

1. Declaration of Necessity for Rationing: When system demand threatens to exceed production or storage capability, or refilling the storage facilities is rendered impossible, Aqua, acting through its General Manager, may declare that a necessity for rationing exists, and thereafter ration water in the following manner.
2. Notice Requirements: Reasonable notice, including, by way of example and without limitation, notice published in a local newspaper, radio and television announcements, and by posting notice in public buildings, of the proposed rationing shall be provided 24 hours before Aqua actually starts the program. Published notice may be followed by mailed notice included in the next regular bill. Any notice shall contain the following information:
 - a. the date rationing shall begin;
 - b. the date rationing shall end;
 - c. the stage (level) and explanation of rationing to be employed; and
 - d. explanation of penalties for violations.
3. Violation of Rationing Rules:
 - a. First violation -- Aqua may install a flow restrictor in the line to limit the amount of water which will pass through the meter in a 24-hour period. The cost to be charged to the member's account shall be the actual installed cost to Aqua.
 - b. Subsequent violations -- Aqua may terminate service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of Aqua shall apply for restoration of service.
4. Exemptions or Variances From Rationing Rules: Aqua may grant any member an exemption or variance from the uniform rationing program, for good cause. Aqua shall treat all members equally concerning exemptions and variances, and shall not employ discrimination in such grants.
5. Rates: All existing rates schedules shall remain in effect during the rationing period, and no charges may be levied against a member which are not contained in the approved Tariff of Aqua as filed with the Commission.

The purpose of the Water Rationing Program is to conserve the total amount of water demanded from Aqua until supply can be restored to normal levels.

Section 5.02 – Stages of Rationing

Stage I (Voluntary Conservation)

Under Stage I, Aqua members will be requested to voluntarily restrict usage of water for outdoor purposes such as lawns, gardens, car washing, etc. Members will be requested to voluntarily limit the amount of water used to that amount absolutely necessary for health, business, and outdoor

water use. Voluntary Conservation may include following the “Central Texas Water Wise Plan” which includes the following:

1. Landscape Watering Schedule: Aqua will provide a calendar noting the respective outdoor watering days and the order will remain consecutive as new months begin. For members having rural delivery numbers, the last numerical digit of the rural delivery number, whether route or box number, shall be used to determine watering days.
2. Restricted Outdoor Watering Hours: Outdoor watering should be done only before 10 a.m. and after 7 p.m. on your watering day.
3. Restricted Outdoor Watering Volume: Water no more than 1 inch on your watering day.

Stage II (Mild Rationing Conditions)

Under Stage II, Aqua may select one or more of the alternatives listed below, except that usage for livestock is exempt.

1. Time of Use Restriction: Usage of water for outdoor purposes such as lawns, gardens, car washing, etc. may be restricted according to one or more of the following schedules, except that Aqua may allow irrigation by hand-held hoses, hand-held buckets, drip irrigation or permanently installed automatic irrigation sprinkler system only.
 - a. Landscape Watering Schedule: Members with even numbered addresses or rural delivery numbers can use water outdoors on Monday and Thursday and members with odd numbered addresses or rural delivery numbers can use water outdoors on Tuesday and Friday. For members having rural delivery numbers, the last numerical digit of the rural delivery number, whether route or box number, shall be used to determine watering days.
 - b. Weekday Use Only: No outside watering allowed on Saturdays, Sundays, or official Federal holidays.
 - c. Landscape Watering Schedule: Aqua will provide a calendar noting the respective watering days. For members having rural delivery numbers, the last numerical digit of the rural delivery number, whether route or box number, shall be used to determine watering days.
2. Hand Watering Restriction: Aqua may require that only a hand-held hose or a hand-held bucket be used for watering of lawns, gardens, trees, and shrubs.
3. Vehicle Washing Restriction: Aqua may prohibit or limit the times for washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment.

Stage III (Moderate Rationing Conditions)

All outdoor water usage is prohibited; however, usage for livestock is exempt.

Stage IV (Severe Rationing Conditions)

All outdoor water usage is prohibited; usage for livestock is exempt. All consumption shall be limited to each member in one of the following ways:

1. A fixed percentage of each member's average use in the prior month, the percentage to be uniformly applied on a system wide basis, each member being notified of this percentage amount, OR
2. A maximum number of gallons per meter (member), per week, with notice to each member of this number.

All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the members.

SECTION 6.0 – REQUESTS FOR PUBLIC INFORMATION

Section 6.01 – Procedures

The procedures for inspecting or obtaining copies of Aqua's records that are subject to inspection under Chapter 552 of the Texas Government Code are as follows:

1. All requests for inspection and/or copies of public information must be made in writing.
2. The request must sufficiently identify the required information. If the request is vague or too broad Aqua may require that it be narrowed in writing.
3. The requestor must complete inspection of the public information not later than the 10th day after it is made available. Two additional ten-day periods, one at a time, may be granted if a written request for additional time is filed with Aqua.
4. If the requested information is stored electronically, and requires programming or manipulation of data, Aqua will provide a written statement in accordance with Section 552.231 of the Texas Government Code.
5. Whenever possible, Aqua will estimate the time needed to fulfill the request, and any applicable charges.
6. If applicable charges will exceed \$100.00, Aqua will require a deposit or bond before compiling the information. All charges must be paid before the copies are delivered.

Section 6.02 – Copy Charge Schedule

The charges for obtaining copies of Aqua's records that are subject to inspection under Chapter 552 of the Texas Government Code are as follows:

1. Standard-size paper copy--\$.10 per page.
2. Nonstandard-size copy:
 - (A) diskette--\$1.00 each;
 - (B) magnetic tape—actual cost;
 - (C) VHS video cassette--\$2.50 each;
 - (D) audio cassette--\$1.00 each;
 - (E) paper copy--\$.50 each;
 - (F) data cartridge — actual cost;
 - (G) rewritable CD (CD-RW) -- \$1.00;
 - (H) nonrewritable CD (CD-R) --\$1.00;
 - (I) digital video disc – DVD -- \$3.00;
 - (J) tape cartridge – actual cost;
 - (K) JAZ drive – actual cost;
 - (L) Oversize paper copy (e.g. 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper) - \$0.50
 - (M) other--actual cost.
3. Personnel charge for locating, compiling and reproducing--\$15 per hour.
4. Overhead charge--20% of personnel charge.
5. Microfiche or microfilm charge:
 - (A) paper copy--\$.10 per page;
 - (B) fiche or film copy--actual cost.
6. Remote document retrieval charge--actual cost.
7. Computer resource charge:
PC or LAN--\$1.00 per clock hour.
8. Programming time charge--\$28.50 per hour.
9. Miscellaneous supplies--actual cost.
10. Postage and shipping charge--actual cost.
11. Photographs – actual cost [see Table 4 below]
12. Maps – actual cost [see Table 5 below]

13. Outsourced/Contracted Services – actual cost for the copy. May not include development costs.
14. Sales Tax – No sales tax shall be applied to copies of public information.
15. Fax charge:
 - (A) local--\$.10 per page;
 - (B) long distance, same area code--\$.50 per page;
 - (C) long distance, different area code--\$1.00 per page.
16. Other costs--actual cost.

The following tables present a few examples of the calculations of charges for obtaining copies of Aqua's records that are subject to inspection under Chapter 552 of the Texas Government Code.

TABLE 1

Readily Available Information (fewer than 50 pages):

\$.10 per copy x number of copies (standard-size paper copies) or cost of nonstandard copy (e.g., diskette)
 Postage and shipping (if applicable)

 \$ TOTAL CHARGE

TABLE 2

Readily Available Information (more than 50 pages):

\$.10 per copy x number of copies (standard-size copies) or cost of nonstandard copy (e.g., diskette)
 Personnel charge (if applicable)
 Overhead charge (if applicable)
 Document retrieval charge (if applicable)
 Actual cost of miscellaneous supplies (if applicable)
 Postage and shipping (if applicable)

 \$ TOTAL CHARGE

TABLE 3

Information that is Not Readily Available:

Cost of copy (standard-size or nonstandard-size, whichever applies)
 Personnel charge
 Overhead charge
 Computer resource charge (if applicable)
 Programming time (if applicable)
 Document retrieval charge (if applicable)
 Actual cost of miscellaneous supplies (if applicable)
 Postage and shipping (if applicable)

\$ TOTAL CHARGE

TABLE 4

Photographs:

Cost of paper (Cost of Sheet of Photographic Paper/Avg. # of Photographs per sheet)
Developing/Fixing Chemicals (if applicable)
Labor Charge (if applicable)
Overhead charge (if applicable)
Postage and shipping (if applicable)

\$ TOTAL CHARGE

TABLE 5

Maps:

Cost of paper (Cost of Roll/Av. # of Maps)
Cost of toner (Black or Color, #of Maps per toner cartridge)
Labor charge (if applicable)
Overhead charge (if applicable)
Plotter/Computer resource charge
Actual cost of miscellaneous supplies (if applicable)
Postage and shipping (if applicable)

\$ TOTAL CHARGE

APPENDIX A
AQUA WATER SUPPLY CORPORATION SERVICE APPLICATION

Please Print

Date: _____

ZONE: _____ MAP PAGE NO: _____ GENERAL DESCRIPTION: _____

MEMBER'S NAME: _____

SPOUSE'S NAME: _____

CURRENT BILLING ADDRESS: _____

PHONE NUMBER - Home: _____ Work: _____

PROOF OF OWNERSHIP OR RIGHT OF OCCUPANCY PROVIDED BY: _____

DRIVER'S LICENSE # OF APPLICANT: _____

DATE OF BIRTH: _____ SOCIAL SECURITY # (optional): _____

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

PREVIOUS MEMBER'S NAME AND ADDRESS (if transferring Membership): _____

ACREAGE: _____ HOUSEHOLD SIZE: _____

NUMBER IN FAMILY: _____ LIVESTOCK AND NO: _____

SPECIAL SERVICE NEEDS OF APPLICANT, INCLUDING MULTIPLE CONNECTIONS: _____

Signature of Applicant for Service: _____

Printed Name: _____

NOTE Form must be completed by Applicant only. A map of service location request must be attached.

