



Filing Receipt

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Control Number - 53075

ItemNumber - 666

10179

LUELLA SPECIAL UTILITY DISTRICT

36 LWSC Rd.
Sherman, Texas
75090-5224
Office - 903-892-9084
Fax - 903-813-0693
Email: LWSC@Aol.Com

June 13, 2006

Texas Commission on Environmental Quality
Water Permits and Resource Management Division
Utilities and District Section
P.O. Box 13087
Capitol Station
Austin, Texas 78711-3087

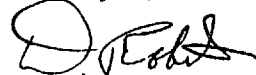
Re: Revised Tariffs

To Whom It May Concern:

Please replace your copy of the Luella Water Supply Corporation Tariffs with the attached Luella Special Utility District Ordinance.

Resulting from the election held on May 13, 2006, Luella Water Supply Corporation (LWSC) has converted into Luella Special Utility District (LSUD). Subsequently the Board of Directors met in a regular session on July 3, 2006 and adopted this District Utility Ordinance.

Thank you,



LSUD
BOD

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SECTION A.
RESOLUTIONS

THE BOARD OF DIRECTORS OF LUELLA SPECIAL UTILITY DISTRICT ESTABLISHES THAT:

1. This District Utility Ordinances of the Luella Special Utility District, serving in Grayson County consisting of Sections A. through H. and forms inclusive, is adopted and enacted as the current regulations and policies effective as of July 03, 2006.
2. Only those preexisting written contracts or agreements executed by the present or previous Board of Directors shall remain in effect, unless the contract or agreement requires compliance with changes of the District Utility Ordinances from time to time.
3. The adoption (or revisions) of this ordinance does not prohibit or limit the District from enforcing previous penalties or assessments from before the current effective date.
4. An official copy of this and all policies or records shall be available during regular office hours of the District. The Secretary of the District shall maintain the original copy as approved and all previous copies for exhibit.
5. Rules and regulations of state or federal agencies having jurisdiction shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, word, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected.
6. This ordinance has been adopted (revised) in compliance in Open Meeting in compliance with the Open Meeting Act, Chapter 551 of the Texas Government Code.

PASSED and APPROVED this 03 day of July, 2006.

President, Luella Special Utility District

SEAL

ATTEST:

Secretary, Luella Special Utility District



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SECTION B. **STATEMENTS**

1. **Organization.** The Luella Special Utility District is a member-owned, non-profit District incorporated pursuant to the Texas Water Code Chapter 67, Nonprofit Water Supply Service District and as supplemented by the Texas Non-Profit Corporation Act, Tex. Rev. Civ. Stat. Ann., Article 1396-1.01, et seq. (West 1980, Vernon Supp. 1996 as amended) for the purpose of furnishing potable water utility service. The Board of Directors, elected by the Customers of the District, adopts the operating policies, rates, and regulations.
2. **Non-Discrimination Policy.** Customers in the District and service is provided to all Applicants who comply with the provisions of this District Utility Ordinances regardless of race, creed, color, national origin, sex, disability, or marital status.
3. **Policy and Rule Application.** These policies, rules, and regulations apply to the water and services provided by the Luella Special Utility District, also referred to the District, (Luella SUD). Failure on the part of the Customer, Consumer, or Applicant to observe these policies, rules, and regulations gives the District the authority to deny or discontinue service according to the terms of this District Utility Ordinance as amended from time to time by the Board of Directors of the District.
4. **Corporation Bylaws.** The District Customers have adopted bylaws (see Article 1396-2.09) which establish the make-up of the Board of Directors and other important regulations of the District. The bylaws are on file at the District office.
5. **Fire Protection Responsibility.** The District does not provide nor imply that fire protection is available on any of the distribution system. All hydrants or flush valves are for the operation and maintenance of the system and may be used for refill only by authorized fire departments. The District reserves the right to remove any hydrant, due to improper use or detriment to the system as determined by the District, at any time without notice, refund, or compensation to the contributors unless such hydrants are installed pursuant to the terms of a Non-Standard Service Contract as provided for in Section F, in which event the terms and conditions of the Contract shall apply.
6. **Damage Liability.** The Luella SUD is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limit of liability of Luella SUD is the extent of the cost of service provided. By acceptance of deposits, Customers consent to waiver of such liability.
7. **Information Disclosure.** The records of the District shall be kept in the District's office at 36 LWSC Rd. Sherman, Texas. All information collected, assembled, or maintained by or for the District shall be disclosed to the public in accordance with the Texas Public Information Act. An individual customer may request in writing that their name, address, telephone number, or social security number be kept confidential. Such confidentiality does not prohibit the utility from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the District acting in connection with the employee's duties. Further, such confidentiality does not prohibit the District from disclosing the name and address of each member on a list to be made available to the District voting members, ~~or their agents or attorneys~~, in connection with a meeting of the Districts customers. The District shall give its



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applicants and customers notice of rights to confidentiality under this policy and all prevailing associated fees for such request.

