating therefrom.

5.5 Rate Redetermination.

Following the close of each District fiscal year, the District shall determine the total of all Monthly Service Rates, as adjusted by deductions and offsets, if any, for such fiscal year. The difference, if any, between the total amount actually paid by the City during the foregoing District fiscal year and the total amount that should have been paid pursuant to the foregoing redetermination, shall be applied as a credit or debit to the City's account with the District and shall be credited or debited in 1/12 increments to the City's next twelve monthly payments, or as otherwise agreed upon in writing by the District and City, provided that all such credits and debits shall be made in a timely manner within the next year.

5.6 Exceedance of Entitlements.

In addition to any other right set forth herein, it is agreed by the parties that the actual damages that might be sustained by the District by reason of the exceedance by City of the Wastewater Entitlement are uncertain and would be difficult of ascertainment, and it is further agreed that an amount of one and one-half (1.5) times the Monthly Wastewater treatment and disposal services Rate for each 1,000 GPD by which the daily average annual volume of Wastewater exceeds the Wastewater Entitlement (the "Overage Amount") would be reasonable and just compensation for such exceedance; provided, that should City exceed its entitlement for three consecutive calendar months, the District shall promptly notify City and may, in its sole discretion, bill City an additional capital facilities charge for the Overage Amount of two (2) times the then-current capital costs of furnishing Wastewater transmission, treatment and disposal facilities compliant with the District's then-existing Wastewater permit ("Capital Facilities Charge"), as just and reasonable compensation for the additional capacity being or to be utilized by City of the District's transmission facilities and wastewater treatment plant. Provided the City and the District



execute an amendment increasing the Wastewater Entitlement within sixty (60) days of the exceedance, the District will credit the Capital Facilities Charge against the connection fee due for the incremental Wastewater treatment and disposal capacity made available pursuant to the amendment. This provision shall not be construed in any manner to obligate the District to enter into any amendment of this Amended Agreement.

5.7 Capital Costs.

City shall bear, as a portion of the capital component of the Monthly Service Rate, a share of all capital costs of each future project of the nature described in Section 5.1(b)(i)(C) above, pro rata in the ratio that the Revised Wastewater Entitlement bears to the entire legally permitted District Wastewater treatment capacity to exist upon completion of such project. Without limitation on the foregoing, additions and improvements to the District's administrative facilities, to the extent that such additions and improvements may be reasonably attributable to the District's provision of Wastewater treatment and disposal services, shall be considered as providing service to the City and its customers.

5.8 Billing; Payment.

(a) The District shall read the Flow Meter to determine the amount of Wastewater treatment and disposal services provided by the District to the City during the previous month. The City agrees to provide access to the District for purposes of reading the Flow Meter. For purposes of calculating the amount of Wastewater treatment and disposal services provided by the District, the parties agree that all Commercial Waste, inflow and infiltration, and any other liquids commingled with the Wastewater shall be included.

(b) Not later than the 10<sup>th</sup> day of each month, the District shall deliver or cause to be delivered to the City a bill setting forth the sum owed for all services rendered under this Amended Agreement. The City shall provide payment in said amount to the District within twenty (20) days' receipt of the bill. Should the City fail to pay such monthly rate in full when due in any month, the unpaid amount shall bear interest at the rate of ten per cent (10%) per annum from the due date thereof until paid.

**VI.  
Conditions and Representations.**

6.1 Indemnity.

(a) In no event shall the District be held liable or responsible for claims and demands for any injury to any person or damage to any property resulting from, arising out of, or in any way connected to the actions of the City or the condition and operation of the City System under this Amended Agreement.

(b) To the extent permitted by law, the City shall protect, indemnify, defend, and hold harmless the District and its agents and employees from all suits, actions, or claims of any character, type, or description brought or made for or on account of any injuries or damages received or sustained by any person or persons or property, arising out of, or occasioned by, the acts of the City, its customers, representatives, agents or employees, in the execution or performance of this Amended Agreement or any obligation of the City hereunder.

(c) Damages resulting from the introduction into the District's Wastewater treatment and/or disposal facilities of substances other than Wastewater, the source of which cannot be determined after reasonable investigation by the District, shall be borne and paid by City pro rata according to the ratio that the Wastewater Entitlement bears to the total Wastewater treatment capacity of all of the District's then operating Wastewater treatment facilities, such total capacity expressed as a maximum daily flow rate, calculated using an average daily flow over a thirty (30) consecutive day period.

#### 6.2 Consultants' Fees.

This Amended Agreement and the obligation of the District to provide any services to the City are conditioned upon the reimbursement by City to the District of the legal and engineering fees incurred by the District in connection with the negotiation and preparation of this Amended Agreement. The amount owed by the City to the District is equal to \$5332.60, and shall be paid concurrently with the execution of this Amended Agreement.