PRIVACY STATEMENT

Aqua Water Supply Corporation Account Information

YOU CAN REQUEST THAT PERSONAL INFORMATION CONTAINED IN AQUA WSC'S RECORDS NOT BE RELEASED TO UNAUTHORIZED PERSONS.

The Texas Utilities Code authorizes water supply corporations, such as Aqua WSC, to give their members the option of making the members' address, telephone number, and social security number confidential as that term is defined under Texas law. This choice by Aqua WSC's members is important because Aqua WSC may keep a member's personal information confidential only upon the request of its individual members. Aqua WSC itself can not make this confidentiality decision.

Please place a "X" on the line next to the statement below if you would like to request that your confidential information remain confidential and please provide your account number, the name of the account holder(s), and your signature.

_____ YES, I WANT TO MAKE MY PERSONAL INFORMATION (ADDRESS, TELEPHONE NUMBER, SOCIAL SECURITY NUMBER, ETC.) CONFIDENTIAL.

Account Number(s) _____

Name of Account Holder(s) _____

Signature _____

Date _____

Unless Aqua WSC receives this Privacy Statement properly executed, your personal information cannot be kept confidential under Texas law.

(There is no charge for this service.)

Effective February 2, 2006

**AQUA WATER SUPPLY CORPORATION
SERVICE AGREEMENT**

AGREEMENT made this _____ day of _____, _____, between Aqua Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the Corporation or Aqua) and _____ (hereinafter called the Member).

Witnesseth:

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

The Member shall pay the Corporation for service hereunder as determined by the Corporation's Tariff and upon the terms and conditions set forth therein, a copy of which is available for review at the Aqua office, upon the request of any Member.

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

The Corporation shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Member's premises at all reasonable times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the Member's property.

The Corporation's authorized employees shall have access to the Member's property or premises and service lines and plumbing facilities at all reasonable times for the purpose of inspecting for possible violations of the Corporation's policies and to ensure compliance with the state required Minimum Acceptable Operating Practices for Public Drinking Water Systems, as promulgated by the Texas Commission on Environmental Quality or successor agency, applicable plumbing codes, and utility construction standards. The Corporation strictly prohibits any direct connection between the public drinking water supply and a potential source of contamination. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device. The Corporation strictly prohibits any cross-connection between the public drinking water supply and a private water system. These potential threats to the public drinking water shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device. The Corporation strictly prohibits any connection which allows water to be returned to the public drinking water supply.

The Member shall allow his property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the Corporation or its designated agent: (i) prior to initiating new water service, (ii) when there is reason to believe that cross-connections or other unacceptable plumbing practices exist, and/or (iii) after any major changes to the private plumbing facilities. The Corporation shall notify the Member in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the initial inspection or the periodic re-inspection. The Member shall immediately correct any unacceptable plumbing practice on his premises. The Member shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation.

In the event the total water supply is insufficient to meet all of the needs of the Members, or in the event there is a shortage of water, the Corporation may initiate the Water Rationing Plan as specified in the Corporation's Tariff. By execution of this Service Agreement, hereof, the Member shall comply with the terms of Water Rationing Plan.

The Member shall install at his own expense a service line from the water meter to the point of use, (herein referred to as the member's side of the meter), including any customer service isolation valves and other equipment as may be specified by the Corporation. The Corporation does not install any equipment on the Member's side of the meter. The Member is responsible for maintaining the line and all equipment on the Member's side, including without limitation the pipe, fittings, and any other equipment installed by the Member. The use of pipes and pipe fittings that contain more than 0.25% lead or solders and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation.

The Corporation does not install pressure relief valves or other pressure-reducing equipment on the Member's side of the meter, nor does the Corporation inspect, maintain, or bear any responsibility for any such valve or equipment installed by Member on Member's side of the meter. If Member chooses to install a pressure relief valve or other pressure-reducing equipment on the Member's side of the meter, Member shall be solely responsible for such installation.

RELEASE. MEMBER HEREBY WAIVES, RELEASES, AND DISCHARGES THE CORPORATION OF ANY AND ALL LIABILITY, CLAIMS, DEMANDS, ACTIONS, OR RIGHTS OF ACTION, OR DAMAGES OF ANY KIND RELATED TO, ARISING FROM, OR IN ANY WAY CONNECTED WITH, MEMBER'S INSTALLATION, MAINTENANCE OR FAILURE TO MAINTAIN, INSPECT, OR REPLACE, OF A PRESSURE RELIEF VALVE OR OTHER PRESSURE-REDUCING EQUIPMENT ON MEMBER'S SIDE OF THE METER, INCLUDING THOSE ALLEGEDLY ATTRIBUTED TO THE NEGLIGENT ACTS OR OMISSIONS OF THE CORPORATION. IF MEMBER CHOOSES TO INSTALL A PRESSURE RELIEF VALVE OR PRESSURE-REDUCING EQUIPMENT ON MEMBER'S SIDE OF THE METER, MEMBER WILLINGLY ASSUMES FULL RESPONSIBILITY FOR ANY AND ALL RISKS ASSOCIATED WITH SUCH VALVE OR EQUIPMENT AND ACCEPTS FULL RESPONSIBILITY FOR ANY DAMAGES OF ANY KIND THAT MAY RESULT FROM SUCH INSTALLATION, MAINTENANCE, AND USE OF SUCH VALVE OR EQUIPMENT. MEMBER AGREES TO ASSUME ALL RISK ASSOCIATED WITH THE INSTALLATION, USE, MISUSE, OR FAILURE OF SUCH VALVE OR EQUIPMENT AND FROM MEMBER'S FAILURE TO TIMELY INSPECT, MAINTAIN, OR REPLACE SUCH VALVE OR OTHER EQUIPMENT.

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

The Member shall grant to the Corporation, now or in the future, any easements and rights-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other such equipment which may be deemed necessary by the Corporation to extend or improve service for existing or future members, on such forms as required by the Corporation.

By execution of this Service Agreement, Member shall guarantee payment of all other rates, fees, and charges due on any account for which said Member owns a Membership Certificate. MEMBER ACKNOWLEDGES THAT NONPAYMENT OF AMOUNTS DUE TO AQUA WILL RESULT IN DISCONNECTION OF THE WATER SERVICE TO MEMBER'S PROPERTY. IN THE EVENT WATER SERVICE IS DISCONNECTED, A FEE SET BY AQUA IN ITS TARIFF WILL BE CHARGED AND MUST BE PAID BEFORE SERVICE WILL BE RECONNECTED.

The Board of Directors shall have the authority to cancel the Membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service. IF AQUA'S EQUIPMENT IS TAMPERED WITH OR WATER IS TAKEN BY MEANS OF AN UNAUTHORIZED CONNECTION OR BOTH, THE MEMBER SHALL FORFEIT ALL RIGHTS AND PRIVILEGES OF MEMBERSHIP, THE MEMBER SHALL FORFEIT ALL CONNECTION AND TAP RIGHTS, THE METER SHALL BE REMOVED, AND THE LINE TAP SHALL BE SEALED.

By execution of this Service Agreement, Member agrees that if Member fails to comply with the terms of this Agreement the Corporation shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow protection device at the service connection. Any expenses associated with the enforcement of the Agreement, shall be billed to and paid by the Member.

Any misrepresentation of fact(s) by the Member on any part of this Agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's Tariff.

Each Member must sign this Agreement before the Corporation will begin service. If service to an existing connection has been suspended or terminated, the Corporation will not re-establish service unless it has a signed copy of this Agreement. The Corporation shall maintain a copy of this Agreement as long as the Member and/or the Member's premises are connected to the Corporation.

Member

Aqua Water Supply Corporation

NOTICE AND RELEASE CONCERNING WATER PRESSURE HAZARD

MEMBER EXPRESSLY ACKNOWLEDGES THAT AQUA MAY INSTALL A CHECK VALVE OR OTHER BACKFLOW PREVENTION DEVICE AT THE METER SERVING MEMBER'S PROPERTY, AND THAT SUCH DEVICE WILL CONTAIN WATER PRESSURE WITHIN MEMBER'S PRIVATE PLUMBING SYSTEM. MEMBER FURTHER ACKNOWLEDGES AND UNDERSTANDS THAT A PROPERLY OPERATING PRESSURE RELIEF VALVE MUST BE INSTALLED BY MEMBER AND MAINTAINED BY MEMBER AT ALL TIMES ON MEMBER'S WATER HEATER. MEMBER UNDERSTANDS THAT FAILURE TO MAINTAIN A PROPERLY OPERATING PRESSURE RELIEF VALVE ON A WATER HEATER IS A DANGEROUS PRACTICE THAT CAN RESULT IN PERSONAL INJURY AND PROPERTY DAMAGE. MEMBER HEREBY AGREES TO WAIVE, RELEASE, AND HOLD AQUA HARMLESS FROM ANY CLAIMS AND DAMAGES RESULTING FROM MALFUNCTIONING, FAILURE, OR ABSENCE OF CHECKVALVES, BACKFLOW PREVENTION DEVICES, AND PRESSURE RELIEF VALVES ON WATER HEATERS, INCLUDING WITHOUT LIMITATION, DAMAGES TO PERSONS OR PROPERTY, DIRECT DAMAGES, SPECIAL DAMAGES, INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, OR LOSS OF PROFIT OR REVENUE, AND INCLUDING THOSE ALLEGEDLY ATTRIBUTED TO THE NEGLIGENT ACTS OR OMISSIONS OF THE CORPORATION.