8. **Grievance Procedures.** Any customer of the District or individual demonstrating an interest under the policies of this District Utility Ordinances in becoming a customer of the District shall have an opportunity to voice concerns or grievances to the District by the following means and procedures:
 - a. By presentation of concerns to the District manager or authorized staff member. If not resolved to the satisfaction of the aggrieved party then,
 - b. By presenting a letter to the Board of Directors stating the individual's grievance or concern and the desired result.
 - c. The Board of Directors shall respond to the complaint by communicating the Board's decision in writing.
 - d. Any charges or fees contested as a part of the complaint in review by the District under this policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors.

9. **Customer Service Inspections.** The District requires that a customer service inspection certification be completed prior to providing continuous water service to new construction and for all new members as part of the activation of standard and some non-standard service. Customer service inspections are also required on any existing service when the district has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction, or addition to the customers' water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contaminant hazards, and illegal lead materials. (30 TAC 290.46(i-j))

10. **Submetering Responsibility.** Submetering and Non-Submetering by Master Metered Accounts may be allowed in the District's water distribution collection system provided the Master Metered Account customer complies with the Texas Commission on Environmental Quality Chapter 291 Subchapter H rules pertaining to Submetering. The District has no jurisdiction over or responsibility to the tenants. Tenants receiving water under a Master Metered Account are not considered customers of the District. Any interruption or impairment of water service to the tenants is the responsibility of the Master Metered Account Customer. Any complaints regarding submetering should be directed to the Texas Commission on Environmental Quality.



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

1. See if they have registered with the TCEQ, (Chapter 13 Texas Water Code Subchapter M.)
2. See that they do not charge their tenants more than the total amount of charges that you have billed. If the aggregate bill is greater than the District's charge, the Master Metered Account Customer is considered by the TCEQ to be a separate Public Water System and will be required to comply with all TCEQ regulations.
3. Protect the System's CCN. Should the Master Metered Account Customer continue to violate these or other State regulations, the District will need to request a Cease and Desist Order from the TCEQ. (Texas Water Code Chapter 13.252 and 30 TAC Chapter 291.118)

W.P.
Approved

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SECTION C. **DEFINITIONS**

Active Service -- The status of any Customer receiving authorized service under the provisions of this Tariff.

Applicant -- A person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with the Luella Special Utility District.

Board of Directors -- The governing body elected by the Customers of the Luella Special Utility District. (Article 1396-1.02 (7))

Bylaws -- The rules pertaining to the governing of the Luella Special Utility District adopted by the Customers. (Article 1396-1.02 (5))

Certificate of Convenience and Necessity (CCN) -- The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for Luella Special Utility District to provide water and/or sewer utility service within a defined territory. Luella Special Utility District has been issued Certificate Number 10179. Territory defined in the CCN shall be the Certificated Service Area. (See Section D. Certificated Service Area Map)

Customer -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who holds a deposit with in the District and who is a record owner of a fee simple title to the property served, that has qualified for service and been certified as a member in accordance with the Districts Utility Ordinance. (TX Water Code Chapter 13.0010, TX Water Code Chapter 67)

Deposit -- A non-interest bearing stock purchased from the District evidencing a Customer's interest in the District. (See Tariff Section E. 6 b and Article 1396-2.08 D)

A deposit qualified as such under the terms of the Districts Utility Ordinance and the bylaws of the District assigned to the real estate designated to receive service. The deposit shall be refundable upon termination of service and all fees paid. (30 TAC 291.3 Definitions, Texas Water Code 13.043(g))

Developer -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who subdivides land or requests two (2) or more water or sewer service connections on a single contiguous tract of land [as defined in Chapter 13.2502 (e)(1) of the Water Code].

Disconnection of Service -- The discontinuance of water or sewer service by the District to a Customer.

District Utility Ordinance -- The operating policies, service rules, service extension policy, service rates, rationing policies, sample application packet, and miscellaneous transaction forms adopted by the Board of Directors. A copy of this Board approved District Utility Ordinance is on file at the District's office and as required since September 1, 1989 at the State office of the TCEQ.