#### 6.3 Governmental Approvals.

This Amended Agreement and the obligation of the District to provide any services to the City are conditioned upon the receipt of all necessary approvals or authorizations from any governmental bodies. All such approvals and authorizations shall be obtained by the City at the City's expense; provided, however, that the District agrees to join and cooperate fully with the City in any requests to such entities for authorizations or approvals. The City shall pay the District in advance for any reasonable and necessary expenses expected to be incurred by the District in connection with seeking and obtaining such approvals and authorizations.

### **VII. Term**

#### 7.1 Term of the Agreement.

The provision of service under this Amended Agreement shall commence on the Commencement Date and shall terminate on the same month and date thirty-two (32) years after the Commencement Date, subject to the termination provisions of this Amended Agreement. Upon termination, the City shall be required to design, construct and install (or otherwise secure) alternative or replacement Wastewater treatment and disposal facilities. The District shall be

entitled to all available legal remedies in the event that City for any reason seeks to continue receiving Wastewater treatment and disposal services from the District, including, by way of example and not in limitation, the right to terminate Wastewater treatment and disposal services and this Amended Agreement. If for any reason the District is required to continue to provide Wastewater treatment and disposal services to the City despite the provisions of this Section, the District shall have the right to increase the price charged to the City for Wastewater treatment and disposal services by ten percent (10%) for each six-month period that the District continues to provide the Wastewater treatment and disposal services.

## VIII. Miscellaneous Provisions.

### 8.1 Remedies Upon Default.

(a) If either party determines that the other party is in default under this Amended Agreement, the party claiming default by the other party shall give written notice to the defaulting party at the address set forth herein for notice. The defaulting party shall have thirty (30) days in which to cure the default, or if such default cannot be reasonably cured within such period, the defaulting party shall use reasonable efforts to undertake to cure such default within such period. If the defaulting party does not cure the default within thirty (30) days or does not use reasonable efforts to undertake to cure the default within such period (if the default cannot be reasonably cured within thirty (30) days), the party claiming default shall be entitled to the rights and remedies set forth herein.

(b) It is not intended hereby to specify (and this Amended Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies (other than termination by rescission) existing at law or in equity may be availed of by any party hereto and shall be cumulative. No waiver or waivers of any breach or default (or any breaches or defaults) by any party hereto or of performance shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character, or description, under any circumstances.

(c) Notwithstanding any provision herein to the contrary, the District shall have the right to terminate this Amended Agreement and the provision of all services described hereunder upon thirty (30) days' written notice if the City for any reason fails to timely make any payments required hereunder or to cure any default hereunder after thirty (30) days' written notice. The District shall have the right to operate, use or install any facilities necessary to accomplish termination of service. In the event that the District continues to provide services hereunder notwithstanding the City's default, the City agrees that in response to the written request of the District, it shall not allow any new connections to the City System for all long as the default remains outstanding.

### 8.2 Force Majeure.

In the event that the performance by either party hereto of any of its obligations or undertakings hereunder shall be interrupted or delayed by any occurrence and not occasioned by the conduct of or attributable such party, whether such occurrence be an Act of God or the common enemy or the result of war, riot, civil commotion, sovereign conduct, or the act or conduct of any person or persons not a party, acting on behalf of a party, or privy to this Amended Agreement, then such party shall be excused from such performance for such period of time as is reasonably necessary after such occurrence to remedy the effects thereof.

### 8.3 Fines and Penalties

Fines and penalties assessed against a party to this Amended Agreement shall be borne and initially paid by the party against which they are assessed. If it is determined by a court or regulatory agency that the occurrence or condition giving rise to any such fine or penalty was caused by the act or omission of a party to this Amended Agreement other than the party against whom such a penalty or fine is assessed, then the party whose act or omission was such cause shall reimburse the party the amount of such fine or penalty finally assessed and paid, plus interest.

### 8.4 Notice.

Unless otherwise provided herein any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by either party to the other party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by causing the same to be delivered to an officer of such party, or by facsimile transmission, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner herein above described shall be conclusively deemed to be effective three (3) days after having been so deposited, and notice given in any other manner provided herein, unless otherwise stated herein, shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall until changed as hereinafter provided, be as follows:

#### If to The District:

If by mail: Lake LBJ Municipal Utility District  
P .O. Box 7765  
Horseshoe Bay, Texas 78654-9201  
Attention: President, Board of Directors

If by delivery: Lake LBJ Municipal Utility District  
No.1 Community Drive  
Horseshoe Bay, Texas 78654  
Attention: President, Board of Directors

If by telephone: (830) 598-8741  
If by facsimile: (830) 598-8744

If to the City:

If by mail: City of Cottonwood Shores  
3915 Cottonwood Drive  
Marble Falls, Texas 78654

Attention: Mayor

If by delivery:

City of Cottonwood Shores  
3915 Cottonwood Drive  
Marble Falls, Texas 78654

Attention: Mayor

8.5 Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Amended Agreement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Amended Agreement.