Member

Effective January, 2016

Date. _____

TEMPORARY EMERGENCY METER APPLICATION

AQUA WATER SUPPLY CORPORATION
APPLICATION FOR A TEMPORARY EMERGENCY METER

Aqua WSC understands that the current drought conditions have affected local ranchers ability to provide water to livestock. Aqua is committed to help local ranchers affected by this drought by providing interim water to livestock through a Temporary Emergency Meter. This Temporary Emergency Meter program is an accommodation to Aqua's members to offer relief to the owners of small livestock operations from the hardships created by these drought conditions.

Name: _____

Address: _____

Telephone: _____

Account No (if existing Aqua member): _____

Proposed Location of Temporary Emergency Meter: _____

Livestock: _____

Type: _____

Number: _____

TERMS AND CONDITIONS OF TEMPORARY EMERGENCY METER PROGRAM:

1. Cost of meter is \$_____, as set by the Board of Directors.
2. Monthly water rates are fee equal to the first tier of the inverted block rate.
3. Water may not be used to fill earthen tanks or used for residential purposes.
4. An automatic shutoff such as a non-siphoning float valve or air gap must be installed on the prefabricated water trough.
5. Temporary Emergency Meter program is available to the owners of lands within Aqua's CCN service area, provided sufficient capacity is available and the use of the water will not adversely affect water service to existing Aqua members.
6. Aqua reserves the right to modify or cancel this program at any time.
7. Aqua reserves the right to remove a meter if the terms and conditions of this policy are violated or the information provided is or becomes inaccurate.

The above information is true and correct and I agree to the Temporary Emergency Meter Policy terms and conditions.

Signature: _____

Date: _____

APPENDIX B RULES AND REGULATIONS CONCERNING AQUA'S SERVICE TO SUBDIVISIONS

TABLE OF CONTENTS

I.	Purpose.....	2
II.	Definitions.....	2
III.	Process to Identify Water Availability to Subdivision – Feasibility Study	3
IV.	Reserving Capacity in Aqua's System	6
A.	Reserving Existing Production, Treatment and Storage Capacity.....	6
B.	Reserving New Production, Treatment and Storage Capacity.....	7
C.	Reserved Capacity Agreements	8
D.	Construction of Developer Project Required to Establish Availability of Water Service to Individual Lots	8
E.	Developer Request for Aqua to Indicate on a Plat that Water Capacity is Available to a Subdivision.....	9
F.	One Time Eligibility for Refund of Capacity Reservation Fees.....	10
G.	Transfer of Reserved Capacity Prohibited.....	10
H.	Recording of Information Concerning Water Availability	10
V.	Obtaining Water Service in Small Subdivisions Containing No More than Four Lots or Parcels.....	10
VI.	Construction Rules and Regulations	11
VII.	Acceptance	14
VIII.	USDA – Rural Development	15
IX.	Obtaining Water Service for Subdivided Tracts of Land Not in Compliance with Rules and Regulations and Tariff.....	15

APPENDIX B
Rules and Regulations Concerning Aqua's Service to Subdivisions

I. Purpose

The purpose of this policy is to establish the terms and conditions under which Aqua will provide water for subdivisions, additions to subdivisions, or developments where service to one or more tracts is requested. The General Manager of Aqua shall act on behalf of the Board to implement this policy.

II. Definitions

- A. "Aqua" means the Aqua Water Supply Corporation as represented by its Board of Directors.
- B. "Aqua's Engineer" means a person or firm licensed by the State of Texas and engaged by Aqua to provide engineering consulting services to Aqua.
- C. "Aqua's System" means Aqua's production, treatment and storage facilities and Aqua's general purpose transmission facilities.
- D. "Board of Directors" or "Board" means the duly elected members of the Board of Directors of Aqua Water Supply Corporation.
- E. "Cost of Construction" means all expenses associated with constructing, installing and placing a facility into operation including, but not limited to, planning, engineering, clearing, surveying, legal, land acquisition, acquisition of rights-of-way, the construction contract, and the like.
- F. "Developer" means an individual, partnership, corporation, or other legal entity that has subdivided land or desires to subdivide land or requests more than two water service connections on a single contiguous tract of land.
- G. "Developer Project" means the construction of facilities by a Developer to serve a subdivision owned or controlled by the developer, including water lines and related equipment necessary to transport water from General Purpose Transmission Facilities to provide water service to individual lots in a subdivision, which facilities will be deeded to Aqua.
- H. "Feasibility Study" means the report prepared by Aqua's Engineer to determine if sufficient water capacity is available to a particular tract of land, and if construction of certain improvements to Aqua's System is required before capacity is available.
- I. "General Purpose Transmission Facilities" means those pumps, filters, lines, chlorination units, and the like which are designed to provide water service to more than one subdivision.
- J. "Production and Storage Facilities" means the equipment, structures, and appurtenances necessary to produce, treat and store water from groundwater or surface water sources for delivery to General Purpose Transmission Facilities.

- K. “Service Area” means that area to which Aqua may lawfully provide water service, whether within or outside the area described by the Certificate of Convenience and Necessity held by Aqua.
- L. “Subdivision” means the division of any lot, tract, or parcel of land, within the Service Area of Aqua, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded. The following are exempted from this definition: Divisions of land resulting from a family or testamentary transfer of a parcel of land having an area of two (2) acres or more, which will not require Aqua to construct new water lines and which may be accessed by existing water lines which meet Texas Commission on Environmental Quality requirements to service the additional meters. The term "family" includes only the grantor's spouse, parents, children, grandparents, grandchildren, or siblings. The exemption provided in this definition for the divisions of any lot, tract, or parcel of land as a result of a family transfer also extends to any purchaser of such a lot, tract, or parcel of land from a person who meets the definition of “family” under this definition. Provided, however, this exemption shall not apply to an *inter vivos* family transfer that constitutes a subdivision of land for sale to the public.
- M. “United States Department of Agriculture – Rural Development Rules” or “USDARD Rules” means those rules promulgated by USDARD with which Aqua must comply. This includes existing and future rules to which Aqua is subject.

III. Process to Identify Water Availability to Subdivision – Feasibility Study

- A. To begin the process of reserving water capacity and the subsequent provision of water service to a proposed Subdivision, Developer must file, a request in writing for Aqua to prepare a Feasibility Study for the proposed Subdivision to determine if there is sufficient capacity in Aqua's System to serve the proposed Subdivision, or if a need exists for an expansion to the capacity of the production, treatment and storage or General Purpose Transmission Facilities, or a combination of both, to serve the proposed Subdivision. Aqua's ability to provide fire flow to the development is dependent on many factors: the size of infrastructure (production and delivery facilities); the topography of the area; and the specific flows required for the particular project.

In addition to the payment of the fees set out in Paragraph B, a request for a Feasibility Study shall include the following:

- 1. Four (4) copies of a map or plat showing the proposed Subdivision, indicating the location of said Subdivision within Aqua's CCN, and the proposed improvements to be constructed by Developer necessary to connect to Aqua's System. The map or plat must show the dimensions of the lots or tracts that result from the subdivision of the property. The map or plat, and any revisions, amendments, or supplements thereto, must be signed and sealed by a licensed surveyor or registered professional engineer.

2. The intended land use of the Subdivision, including detailed information concerning the types of land uses proposed.
 3. The projected water demand of the Subdivision when fully built out and occupied, the anticipated water demands for each type of land use, and a projected schedule of build-out for the Subdivision and associated water demand schedule of events leading up to the approximate date upon which service from Aqua will first be needed.
 4. A statement on whether fire flow is needed and requested water demand, in quantity and time, to meet the fire flow requirements.
 5. A proposed calendar of events, including design, plat approval, construction phasing and initial occupancy, and the approximate date upon which service from Aqua will first be needed.
 6. Any other information required by Aqua to facilitate the evaluation of water service for the proposed Subdivision.
- B. All requests for a Feasibility Study shall be accompanied by a non-refundable fee according to the following schedule:

Proposed Number of LUEs	Fee
1-10	\$1,200.00
11-250	\$1,800.00
251 or more	\$3,000 plus any additional cost to Aqua

If fire flow is needed, an additional non-refundable fee of \$3,000 shall be added to the applicable Feasibility Study fee listed above.