Easement -- A private perpetual dedicated right-of-way for the installation of water pipelines and necessary facilities which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable). This may also include restrictions on the adjacent area to limit the installation of sewer lines or other facilities that

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would restrict the use of any area of the easement. (See Sample Application Packet, FmHA Form 442-8 or FmHA Form 442-9)

Equity Buy-In / Improvement Fee-- Each Applicant shall be required to achieve parity with existing Customer. This fee shall be assessed prior to providing or reserving service on a per service unit basis for each tap/lot and shall be assigned and restricted to the tap/lot for which the service was originally requested. (Section G. 5, also see Miscellaneous)

Final Plat -- A complete plan for the subdivision of a tract of land. The Luella Special Utility District shall determine if a plat submitted for the purpose of this Districts Utility Ordinance shall qualify as a final plat. (30 TAC 291.85)

Hazardous Condition -- A condition that jeopardizes the health and welfare of Customers of this District as determined by the District or regulatory authority.

Indication of Interest Fee -- A fee paid by a potential Customer of the District for the purpose of determining the feasibility of a construction and /or expansion project. The Indication of Interest Fee may be converted to a Deposit upon determination that service to the Applicant is feasible and available. This also applies to applicants applying for, or receiving, Temporary Service. (Section E. 6. b., and Sample Application Packet - USDA RUS-TX Bulletin 1780-9 (Rev. 5/99))

Liquidated Deposit-- A Deposit that has been canceled due to delinquent charges exceeding the Deposit or for other reasons as specified in this Ordinance.

LSUD--Luella Special Utility District. (Section B. 3 of this Ordinance)

Proof of Ownership -- For the purpose of this District Utility Ordinance, applicants for service and customers shall provide proof of ownership by deed of trust, warranty deed, or other recordable documentation of fee simple title to real estate to be served. (Texas Water Code 67.016 (d))

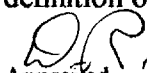
Rural Utilities Service (RUS) -- An Agency of the United States Department of Agriculture Rural Development Mission Area that provides loan and grant funds for development of rural water and sewer systems serving communities with a population of less than ten thousand (10,000) people.

Renter -- A customer who rents or leases property from an owner or who may otherwise be termed a tenant. (See Tariff Section E. 7.)

Re-Service -- Providing service to an Applicant at a location for which service previously existed. Costs of such re-servicing will be based on justifiable expenses. (See District Utility Ordinance Section E. 3. b., E. 4. b., and Miscellaneous)

Reserved Service Charge -- A monthly charge assessed for each property where service is being reserved. (See Tariff Section F. 6. d., e)

Service Availability Charge -- (Also known as "minimum monthly charge", "minimum", or the "base rate") The monthly charge assessed each Customer for the opportunity of receiving service. The Service Availability Charge is a fixed rate based upon the meter, service size, or equivalent dwelling unit(s). (See definition of Reserved Service Charge)



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Service Application and Agreement -- A written agreement between the Customer/Applicant and the District defining the specific type of service requirements requested on the current service application and agreement form, and the responsibilities of each party required before service is furnished. (See Sample Application Packet RUS-TX Bulletin 1780-9 (Rev. 5/99) or Non-Standard Service Contract)

Service Unit -- The base unit of service used in facilities design and rate making. For the purpose of this District Utility Ordinance, a service unit is a 5/8" X 3/4" water meter. (See District Utility Ordinance Section G. 6. a., Miscellaneous)

Subdivide -- To divide the surface area of land into lots or tracts. (Local Government Code Chapter 232, Section 232.021 Definitions)

Subdivider -- An individual, firm, corporation, or other legal entity that owns any interest in land and that directly or indirectly subdivides land into lots as a part of a common promotional plan in the ordinary course of business. (Local Government Code Chapter 232, Section 232.021 Definitions)

Subdivision -- An area of land that has been subdivided into lots or tracts. (Local Government Code Chapter 232, Section 232.021 Definitions)

Temporary Service -- The classification assigned an applicant that is in the process of construction. This could also apply to service for uses other than permanent (agricultural, road construction, drilling, livestock, etc.). The Board will set the length of time associated with this classification. This classification will change to permanent service after requirements in Section E. 1, E. 2, E. 3, and E. 5 are met. Applicant must have paid an Indication of Interest Fee.

Texas Commission on Environmental Quality (TCEQ) -- State regulatory agency having jurisdiction of water and sewer service utilities and appellate jurisdiction over the rates and fees charged by Non-Profit Water Service District.