(c) This Amended Agreement shall not be construed as an agreement of fiduciary relationship, of partnership, of joint venture, of an equity position, or of any other form of business arrangement other than as an agreement to provide the above described services. Services provided are not exclusive to the City and may be provided to others at the sole discretion of the District consistent with the terms of this Amended Agreement.

8.6 Non-Assignability.

This Amended Agreement shall not be assigned by either party without the prior written consent of the other party.

8.7 Successors and Assigns.

To the extent permitted by this Amended Agreement, this Amended Agreement and the terms and provisions hereof shall be binding upon and inure to the benefit of the respective assigns and legal representatives of the parties hereto.

8.8 Choice of Law: Venue.

This Amended Agreement shall be governed and construed in accordance with the laws of the State of Texas, and the obligations of the parties under this Amended Agreement are performable in Llano County, Texas.

8.9 Table of Contents, Titles and Headings.

The title of this Amended Agreement, and the table of contents, titles and headings of Articles and Sections hereof have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Amended Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

8.10 Severability.

If any clause or provision of this Amended Agreement is declared illegal, invalid, or unenforceable during the term of this Amended Agreement, it is the intention of the parties that the validity and enforceability of the remaining provisions of this Amended Agreement shall not be affected. It is also the intention of the parties to this Amended Agreement that in lieu of each clause or provision of this Amended Agreement that is illegal, invalid, or unenforceable, there shall be added a new clause to this Amended Agreement by negotiation between the parties to this Amended Agreement, a clause or provision as similar in terms to such unenforceable clause or provision as may be possible and yet be legal, valid, and enforceable.

8.11 Entire Agreement.

This Amended Agreement constitutes the sole agreement between the parties hereto relating to the rights herein granted and the obligations herein assumed and supersedes any and all prior understandings, negotiations, representations or agreements, whether oral or written, including the letter of understanding previously entered into by the parties.

**[The remainder of this page intentionally left blank.]**

EXECUTED by the parties hereto in multiple counterparts, each of which shall constitute an original hereof, on the respective dates appearing below,

LAKE LBJ MUNICIPAL UTILITY DISTRICT

ATTEST:

By: *J. Ayers*  
President, Board of Directors

Date of Execution: 2/12/01

*R. A. Young*  
Secretary, Board of Directors

[SEAL]

CITY OF COTTONWOOD SHORES

ATTEST:

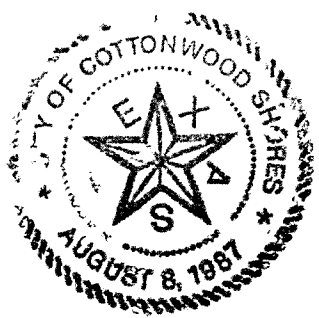
By: *Carol*  
Mayor

Date of Execution: 2.1.01

*Maureen*  
City Secretary

[SEAL]

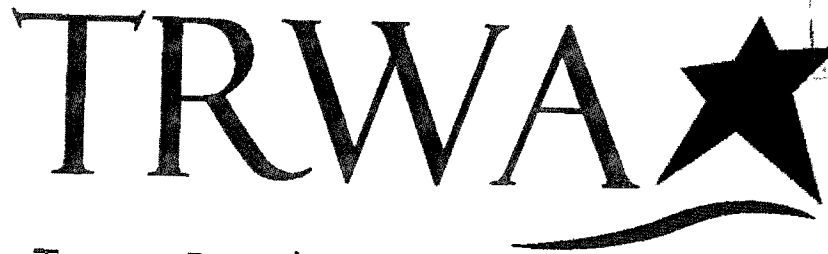
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Texas Rural Water Association

*Education and Training Department  
Approved Provider No. 205*

**William Krueger**

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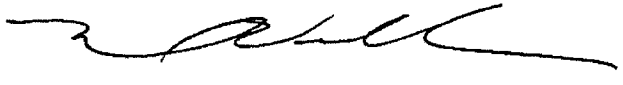
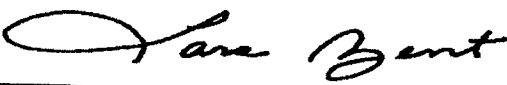
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*20 hours*

**Technology Based Training:  
Chlorinator Systems & Chemical Handling  
Course No. 1133**

*On*

**August 11, 2015**

		
Michael Vollmar, Professional Development and Training Director, TRWA		Lara Zent, Interim Executive Director, TRWA