- C. The request for a Feasibility Study will be submitted by Aqua's General Manager to Aqua's Engineer for review and evaluation. Under normal circumstances and where sufficient information is submitted with the request, Aqua's Engineer will complete the Feasibility Study within 30 days of Aqua's receipt of the request and payment of the required fee. The Feasibility Study will include the cost of additional facilities, if any, needed by Aqua to provide water service to the proposed Subdivision based on current material and labor prices and preliminary site and engineering information. A copy of the Feasibility Study will be provided to the Developer upon payment of all fees listed above.
- D. Upon the request of Developer and payment of all applicable fees, the Feasibility Study shall be submitted to the Board of Directors for its consideration at the next regular Board meeting, provided that the next Board meeting is at least 10 days following the date the request is received. If the request is received less than 10 days prior to the next Board meeting, the request will be on the agenda for the following

month's meeting. If the Board of Directors determines that providing water service to the proposed subdivision is feasible, the Board shall adopt a resolution indicating Aqua's ability to provide water service to the Subdivision subject to special terms and conditions to such service identified in the Feasibility Study and to be incorporated in a Reserve Capacity Agreement. Aqua's General Manager shall provide the Developer with the final Feasibility Study identifying the estimated cost to the Developer for Aqua to provide water service to the proposed Subdivision and Aqua's fees to reserve capacity in Aqua's System. The Developer's share of the actual cost to construct the facilities necessary to provide water service to the proposed Subdivision will be determined at the time Aqua receives quotations from contractors based on final detail design of the facilities. In addition, Aqua will provide the Developer with the amount of expenses, such as attorney's fees, estimated to be incurred by Aqua in negotiating and drafting the Reserved Capacity Agreement. The Developer must pay Aqua a deposit in the amount of estimated expenses and provide Aqua with a copy of the warranty deed conveying title to the Developer prior to the drafting of the Reserved Capacity Agreement. If there are any funds remaining after payment is made to cover all such expenses, then Aqua will refund the amount of surplus funds to the Developer. If the deposit is insufficient to cover such expenses, then the Developer shall immediately pay Aqua additional funds in the amount of the balance.

- E. A determination that providing water service to a proposed Subdivision is feasible does not reserve capacity for use with the proposed Subdivision. Uncommitted water supply capacity that exists in Aqua's System is available on a first come, first served basis and may be reserved only in accordance with Section IV of this Tariff. Developer shall not have any rights to water supply capacity until after the Reserved Capacity Agreement is fully executed and capacity reservation fees have been paid.
- F. Aqua recognizes that a developer may desire to determine the feasibility of providing water supply to a proposed Subdivision prior to the purchase of the property. When a request for a Feasibility Study has been submitted by a Developer who does not own the subject property and service to the property has been determined to be feasible, the subject capacity may be held for the proposed Subdivision until the next regularly scheduled meeting of the Board of Directors. Existing water supply capacity may be held for a proposed Subdivision for a period of 120 days by payment of the greater of \$2500 or 10% of the total capacity reservation fee, which payment shall be nonrefundable. A request to hold capacity must be written and hand delivered or sent by certified mail to Aqua's General Manager accompanied by the appropriate fee. The request to hold capacity must be received by Aqua within 30 days after the date of the meeting of the Board of Directors at which service to the proposed Subdivision is determined to be feasible.
- G. In order to maintain the right to utilize the capacity held under Subsection IV.A, the Developer must execute the Reserve Capacity Agreement required under Subsection III. E and pay in full the capacity reservation fees required under Section IV, prior to the expiration of the holding period. The capacity reservation fees shall be payable

in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager. If all requirements of this subsection are not satisfied, any capacity held for the proposed Subdivision shall revert to first come, first served availability.

H. Large Volume Service – Conservation Districts

This section is only applicable to conservation districts that entered into agreements with Aqua prior to August 5, 2013.

1. Any Conservation District desiring to buy water on a bulk basis will be required to negotiate a special contract for such purpose. The contract shall, as a minimum, provide that Aqua will provide a specified quantity of water at a metered point of delivery. Each Conservation District will be responsible for constructing, owning, operating, and maintaining all repressurization facilities, retail water distribution facilities, and the like to provide retail water service.
2. All Large Volume Service – Conservation District contracts will require that Aqua be the sole source of water for whatever area is to be served by the Conservation District.

IV. Reserving Capacity in Aqua's System

Except as allowed by Section V of these Rules and Regulations, Aqua will not provide water service to a lot in a Subdivision unless the Developer has reserved capacity for the requested connection under this Section pursuant to Section 3.01 of Aqua's Tariff.

A. Reserving Existing Production, Treatment and Storage Capacity

1. In order to reserve available capacity for a Subdivision, based on the following types of service, the Developer shall:
 - (a) Standard Service. Pay to Aqua a commitment fee in the amount of \$600.00 for each LUE. The commitment fee is a component of the System Development Fee. The commitment fee is paid at the time capacity is reserved and the remainder of the System Development Fee is collected at the time a meter is installed. The System Development Fee compensates Aqua for its investment in the water production, treatment, storage, and transmission facilities which the new customer will utilize when connected to Aqua's System. In the case of multi-family residences with 2 or more units, each dwelling unit shall have its own meter and a capacity reservation fee shall be charged for each dwelling unit. This fee shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors at the time the Reserved Capacity Agreement is executed

- (b) Multi-Unit Residences. In the case of multi-dwelling unit residences served by Large Volume Service -- Multiple Owner, the development may be served by one or more master meters. The number of dwelling units shall be adjusted by multiplying by a factor of 0.7 for dwelling units that share common walls, such as townhouses or condominiums. This fee shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors at the time the Reserved Capacity Agreement is executed
 - (c) Commercial. Each commercial user shall have its own meter. The commercial capacity reservation fee shall be calculated by calculating the ratio of the water demand needed by the commercial customer to the water demand for a single family residential customer, and then multiplying the then current single family capacity reservation fee times the ratio derived above. Provided, however, the cost of a commercial capacity reservation fee shall never be less than the single family residential capacity reservation fee. This fee shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors at the time the Reserved Capacity Agreement is executed
 - 2. Pay to Aqua the Costs of Construction necessary to provide service from the nearest point of adequate supply in Aqua's existing General Purpose Transmission Facilities to the proposed Subdivision. Developer shall pay Aqua the Costs of Construction at the time the Reserved Capacity Agreement is executed. These costs shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager.
 - 3. Agree to construct all facilities included in Developer Project and deed all facilities constructed under this Paragraph to Aqua together with all easements in which the facilities are located, upon completion and acceptance by Aqua's Engineer.
- B. Reserving New Production, Treatment and Storage Capacity
- If it is necessary for Aqua to add capacity to Aqua's System before Aqua can adequately serve the Subdivision proposed by the Developer, the following requirements shall apply:
- 1. The Developer shall pay the Costs of Construction necessary to provide service from the nearest point of adequate supply in Aqua's existing General Purpose Transmission Facilities to the proposed Subdivision.

2. The Developer shall pay the greater of (i) a commitment fee in the amount of \$600.00 for each single family residential customer (or equivalent as described in Section IV.A.1 above), or (ii) all Costs of Construction necessary to upgrade that portion of Aqua's Production and Storage Facilities to meet the needs of the Developer's requested service.
3. The design of all improvements to Aqua's System shall be accomplished by Aqua's Engineer and the construction of such improvements shall be done by Aqua or Aqua's agents. The Costs of Construction of all such improvements shall be borne by the Developer in accordance with Subsections IV.B.1 and IV.B.2 above. Developer shall pay to Aqua the full amount of the Costs of Construction at the time the Reserved Capacity Agreement is executed. These costs shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager.
4. The Developer shall agree to construct all facilities identified as Developer Project and convey all facilities constructed under this Paragraph to Aqua together with all easements in which the facilities are located upon completion and acceptance by Aqua.

C. Reserved Capacity Agreements

All Reserved Capacity Agreements shall be subject to the terms of the Aqua Water Supply Corporation's Rules and Regulations, including the Tariff on file with the Texas Commission on Environmental Quality. All Reserved Capacity Agreements shall also be subject to all future amendments or modifications of the Rules and Regulations and the Tariff. In the event the terms of a Reserved Capacity Agreement conflict with the Rules and Regulations and the Tariff, the Rules and Regulations and the Tariff shall control. The Reserved Capacity Agreement shall have a term of ten years. A request for an agreement with a term of greater than ten years or any extensions to existing agreements shall be considered on a case by case basis. Upon the expiration of any Reserved Capacity Agreement and the construction of Developer Project is not underway, the capacity reserved pursuant to such Agreement shall be returned to Aqua and available on a first come, first served basis.

D. Construction of Developer Project Required to Establish Availability of Water Service to Individual Lots

The approval and execution of the Reserved Capacity Agreement between Developer and Aqua results in the availability of a specific amount of water capacity at the boundary of the Subdivision. The availability of water capacity at the boundary of the Subdivision does not mean that water service is available at a particular lot or that Aqua will set a meter at a lot upon request by the owner of the lot. Developer must complete Developer Project and deed to Aqua in order for capacity and water service to be available at a lot within the Subdivision.

E. Developer Request for Aqua to Indicate on a Plat that Water Capacity is Available to a Subdivision

In order for Aqua to indicate on a final plat of a Subdivision that water service is available, Developer must either (1) complete construction of Developer Project, or (2) if construction of Developer Project is not complete, (i) execute restrictive covenants in a form similar to Exhibit A attached hereto, or (ii) provide a letter of credit ("LOC") payable to Aqua in an amount equal to the costs of construction of the on-site water facilities plus 15% contingencies.

In the event Developer chooses to request the filing of restrictive covenants, said restrictive covenants will be filed by Aqua in the real property or plat records of the county where the Subdivision is located. Aqua will file the appropriate instrument to release the restrictive covenants when Developer Project is complete; however, if Developer Project is larger than 10 lots and completed in stages, Aqua will release specific lots from the restrictive covenants in groups of not less than 10 lots.

In the event, Developer chooses to submit a LOC as set out herein, Developer must first submit construction plans and specifications for Developer's Project, including a detailed cost estimate, to Aqua for its review and approval. Aqua shall have 30 days to review and approve the plans and cost estimate for Developer's Project.