Transferee -- An Applicant receiving a Luella SUD Deposit by legal means from a person or entity desiring to forfeit and transfer current rights of Deposit to another person or entity. (See District Utility Ordinance Section E. 6 c., Miscellaneous Transaction Forms)

Transferor -- A Customer who transfers deposits by legal means to another person or entity desiring to qualify for service at a property for which the Customer is currently issued or to the District. (Texas Water Code, Chapter 67.016)

Water Conservation -- A penalty that may be assessed under Section H of this District Utility Ordinance to enforce customer / member water conservation practices during drought contingency or emergency water demand circumstances. (See Texas Code Chapter 67.011 (b)).

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SECTION D.
GEOGRAPHIC AREA SERVED

This section should include an area map that shows the Districts Certificated Service Area. Therefore, the District must make sure that its current service area corresponds to the area and/or facilities as approved by the TCEQ in its Certificate of Convenience and Necessity. **It is the responsibility of the District to properly file a map showing its service area with the TCEQ and to file for any changes in that service area. This copy of the Commission's official service map will serve as documentation in the event of future disputes over service areas.**

CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide (Water) Service Under V.T.C.A., Water Code
and Texas Commission on Environmental Quality Substantive Rules

Certificate No. 10179

I. Certificate Holder:

Name: Luella Special Utility District
Address: 36 LWSC Rd.
Sherman, Texas 75090

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II. General Description and Location of Service Area:

The area covered by this certificate is located approximately 5 miles southeast of downtown Sherman, Texas on State Highway 11. The service area is generally bounded on the west by Interstate Highway 75, on the northwest by Choctaw Creek and on the northeast by Farm Market Road 697 in Grayson County, Texas.

III. Certificate Maps:

The certificate holder is authorized to provide water service in the area identified on the Commission's official service area map, WRS-255, maintained in the offices of the Texas Commission on Environmental Quality, 12015 Park 35 Circle, Austin, Texas with all attendant privileges and obligations.

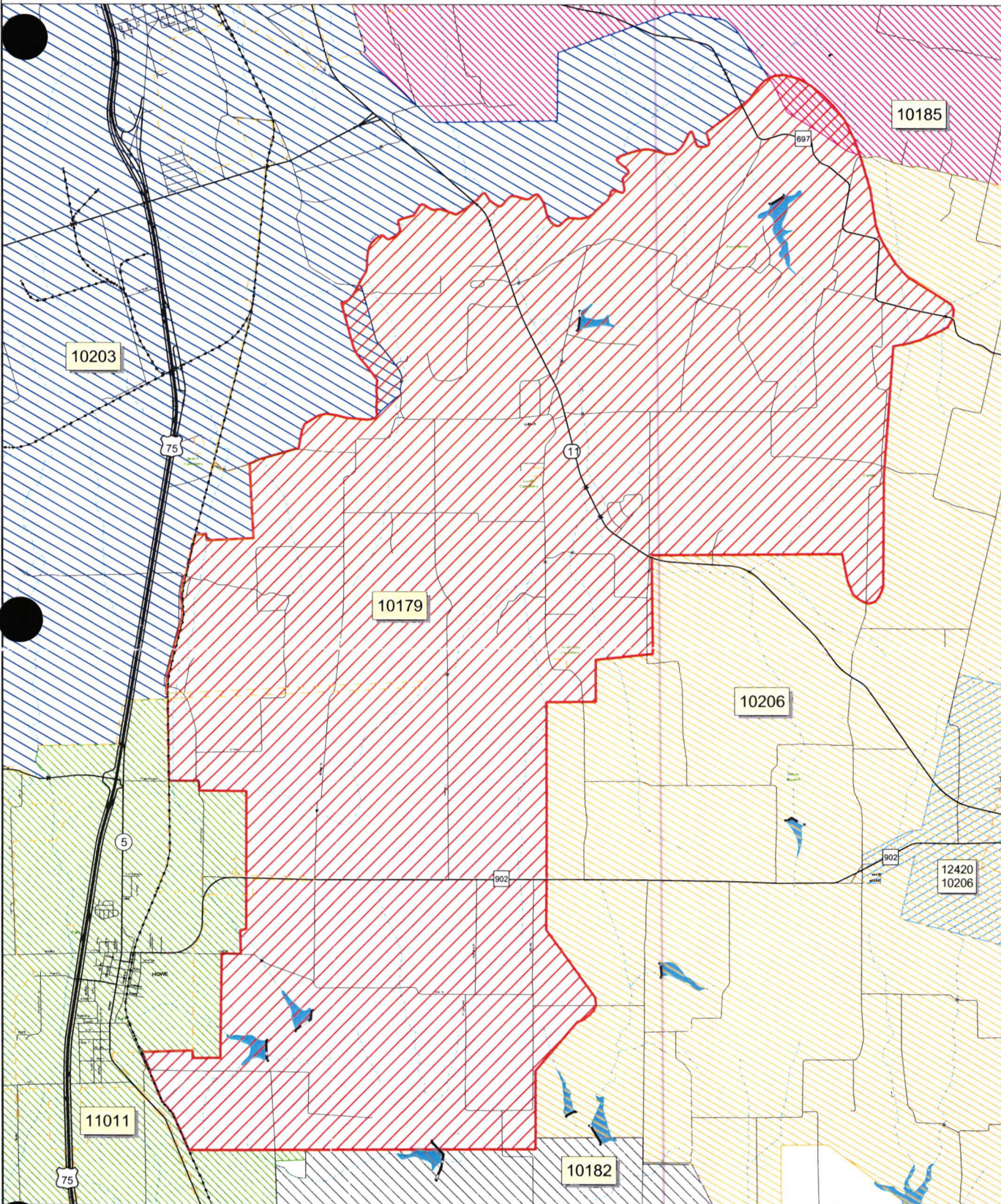
This certificate is issued under Application No. 30999-C and subject to the rules and orders of the Commission, the laws of the State of Texas; conditions contained herein and may be revoked for violations thereof. The certificate is valid until amended or revoked by the Commission.








Issued Dated:

ATTEST: _____

For the Commission

Luella Water Supply Corporation
 Water Service Area
 CCN No. 10179
 Application No. 34087-C (Decertified a Portion of City of Howe, CCN No. 11011)
 Grayson County



- Water CCN Service Areas
-  10179 - LUELLA WSC
 -  11011 - CITY OF HOWE
 -  10182 - SOUTH GRAYSON WSC
 -  10185 - PINK HILL WSC
 -  10203 - CITY OF SHERMAN
 -  10206 - KENTUCKYTOWN WSC
 -  12420 - CITY OF TOM BEAN

4000 0 4000 Feet

1 inch = 4,000 feet



Map by S. Jaster 1/11/2005
 Data path: s:\ud\ccn\ccn_working\ccn.shp
 Project path: k:\gis\projects\34087-c.apr



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SECTION E.
SERVICE RULES AND REGULATIONS

1. **Service Entitlement.** The Applicants shall be considered qualified and entitled to water utility service when proper application has been made, terms and conditions of Service and A Customer have been met and continue to be met, and all fees have been paid as prescribed. (30 TAC 291.85 (a))
2. **Service Location and Classification.** For the purposes of this District Utility Ordinance, service requested by the Applicants shall be for real estate designated to receive the service provided by the District.
Service shall be through a meter located on that designated real estate unless other wise approved but the Board. Service shall be divided into the following two classes:
 - a. **Standard Service** is defined as service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines.
 - b. **Non-Standard Service** is defined as any service request which requires a larger meter service, service to a Master Metered Account (see E. 2. c. (4) of this section), or an addition to the supply, storage and/or distribution/collection system. The service requirements as prescribed by Section F of this District Utility Ordinances shall be required of the Non-Standard Service Applicant prior to providing service.
3. **Service Requirements.** The Districts Service Application and Agreement Form shall be completed in full and signed by the Applicants. Where applicable in addition to the applicant any other person sharing an ownership interest in and receiving service at that property shall sign the service application and agreement form.
 - 1) A Right-of-Way Easement Form, Sanitary Control Easement, or other such easement form, required by the District, must be completed by the Applicant for the purpose of allowing future facility additions. **NOTE:** This requirement may be delayed for Non-Standard Service requests.
 - 2) The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the District. Proof of ownership shall consist of warranty deed, deed of trust or other recordable documentation of fee simple title to the real estate designated to receive service. (Texas Water Code 67.016 (e), and 13.602 (11).
 - 3) On the request by the property owner or owner's authorized agent, the District shall install individual meters owned by the District in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction begins after January 1, 2003, unless the District determines that installation of individual meters is not feasible. If the District determines that installation of meters is not feasible, the property owner or manager shall install a plumbing system that is compatible with the installation of submeters or individual meters. The District shall be entitled to the payment of costs, including the costs of individual meter installations, as provided in Section F. The cost of individual meter installation shall be prepaid by the property owner as well as the cost of any additional facilities or supply occasioned by the total water service demand represented by full occupancy of the property, as determined under applicable provisions of Section F. It shall be the responsibility of the property owner to obtain the memberships required for each individual meter. The District shall consider master metering to be **PROHIBITED**