The LOC shall be in an amount equal to the detailed cost estimate for Developer's Project plus 15% contingencies, shall be irrevocable, issued by a state or federally chartered banking institution, payable to Aqua Water Supply Corporation and have a one year term. Aqua will release the LOC to Developer at the time the Developer's Project has been completed and accepted by Aqua.

If Developer's Project is not constructed within 30 days of the expiration date of the LOC, then Aqua will cash the LOC and construct Developer's Project. Any amounts remaining from the LOC after payment of all costs resulting from the construction of Developer's Project shall be refunded to Developer.

If Developer desires to extend the LOC beyond the one year term, a request for a substitute LOC must be submitted to Aqua not later than 60 days prior to the expiration of the LOC. Developer shall submit a revised cost estimate for Developer's Project for Aqua's review and approval. The amount of the successor LOC must include any cost increases for construction of Developer's project. The substitute LOC shall be submitted to Aqua not later than 30 days prior to the expiration of the LOC. Upon Aqua's receipt of a substitute LOC, Aqua will release the previous LOC to Developer.

Once water supply capacity has been reserved and allocated to a particular tract of land and Aqua has indicated on a final plat that water service is available to the land, the water supply capacity shall not be transferred to other land.

F. One Time Eligibility for Refund of Capacity Reservation Fees

A Developer who has paid commitment fees but has not received approval of the subdivision plat from a local governmental entity having jurisdiction and authority to approve subdivision plats in the area in which the proposed Subdivision is located, may request a refund of commitment fees, less any costs and expenses incurred by Aqua in connection with the proposed Subdivision provided the following additional conditions are satisfied:

1. Not more than 90 days have elapsed since the date the commitment fees were paid to Aqua; and,
2. The Developer has not received a previous refund of commitment fees in connection with the land on which the proposed Subdivision is located; and
3. No plat has been filed of record indicating that Aqua will provide service to the proposed Subdivision.

The General Manager shall determine the Developer's eligibility for a refund and the amount of refund to be made, if any. Any unrecorded plat bearing an original signature showing Aqua's commitment for service to a proposed Subdivision must be returned to Aqua with the request for a refund. The 90 day deadline for requesting a refund may be extended for a period of 30 days for good cause by action of the Board of Directors. A request for the extension that states the grounds for good cause must be submitted to Aqua no less than seven days prior to the last Board of Directors meeting that is held within the 90 day period.

G. Transfer of Reserved Capacity Prohibited

Any agreement entered into in accordance with this policy shall only be a commitment to provide water to the specific tract of land described in the Reserved Capacity Agreement.

H. Recording of Information Concerning Water Availability

When a tract of land is subdivided and water supply capacity is not reserved for the entire tract, Aqua may file a notice concerning water availability in the real property records of the county in which the tract of land is located. The notice may reference the agreement between Aqua and the Developer and the notice may specify the portions of the tract of land for which water service is available and the residual portions of the tract of land for which no water supply capacity has been reserved.

V. Obtaining Water Service in Small Subdivisions Containing No More than Four Lots or Parcels

This Section applies to an application for setting a meter and providing water service to a lot or parcel of land where the lot or parcel results from subdividing a tract of land into 4 or less lots or parcels, and where the Developer has not complied with the requirements of these Rules and Regulations Concerning Aqua's Service to Subdivisions. Subject to availability

of water supply capacity in Aqua's System, an applicant, other than the Developer, may obtain service to a single lawfully platted lot or a single lawfully subdivided parcel by payment of the membership fee, the applicable meter installation and System Development Fees, and the capacity reservation fee required by Section IV.A of these Rules and Regulations. Additionally, if an extension of Aqua's water supply lines is necessary to provide water service to the lot or parcel, the applicant must pay all costs which the Developer would have been required to pay to receive service, including but without limitation, those costs to extend Aqua's General Purpose Transmission Facilities and the cost of materials and installation of an adequately sized water line to deliver water to the lot or parcel, which in no case shall be smaller than a four (4) inch line.

VI. Construction Rules and Regulations

A. A preliminary or final plat and water facilities plan must be submitted to Aqua and approved by Aqua's Engineer before construction of Developer Project commences. There shall be a non-refundable fee of \$50 per LUE to review the water facilities plan internal to the subdivision. The water facilities plan shall include the plans and specifications (construction drawings) of the improvements to be located within the subdivision and a description of the rights-of-way in the subdivision in which the facilities will be constructed. The preliminary or final plat and plan must be approved, if needed, by:

1. The county or counties in which the land is located;
2. The governing body of any city within whose corporate or extraterritorial jurisdiction the Subdivision lies;
3. The United States Fish and Wildlife Service and/or the Texas Parks and Wildlife Department; and
4. Any other person or political subdivision whose approval will be required before Aqua can provide the service contemplated by the Developer's request.

A Developer may also meet the requirements of VI.A.1. with a statement in writing from a county or counties that approval of the plat is not required. In the event there is no response from the pertinent county or counties regarding plat approval or exemption, the Developer shall submit written documentation establishing that approval of the plat by the pertinent county or counties is not required.

B. Easements

1. Easements for Approach Main

Before construction of the Developer Project begins, the Developer shall dedicate to Aqua, or pay the cost of acquiring, title to a 15 foot permanent easement and an adjacent 15 foot temporary workspace easement, which easements shall run from Aqua's existing General Purpose Transmission Facilities to the Developer's subdivision. The 15 foot permanent easement

shall include exclusive easement rights to a 5 foot wide strip of land, the center line of which shall be defined as the center line of the water line as installed. These costs shall be payable in the form of a Cashiers Check or other form of payment approved by the Board of Directors or Aqua's General Manager.

2. Easements for Developer Project

The Developer shall dedicate to Aqua all easements within the subdivision necessary for water line construction within the subdivision and shall dedicate such additional easements as are necessary where a deviation from dedicated utility easements is deemed necessary by Aqua. In locations where the applicable county commissioner's court or municipal governing body has approved specific utility location assignments within public utility easements (PUE), internal water distribution lines shall be installed within the PUE at the location assigned for water utility service. Where specific utility location assignments are not applicable, every easement for water lines within the subdivision shall have a minimum width of 15 feet. All water line easements shall be shown on the final recorded plat of the subdivision.

3. Boundary Easements

The Developer shall dedicate to Aqua title to a 15 foot permanent easement and an adjacent 15 foot temporary workspace easement along all roads and highways adjoining the subdivision for future water line construction. The 15 foot permanent easement shall include exclusive easement rights to a 5 foot wide strip of land, the center line of which shall be defined as the center line of the water line as installed.

4. Clearing of Easements

The Developer shall bear the cost of clearing and chipping the entire width of: (1) all easements which run from Aqua's existing General Purpose Transmission Facilities to the Developer's subdivision; (2) all easements within the subdivision necessary for water line construction within the subdivision; (3) all additional easements necessary where a deviation from dedicated utility easements is deemed necessary by Aqua; and (4) all public utility easements, if an applicable County Commissioner's Court or municipal governing body has approved specific utility location assignments within the public utility easement.

- C. The Developer shall pay all costs of obtaining right-of-way easements necessary to connect the Developer Project to Aqua's General Purpose Transmission Facilities, whether or not the easements are in the Subdivision. These costs shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager.

- D. All Subdivisions shall meet the conditions of all local, state, and federal agencies having regulatory authority over lot sizes, sewage control, drainage, and right-of-way. When possible, meters should not be placed in locations where they may be subjected to vehicular traffic, such as a meter placed under a driveway providing access to a dwelling. If a Developer desires that one or more meters be placed in a location where, in the opinion of Aqua, the meter(s) may reasonably be subjected to vehicular traffic of any sort, then the report produced by Aqua's Engineer will also include an estimate of the cost to Developer of providing one or more meter boxes designed and constructed to minimize the likelihood of damage to the meter resulting from said vehicular traffic.
- E. The Developer shall provide accurate on-the-ground markings of all Developer Projects in conformance to Aqua's requirements.
- F. The Developer shall provide sufficient notification to Aqua to allow Aqua to observe critical elements of construction. These include, but are not limited to:
 - 1. Water line and facility installation;
 - 2. Connections to existing mains;
 - 3. Pressure testing procedures; and
 - 4. The testing of all water facilities.

If Developer fails to comply with the above, Aqua may require Developer to have the constructed facilities uncovered and exposed for Aqua's inspection. In any event, the integrity of the facilities is the responsibility of Developer.

- G. Aqua may, if necessary, acquire any essential land or easements by eminent domain in order to provide service to a subdivision. The Developer shall pay all expenses associated with such condemnation proceedings, including legal, engineering, the award of the Commissioners or the Court, and the like. These costs shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager.
- H. Oversizing
 - 1. Oversizing by Aqua. It may be necessary from time to time for Aqua to oversize improvements which are contemplated by the Developer, or Developers, to either its Production and Storage Facilities, its General Purpose Transmission Facilities, or the Developer Project. The decision on whether to oversize such facilities shall lie exclusively with Aqua. Aqua shall bear the cost of all oversizing requested by Aqua. Should Aqua, in Aqua's sole discretion, determine that: (1) Aqua does not have funds available for such oversizing at the time a request for service is received so that the Developer would, in the Developer's opinion, be delayed from proceeding with its Subdivision, or (2) Aqua's available funds should not be

used for oversizing on Developer Project at the time a request for service is received, Aqua will agree to enter into a contract where all such oversizing is paid by the Developer and Aqua will reimburse the Developer out of future capacity reservation fees. Aqua will agree to, on an annual basis, make an accounting of the capacity reservation fees that have been received for the preceding year which utilized capacity in the System which was oversized at the expense of the Developer and pay the Developer an amount equal to 60% of such fees until Developer is fully compensated for the cost of funding Aqua's oversizing. Provided, however, Aqua shall not pay interest on the funds which the Developer has expended for such oversizing. Additionally, the term of such contract shall not exceed ten years. At the expiration of the term of the contract, Aqua shall have no further obligation to reimburse the Developer for funds expended in such oversizing.