Approved

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apartments, condos, trailer /RV parks, or business centers and other similar type enterprises at an Applicant's request provided the total number of units to be served are all:

- (a) owned by the same person, partnership, cooperative, corporation, agency, public or private organization of any type but not including a family unit,
 - (b) directly inaccessible to public right-of-way, and
 - (c) considered a commercial enterprise i.e. for business, rental, or lease purposes.
- 5) Notice of application approval and costs of service determined by the District shall be presented to the Applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the Applicant must re-apply for service. (30 TAC 291.81 (a) (1))
- 6) If the water main has been located in the public right-of-way and is adjacent to Applicant's property due to the current or previous landowner's refusal to grant easement to the District for the purpose of installing the water main and appurtenances, and the District has documentation of such refusal. The Applicant, prior to receiving the requested service, shall grant easement required under this District Utility Ordinances. In addition to the normally required fees for new customer service, shall pay such sums as are reasonably necessary to cap the existing line in the ROW and construct the appropriate line or lines within that easement for the Districts system-wide service. (see Miscellaneous Transaction Forms)

4 Activation of Standard Service.

- a. **New Tap** -- The District shall charge a non-refundable service installation fee as required under Section G of this tariff. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid or a deferred payment contract signed in advance of installation. (30 TAC 291.86 (a)(1)(A))
- b. **Re-Service** -- On property where service previously existed, the District shall charge the Membership Fee, where the Membership Fee has been liquidated, or refunded, reconnection cost, and other applicable costs necessary to restore service.
- c. **Performance of Work** -- All tap and equipment installations specified by the District shall be completed by the Districts staff or designated representative after all application requirements have been met. The tap for a standard service request shall be completed within five (5) working days when ever practicable, but not later than 10 working days. This time may be extended for installation of equipment for Non-Standard Service Request.
- d. **Inspection of Customer Service Facilities** -- The property of the Applicant/ Customer shall be inspected to insure compliance with state required Minimum Acceptable Operating Practices for Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. The customer must, at his or her expense, properly install, inspect, test, maintain, and provide all required documentation of any backflow prevention device required by the District. (30 TAC 290.46(j))

5 Activation of Non-Standard Service.

- a. **Activation of Non-Standard Service** shall be conducted as prescribed by terms of Section F of this District Utility Ordinances.
- b. **Re-Service** - The same terms which apply under the Activation of Standard Service Sub-Section on Re-Servicing shall be applied to Non-Standard Re-Service requests. (Section E. 3. b)

6. Changes in Service Classification. If at any time the District determines that the customer service

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needs changed from those originally applied for to a different service classification and the District determines that additional or different facilities are necessary to provide adequate service, the District shall require the Applicant/Customer to re-apply for service under the terms and conditions of this District Utility Ordinances. Applicant/Customer failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this District Utility Ordinances, Sub-Section 15.a.

7. **Customers.**

- a. **Eligibility** - Eligibility for Customer shall not guarantee service to the Applicant or Transferee; however, qualification for service is a prerequisite to customer eligibility for new Applicants or continued customer for Transferees.
- b. **Customer** - Upon qualification for service, qualification for customer, and payment of the required fees, the District shall certify the Applicant as a Customer. The Deposit shall entitle the Customer to one (1) connection to the Districts water utility service. The Customers are entitled to vote in the election of directors and in such other matters requiring the approval of the District. (Texas Water Code 67.016) **NOTE (1):** In the event that the District is conducting a potential Customer survey for indications of interest in future service for the purpose of determining the feasibility of an initial construction or expansion project under RUS guidelines (see Sample Application Packet - RUS TX Bulletin 1780-8, Membership Survey Data Sheet), regular application procedures may be modified. An Indication of Interest Fee may be required prior to qualifications for receipt of service by the Applicant but shall only be used or applied as a Deposit. If service is not provided within the scope of this project, Indication of Interest Fees shall be refunded, less expenses, within sixty (60) days of the loan closing with the Rural Utilities Service. **NOTE (2):** In the event the applicant is in the process of construction the customer will be considered TEMPORARY until such time as the final Customer Service Inspection is completed and the forms are returned as required. (See Section C., Section E. Sub-Section 1. Service Entitlement)
- c. **Transfers of Deposit.** (Texas Water Code 67.016)
 - 1) A Customer is entitled to transfer Deposits in the District only under the following circumstances:
 - (a) The Deposit is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
 - (b) The Deposit is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
 - (c) The Deposit is transferred without compensation or by sale to the District; or
 - (d) The Deposit is transferred as a part of the conveyance of real estate from which the Customer arose.
 - 2) In the event that the Deposit is transferred pursuant to the provisions of Sub-Section 6.c. (1) such transfer shall not be completed or recorded on the books and records of the District until such time as the transferor has provided satisfactory evidence to the District of such transfer. A transfer of Deposit shall not be binding on the District until such transfer has been approved as provided by Sub-Section 6.c. (3).
 - 3) Qualifications for service upon transfer of Membership set forth in Sub-Section 6.c.(1) and 6.c.(2) shall be subject to approval of the District and shall be recorded on the books and records of the District only upon the following terms and conditions:
 - (a) A Transfer Authorization Form has been completed by the Transferor and Transferee;
 - (b) The Transferee has completed the required Application Packet;
 - (c) All indebtedness due the District has been paid; and
 - (d) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Deposit originally arose.
 - 4). If the application packet and other information is not completed ~~on the day~~ ^{before} transfer of deposit

WSP

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is requested the District will give the transferee written notice of 10 additional days to produce completed documentation to the District Office. Service will be disconnected on the day following the 10th day according to disconnection with notice requirements. Additional time may be allowed at the directions of the manager or board.

- d. **Cancellation of Deposit** -- To keep a Customer in good standing, a Service Availability Charge or a Reserved Service Charge must be paid monthly to the District, whether or not water is used. Failure to pay this monthly charge to the District shall jeopardize the Customer Deposit standing and give rise to liquidation of the Deposit and forfeiture of the Customer. A Customer may be relieved of this obligation to pay by surrendering the meter connection, properly documented, to the District. The Customer shall also complete a Service Discontinuance Request Form prior to termination of service. (See Misc. Transaction Forms.) However, a customer is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Deposit prior to termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Service Sub-Section E.3.a. of this District Utility Ordinances. (Texas Water Code 67.016)
- e. **Liquidation Due To Delinquency** -- When the amount of the delinquent charges owed by the Customer equals the Deposit, the Deposit shall be liquidated and the Customer canceled and transferred back to the District. In the event the Customer leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Customer owns more than one meter, the District may liquidate as many of the Customers Guarantor's Deposit as necessary to satisfy the balance due the District, provided proper notice has been given (see District Utility Ordinances Section E, Subsection 15.1a. (4)). The District shall collect any remaining account balances by initiation of legal action. Re-instatement of service shall be subject to the terms of the Activation of Service Sub-Section E. 3. a. of this District Utility Ordinances.
- f. **Cancellation Due To Policy Non-Compliance** -- The District may cancel a water service anytime a Customer fails to comply with policies of the District, including but not limited to Customer's failure to provide proof of ownership of the property from which the Deposit arose. (Texas Water Code 67.016)
- g. **Re-assignment of Canceled Customer** -- The District, upon cancellation of water service under the provisions of this District Utility Ordinances, may re-assign the Customers rights thereby granted to any person who satisfactorily demonstrates eligibility for service, including but not limited to proof of ownership of the property from which the deposit arose. (Texas Water Code 67.016)
- h. **Mortgaging of Connections** -- Nothing herein shall preclude a Customer from mortgaging his/her Deposit. However, notification to the holder of any security interest (mortgagee/lien-holder) of account status of Customer/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Customers Mortgage Agreement (See Miscellaneous Transaction Forms). Prior to the cancellation of any deposit as provided under Sub-Section E. 6.d. (Cancellation of Deposit), the District will notify the holder of any security interest in the Customer. The holder of the security interest also must hold a security interest in the real property at which water service is provided to the customer. The District may transfer the deposit to the holder of such security interest in lieu of cancellation, provided the holder of the security interest pays in full all delinquent and unpaid obligations and provided further that the holder of the security interest has secured title to the real property from which the Membership arose. The District may withhold cancellation of service pending the resolution of any foreclosure proceedings or similar legal proceedings by the holder of the security interest.
- i. **Cancellation and Re-Assignment of Membership as a Result of Bankruptcy Proceedings**
-- Upon notice of the filing of a petition in bankruptcy, the District may require the posting of

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a deposit or other form of security, acceptable to the District, as a condition for continuing utility service. Unless special circumstances require otherwise, the amount of security shall equal the amount of charges for the month of greatest use during the preceding 12 months. The District shall not require the payment of any security prior to the expiration of 20 days following the date on which the petition is filed. Failure to provide this security by the date specified by the District may result in termination of service according to the Disconnection with Notice Provisions of Section E (15) (a) of this District Utility Ordinances, with a copy of the notice to the bankruptcy Trustee.