2. Oversizing by Developer. If Aqua's Board of Directors has determined that Aqua should construct an improvement to Aqua's General Purpose Transmission Facilities to serve the needs of existing members and such facilities may reasonably be oversized to provide capacity for a Developer Project, the Developer will be allowed to enter a contract with Aqua to have the facilities oversized to provide capacity for Developer Project provided that Developer pays the incremental cost to oversize the facilities beyond the capacity that Aqua would have constructed.

VII. Acceptance

- A. Aqua shall approve all facilities constructed in its Service Area. The cost for these services shall be borne by the Developer under this policy.
- B. Aqua will accept the dedicated facilities only if the facilities are constructed in strict conformance with the previously approved construction plans and specifications. .
- C. Aqua will, at the expense of the Developer, inspect and test the facilities to ensure that Aqua's standards are met.
- D. After receipt of as-built drawings, letters of acceptance and final Developer Project approval from Aqua, Aqua shall accept the Developer Project, provided the Developer has complied with other applicable portions of these rules and regulations including but not limited to Section VI. F. above.
- E. Aqua shall not provide service to a Subdivision until (1) the Developer has paid all amounts owed to Aqua under these rules and regulations, (2) the facilities have achieved compliance with applicable hydraulic standards, (3) the Developer has submitted documentation of a satisfactory bacteriological test for the facilities, and (4) Developer has presented Aqua a certificate applicable to the Subdivision issued pursuant Section 212.0115 of the Texas Local Government Code if the subdivision is within the jurisdiction of a municipality under Section 212.0115(a) of the Texas Local Government Code. Until the requirements of this subsection are

satisfied Aqua will not provide water to the Subdivision for any purpose other than testing or flushing.

- F. Upon acceptance of Developer's Project, Aqua will sign the plat or release the Restrictive Covenants.

VIII. USDA – Rural Development

The Developer recognizes that Aqua must comply with USDA – Rural Development rules and regulations as promulgated from time to time as those rules and regulations apply to the service, rates, and capacity addition of Aqua.

IX. Obtaining Water Service for Subdivided Tracts of Land Not in Compliance with Rules and Regulations and Tariff

This Section applies to an application for setting a meter and providing water service to a lot or parcel of land where the lot or parcel results from subdividing a tract of land into 5 (five) or more lots or parcels, and where the Developer has not complied with the requirements of these Rules and Regulations Concerning Aqua's Service to Subdivisions.

Applications submitted to AWSC under this section must meet the following conditions:

1. The tract that is the subject of the application is located:
 - a. in a subdivision of tracts that is exempt from a county's platting requirements;
 - b. in a county that does not indicate whether or not water services is available on a subdivision plat; or
 - c. in a county that indicates with a notation or statement that Aqua WSC is the water provider, but the Developer has not complied with Aqua's Rules and Regulations and Tariff.
2. The Applicant pays the required feasibility study fee.

Subject to availability of water supply capacity in Aqua's System, an applicant, other than the Developer, may obtain service to a single lawfully platted lot or a single lawfully subdivided parcel by payment of the membership fee, the applicable meter installation and System Development Fees, and the capacity reservation fee required by Section IV. A of these Rules and Regulations. Additionally, if an extension of Aqua's water supply lines is necessary to provide water service to the lot or parcel, the applicant must pay all costs which the Developer would have been required to pay to receive service, including but without limitation, those costs to extend Aqua's 'General Purpose Transmission Facilities and the cost of materials and installation of an adequately sized water line to deliver water to the lot or parcel, which in no case shall be smaller than a six (6) inch line.

EXHIBIT A TO APPENDIX B

RESTRICTIVE COVENANT

THE STATE OF TEXAS

§

§

COUNTY OF _____

§

WHEREAS, _____,
a _____ (the "Owner"), whose address is _____, is
the owner of the following real property in _____ County, Texas:

_____, a subdivision
in _____ County, Texas, according to the plat recorded in Book _____,
Pages _____ - _____, Plat Records of _____ County, Texas (the "Property");
and

WHEREAS, Aqua Water Supply Corporation ("Aqua") and the Owner have agreed that
the Property should be impressed with certain covenants and restrictions running with the land
and desire to set forth their agreement in writing;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of
which are hereby acknowledged, the Owner hereby agrees as follows with respect to the
Property, which agreement will constitute a covenant running with the Property and will be
binding on the Owner, its successors and assigns:

1. No portion of the Property may be sold transferred or conveyed prior to the final
acceptance of the water utility improvements for the Property by Aqua and Aqua has filed notice
of such acceptance in the real property records of the county; however, utility easements required
to serve the Property may be dedicated to the public and/or the applicable utility provider.

2. If all of the water utility improvements required by Aqua for the Property, as
more fully described in the Agreement to Construct an Approach Main Extension and to Reserve
Water Supply Capacity between the Owner Aqua dated _____, 20____, are not complete
and accepted by Aqua by _____, 20____, then this covenant and agreement will constitute
an application to Aqua for the vacation of the reservation of water for the Property.

3. If any person or entity violates or attempts to violate this agreement and covenant,
Aqua, or its successors and assigns, may prosecute proceedings at law or in equity against the
person or entity violating or attempting to violate this agreement and covenant and may prevent
said person or entity from violating or attempting to violate this agreement or covenant.

4. If any part or provision of this agreement and covenant is declared invalid, by judgment or court order, that invalidity will not affect any of the other provisions of this agreement, and the remaining portions of this agreement will remain in full force and effect.

5. Any failure of Aqua, its successors and assigns, to enforce this agreement and covenant, whether the violations are known or not, will not constitute a waiver or estoppel of Aqua's right to do so.

6. This agreement may be modified, amended or terminated only by joint action of both (a) the General Manager of Aqua or another duly authorized representative of the Aqua, and (b) the owners of the Property at the time of the modification, amendment or termination.

EXECUTED this ____ day of _____, 20__.

By: _____
Printed Name: _____
Title: _____

THE STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____,
20__, by _____, _____ of _____, a Texas
_____, _____ of _____.

Notary Public in and for the State of Texas

Attachment “H” – Question 22

Polonia TCEQ Compliance Correspondence

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Toby Baker, *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 27, 2019

Mr. Paul L. Pittman, General Manager
Polonia Water Supply Corporation
Post Office Box 778
Lockhart, Texas 78644

Re: Comprehensive Compliance Investigation at:
Polonia WSC Water System
1214 Thompson Road, Dale, Caldwell County
TCEQ Public Water Supply 0280005, RN100824960

Dear Mr. Pittman:

On February 13, 2019, Lawrence King of the Texas Commission on Environmental Quality (TCEQ) Austin Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water systems. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your continued efforts to ensure the protection of the public health. Should you have a question, please feel free to contact Mr. King in the Austin Region Office at (512) 339-2929.

Sincerely,



Shawn Stewart
Water Section Manager
Austin Region Office

SS/lok

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*
Toby Baker, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 29, 2020

Mr. Paul Pittman, General Manager
Polonia Water Supply Corporation
PO Box 778
Lockhart, Texas 78644-0778

Re: Compliance Evaluation Investigation at:
Polonia Water Supply Corporation South
Regulated Entity RN101247617, PWS ID No. 0280020, TCEQ Investigation No. 1651750

Dear Mr. Pittman,

On April 29, 2020, Mr. Michael Beatty of the Texas Commission on Environmental Quality (TCEQ) Austin Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Beatty in the Austin Region Office at (512)339-2929.

Sincerely,

Chad Ahlgren

Chad Ahlgren
Water Work Leader
Austin Region Office

CA/mb

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*
Toby Baker, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 29, 2020

Mr. Paul Pittman, General Manager
Polonia Water Supply Corporation
PO Box 778
Lockhart, Texas 78644-0778

Re: Compliance Evaluation Investigation at:
Polonia WSC North
Regulated Entity RN101249175, PWS ID No. 0280007, TCEQ Investigation No. 1651501

Dear Mr. Pittman,

On April 29, 2020, Mr. Michael Beatty of the Texas Commission on Environmental Quality (TCEQ) Austin Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Beatty in the Austin Region Office at (512)339-2929.

Sincerely,

Chad Ahlgren

Chad Ahlgren
Work Leader
Austin Region Office

CA/mb

Attachment “I” – Question 28

List of Aqua WSC Licensed Operators

TCEQ Licensing

	Employee	Title	License Type /Level	License Number	Last Issued Date	Expire Date
1	Abshier, Cory	Equipment Operator				
2	Abshier, Thomas	SCADA Supervisor	C	WG0010633	7/1/2019	7/13/2022
3	Adams, Joseph R.	Field Operations Supervisor	B	WG0016747	8/31/2020	10/9/2023
4	Ambrose, Michael Lane	Zone Operator	C	WG0017930	8/29/2019	8/29/2022
5	Barnhart, Michael	SCADA Tech	C	WG0010634	4/16/2019	4/27/2022
			C	WW0047887	9/18/2018	11/20/2021
6	Biddle, Steven	Meter Tech				
7	Boatright, Cody	Lead Zone Operator	B	WG0016737	8/31/2020	10/9/2023
			C	WW0063438	10/30/2019	10/30/2022
			CSI	CI0008219	3/13/2019	5/30/2022
8	Braddock, Nicholas A.	Inventory Specialist				
9	Bush, Tim	Production Operator (South)	C	WW0038162	2/26/2018	3/5/2021
10	D'Souza, James	Engineer Project Manager	A	WO0041219	3/6/2018	3/6/2021
			C	WW0057371	3/25/2020	5/9/2023
11	Del Toro, Gilbert	Equipment Operator	C	WG0016955	4/10/2018	4/10/2021
				OSSF Maint Tech	5/3/2013	5/31/2016
12	Dunn, Steve	Production Manager - Lab Director	A	WO0031834	10/9/2018	12/13/2021
			B	WW0042901	7/30/2019	9/9/2022
13	Eschberger, Philip	Zone 3 & 6 Operator	C	WG0004231	3/29/2018	6/11/2021
			CSI	CI0010087	4/17/2019	6/13/2022
14	Evans, Jacob B.	Maint Technician				
15	Faske, Steven Ray	Preventive Maint. Supervisor				
16	Fleming, David	Manager of Eng	C	WG0014318	11/12/2018	1/10/2022
			C	WW0042902	8/16/2019	9/9/2022
17	Flores, Jose A. Jr.	Meter Technician	D	WW0054632	11/23/2015	11/23/2018
18	Goertz, Craig W.	Production Operator (North)	C	WG0017493	4/22/2019	4/22/2022
			C	WW0046656	6/22/2018	7/17/2021
				OSSF Maint Tech	9/22/2015	10/31/2018
19	Grohman, John	Water Quality Assurance Specialist	C	WG0006265	7/31/2020	7/26/2023
20	Harmon, Tim	CIP Inspector/Extensions	C	WG0005124	4/24/2020	5/1/2023
21	Hellums, Aaron	Equipment Operator	working towards his Water Distribution C			
22	Hernandez, Reyes	Maint Technician				
	Employee		License Type /Level	License Number	Last Issued Date	Expire Date
23	Kellogg, Lynn	CSI/Conservation		BP0002323	Backflow/1-10/18	3/20/2021
			CSI	CI0004422	CSI / 7/3/2018	9/4/2021
				LI0007632	Licensed Irrigator / 07/15/2020	9/30/2023
24	Kirby, Michael	Fleet Manager				
25	Limuel, Kenneth	Meter Tech				
26	Marrs, Rory	Project Manager	C	WG0004506	12/11/2017	2/4/2021

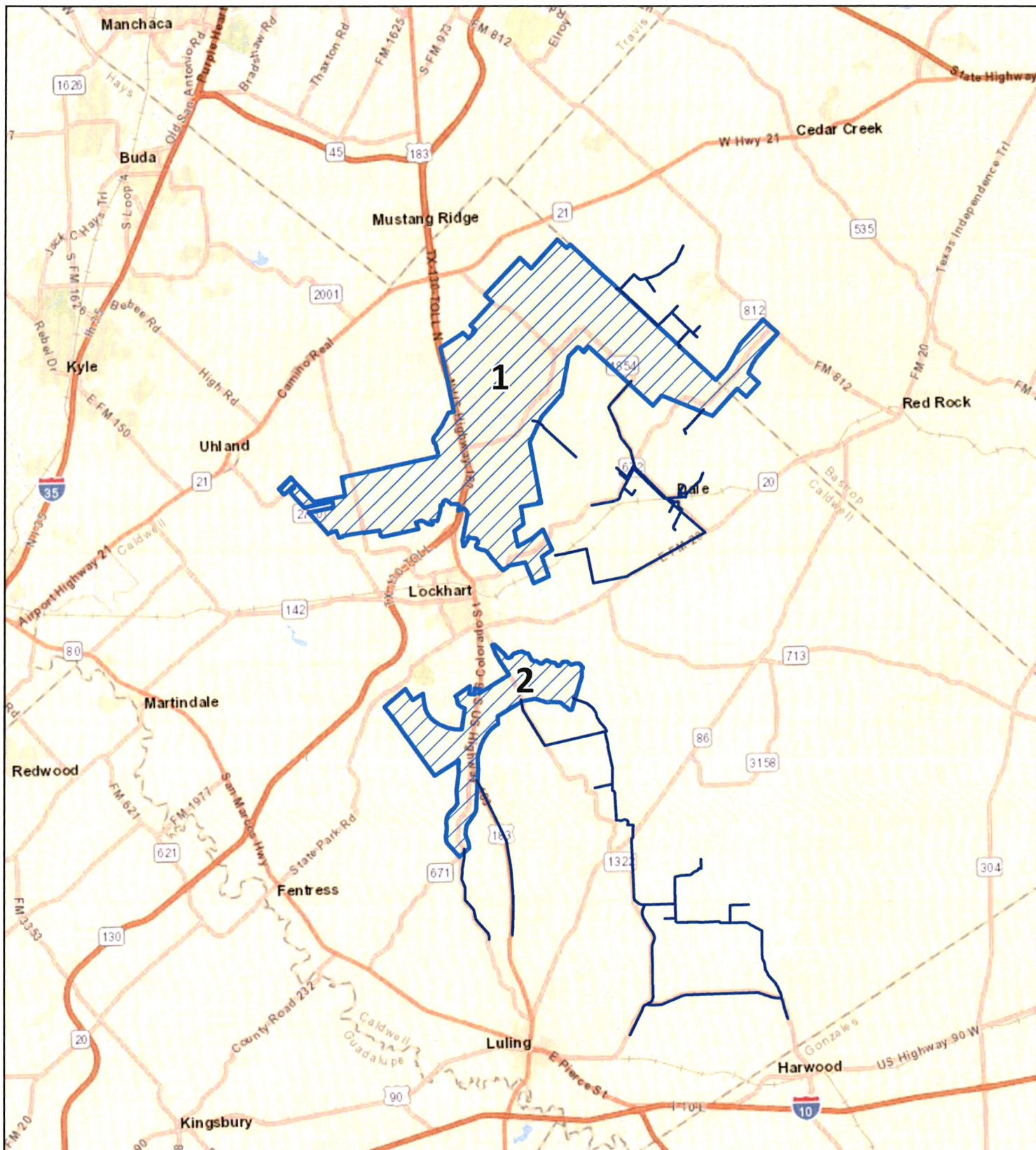
Revised December 21, 2020

TCEQ Licensing

27	McMurry, Alan David	General Manager				
28	Merino, Zachary	ROW Negotiator	C	WG0013567	9/4/2020	8/11/2023
29	Moffett, James D.	Inventory Coordinator	D	WO0028832	11/27/2013	10/8/2016
30	Montgomery, John	Zone Operator 2A	C	WG0015984	2/19/2020	3/21/2023
31	Nichols, Kyle Wesley	Zone Operator	C	WG0017931	11/14/2019	11/14/2022
32	Pacheco, Frank	Operations Manager	C	WG0005526	1/19/2018	3/1/2021
			CSI	CI0008853	8/28/2020	8/16/2023
33	Pulido, Francisco	Production Operator I	C	WG0013965	7/11/2018	9/19/2021
			CSI	CI0009197	1/22/2016	1/22/2019
34	Ramirez, Angel	Equipment Operator Assist.				
	Employee		License Type /Level	License Number	Last Issued Date	Expire Date
35	Reyes, Richard	Security Systems Administrator				
36	Smith, Clifton	Zone Operator 7	C	WG0011576	11/30/2020	11/19/2023
			C	WW0042747	11/18/2019	12/23/2022
37	Tharp, Micheal	SCADA Technician	C	WG0009723	10/13/2020	10/3/2023
			C	WW0038201	10/9/2020	11/20/2023
		Journeyman Electrician		104915		10/17/2013
38	Tiner, Mark	Lead Zone Operator	B	WG0014151	10/30/2018	12/6/2021
			C	WW0047734	10/30/2018	10/24/2021
			CSI	CI0009195	1/23/2019	2/13/2022
39	Tiner, Mitchell Landford	Meter Tech				
40	Wilhite, Brent	Production Supervisor	C	WG0011578	9/4/2020	10/3/2023
			CSI	CI0008851	9/1/2020	8/16/2023
41	Winkler, Callahan	GIS Tech/Analyst	C	WG0012952	11/21/2016	12/9/2019

Attachment “J” – Question 29

**General Location Small Scale Map
and Detailed Large Scale Maps**



Application to Transfer Polonia WSC Water CCN No. 10420 Requested Area (RA) 1 & 2 and Facility Lines to Aqua WSC CCN No. 10294



Legend - 1" = 21,000'

0 1 2 4 6 8 Miles

June 14, 2021

Located both north and south of the City of Lockhart.
To the north, terminating at Caldwell County line
and to the south terminating near the Luling city limits
along FM 671.

Requested Area (RA) to Transfer



RA 1 & 2 - Polonia WSC CCN No.10420
to Transfer to Aqua WSC Water CCN No. 10294

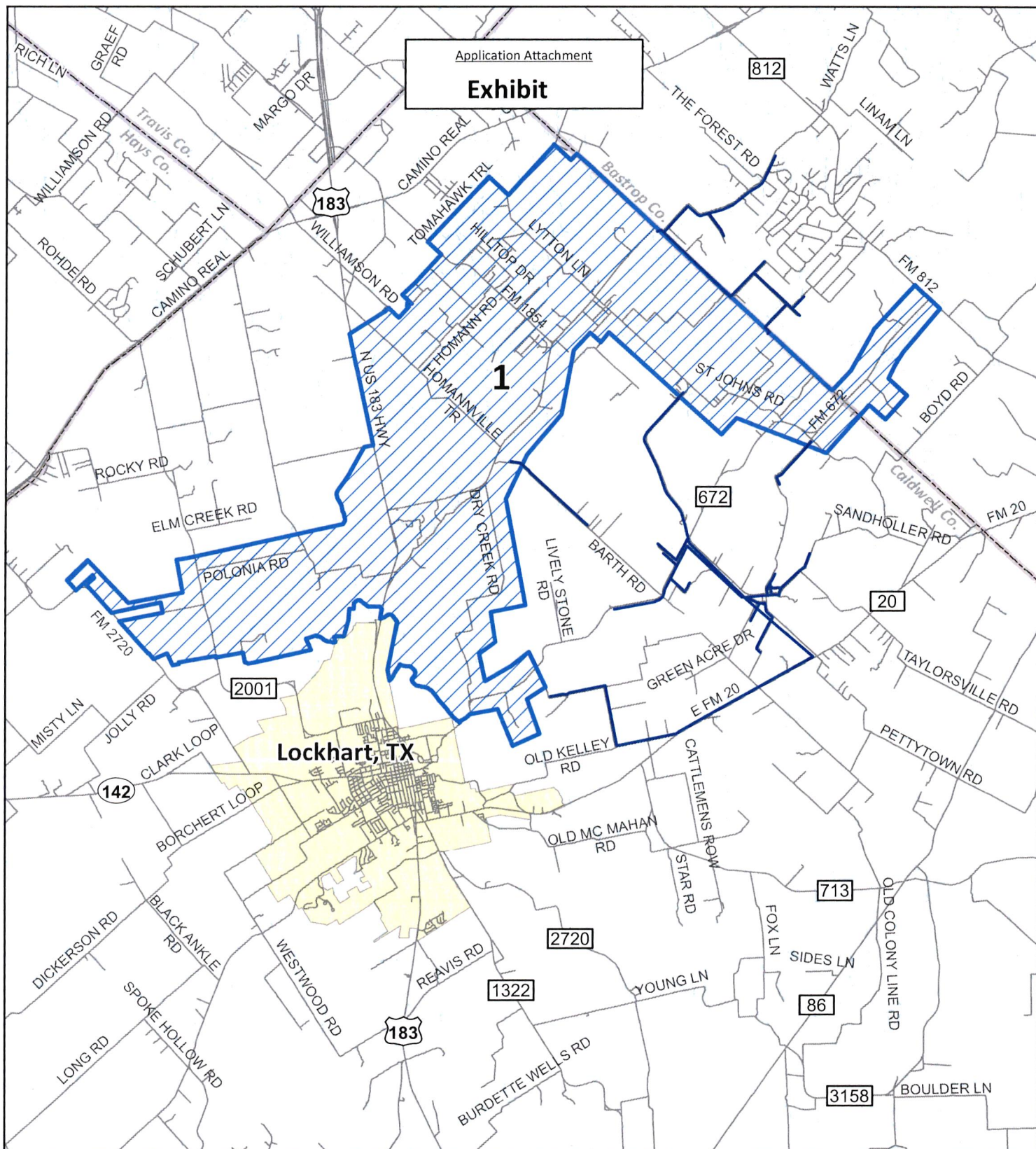


RA 1 & 2 Facilities - Polonia WSC CCN No.10420
to Transfer to Aqua WSC Water CCN No. 10294

Caldwell & Bastrop Co., TX

Application Attachment

Exhibit



Application to Transfer Polonia WSC Water CCN No. 10420 Requested Area (RA) 1 and Facility Lines to Aqua WSC CCN No. 10294



Legend - 1" = 12,000'

0 3,000 6,000 12,000 18,000 24,000 30,000 Feet

June 14, 2021

Located north of the City of Lockhart and terminating near Caldwell County line.

Caldwell & Bastrop Co., TX

Requested Area (RA) to Transfer



RA 1 - Polonia WSC CCN No. 10420 to Transfer to Aqua WSC Water CCN No. 10294



RA 1 Facilities - Polonia WSC CCN No. 10420 to Transfer to Aqua WSC CCN No. 10294

Attachment “K” – Question 29

Digital Mapping Data*

*Attached separately.

Attachment “L” – Question 32

**Comparison of Aqua WSC and Polonia WSC
Rate Schedules**

COMPARISON OF AQUA WSC & POLONIA WSC RESIDENTIAL RATE SCHEDULES

Aqua Water Supply Corporation Rate Schedule					
Meter Type And Size	Monthly Customer Charge	Gallons Included	Usage Charge per 1,000 Gallons - 1 to 10,000 -	Usage Charge per 1,000 Gallons - 10,001 to 20,000 -	Usage Charge per 1,000 Gallons - Over 20,001 -
5/8" Simple	\$25 15	-0-	\$3 75	\$5.75	\$7.00
3/4" Simple	\$25 15	-0-	\$3.75	\$5 75	\$7 00
1" Simple	\$25.15	-0-	\$3 75	\$5 75	\$7 00

Polonia Water Supply Corporation Rate Schedule								
Meter Type And Size	Monthly Customer Charge	Gallons Included	Usage Charge per 1,000 Gallons - 1 to 5,000 -	Usage Charge per 1,000 Gallons - 5,001 to 10,000 -	Usage Charge per 1,000 Gallons - 10,001 to 15,000 -	Usage Charge per 1,000 Gallons - 15,001 to 20,000 -	Usage Charge per 1,000 Gallons - 20,001 to 30,000 -	Usage Charge per 1,000 Gallons - Over 30,001 -
5/8" Simple	\$26 86	-0-	\$2 93	\$3.66	\$4.94	\$6 66	\$9.33	\$13 53
3/4" Simple	\$40 29	-0-	\$2 93	\$3 66	\$4 94	\$6.66	\$9 33	\$13.53
1" Simple	\$67 15	-0-	\$2.93	\$3.66	\$4.94	\$6 66	\$9.33	\$13.53

Examples of Monthly Charges			
Aqua WSC			
Monthly Usage	Monthly Base Fee	Usage Charge	Total Monthly Bill
4,000	\$25.15	\$15.00	\$40.15
7,500	\$25.15	\$28.13	\$53.28
13,000	\$25.15	\$54.75	\$79.90
Overall Average Bill			\$49.42
Polonia WSC			
4,000	\$26.86	\$11.72	\$38.58
7,500	\$26.86	\$23.80	\$50.66
13,000	\$26.86	\$47.77	\$74.63
Overall Average Bill			\$50.54

Attachment “M” – Question 13

Polonia WSC Independent Election Auditor
Official Report for October 20, 2020 Membership Meeting

POLONIA WATER SUPPLY CORPORATION

P. O. BOX 778 LOCKHART, TEXAS 78644

512-559-2030 FAX 512-559-2031

Independent Election Auditor Official Report for the Special Membership Meeting October 20, 2020

I, the undersigned Independent Election Auditor, do hereby certify that all ballots received were counted with the assistance of:

1. Paul Pittman
2. Carolyn Pittman
3.

Total number of ballots cast in person; 11

Total number of ballots cast prior to the election; 272 + (4 late) = 276

Total number of ballots cast; 287

Total number of ballots cast not counted due to defects; 13

Vote Totals

For; 247

Against; 27

Carolyn Bryant
Printed Name of Election Auditor

Carolyn Bryant
Signature of Election Auditor

Date; 10/20/2020

Application Summary

Transferor: Polonia Water Supply Corporation ("Polonia WSC")

(selling entity)

CCN No.s: 10420

☒ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: Aqua Water Supply Corporation ("Aqua WSC")

(acquiring entity)

CCN No.s: 10294 and 20962

☐ Water ☐ Sewer ☒ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): Caldwell County, Texas

Good morning, a digital copy of this filing has already been submitted to your office by digital filing and email. Please file-stamp this document and return it to Lloyd Gosselink. Thank you!

Table of Contents

Sale, Transfer, or Merger (STM) Application Instructions	6
Part A: General Information	6
Part B: Transferor Information	6
Part C: Transferee Information	6
Part D: Proposed Transaction Details	6
Part E: CCN Obtain or Amend Criteria Considerations	8
Part F: TCEQ Public Water System or Sewer (Wastewater) Information	9
Part G: Mapping & Affidavits	10
Part H: Notice Information	12
Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)	15
Appendix B: Projected Information	18

Please mark the items included in this filing

<input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
<input checked="" type="checkbox"/> Tariff including Rate Schedule	Part B: Question 4
<input type="checkbox"/> List of Customer Deposits	Part B: Question 5
<input type="checkbox"/> Partnership Agreement	Part C: Question 7
<input checked="" type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input type="checkbox"/> Certificate of Account Status	Part C: Question 7
<input checked="" type="checkbox"/> Financial Audit	Part C: Question 10
<input type="checkbox"/> Application Attachment A & B	Part C: Question 10
<input type="checkbox"/> Disclosure of Affiliated Interests	Part C: Question 10
<input type="checkbox"/> Capital Improvement Plan	Part C: Question 10
<input type="checkbox"/> List of Assets to be Transferred	Part D: 11.B
<input type="checkbox"/> Developer Contribution Contracts or Agreements	Part D: 11.D
<input type="checkbox"/> Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
<input checked="" type="checkbox"/> TCEQ Compliance Correspondence	Part F: Question 22
<input type="checkbox"/> TCEQ Engineering Approvals	Part F: Question 24
<input type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part F: Question 26
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> General Location (small scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> Digital Mapping Data	Part G: Question 29
<input checked="" type="checkbox"/> Signed & Notarized Oath	Page 13-14