8. **Owners and Renters.** Any Customer, renting or leasing real estate property designated to receive service according to the terms of this District Utility Ordinances to other parties, is responsible for all charges due the District. The District may bill the renter or lessee for utility service (at Customer Request) as a third party, but the Customer is fully responsible for any and all unpaid bills left by the renter/lessee. The owner shall be required to sign an Alternate Billing Agreement. (See Miscellaneous Transaction Forms.) The Customer shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The District may notify the Customer of the renter's past due payment status subject to service charges (see Section: Miscellaneous Transaction Forms).
9. **Denial of Service.** The District may deny service for the following reasons:
 - a. Failure of the Applicant or Transferee to complete all required easements, forms and pay all required fees and charges;
 - b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the District;
 - c. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Customers/Users of the District upon connection;
 - d. Failure of Applicant or Transferee to provide representatives or employees of the District reasonable access to property, for which service has been requested;
 - e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the District's tariff on file with the state regulatory agency governing the service applied for by the Applicant;
 - f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the District, of property for which the tap has been requested, and/or
 - g. Applicant's service facilities are known to be inadequate or of such character, that satisfactory service cannot be provided.
10. **Applicant's or Transferee's Recourse.** In the event the District refuses to serve an Applicant under the provisions of these rules, the District must notify the Applicant, in writing, on the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the District.
11. **Insufficient Grounds for Refusal of Service.** The following shall not constitute sufficient cause for the refusal of service to an Applicant:
 - a. Delinquency in payment for service by a previous occupant of the premises to be served;
 - b. Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six (6) months prior to the date of application;
 - c. Violation of the District's rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;
 - d. Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in

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- writing to the District as a condition precedent to service;
- e. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill;
- f. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations.

12. **Deferred Payment Agreement.** The District may offer a deferred payment plan to a Customer who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the District, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement. (See Miscellaneous Transaction Forms)

13. **Charge Distribution and Payment Application.**

- a. **The Service Availability Charge or the Reserved Service Charge** is for the billing period from the (30) day of the month to the (15) day of the month. Charges shall be prorated for meter installations and service termination's falling during the billing period. Billings for this amount shall be mailed on or about the (30) of the month preceding the month for which this charge is due. All services shall be subject to this charge whether or not the service is in use by the customer.
- b. **Gallonge Charge** shall be billed at the rate specified in Section G and billing shall be calculated in one thousand (1000) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Districts employees or designated representative.
- c. **Posting of Payments** -- All payments shall be posted against previous balances prior to posting against current billings.

14. **Due Dates, Delinquent Bills, and Service Disconnection Date.** The District shall mail all bills on or about the (30) of the month. All bills are considered the responsibility of each person signing the service application and agreement form. All shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in Section G. A bill is delinquent if not paid on or before the past due date. Payments made by mail will be considered late if postmarked after the past due date. A (5) day grace period may then be allowed for delayed payments prior to mailing of final notices. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposes shall be the next day the District office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings. There will be no petty cash in the District's office. Deposit will be made daily.

- a. Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the District shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15 day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings.

15. **Rules for Disconnection of Service.** The following describes the rules and conditions for disconnection of service.

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a. **Disconnection with Notice** -- Water utility service may be disconnected for any of the following reasons after proper notification has been given.

- 1) Returned Checks -- The District shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the District office. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service. (see Miscellaneous Transaction Forms). The District shall consider any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period. The Customer in violation shall be placed on a "cash-only" basis for a period of 12 months. **NOTE:** "cash only," means certified check, money order, or cash.
- 2) Failure to pay a delinquent account for utility service, failure to timely provide a deposit or other security under Section E (6) (i), or failure to comply with the terms of a deferred payment agreement (Miscellaneous Transaction Forms);
- 3) Violation of the District's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment if a reasonable attempt has been made to notify the Customer and the Customer is provided with a reasonable opportunity to remedy the situation;
- 4) Failure of the Customer to comply with the terms of the District's Service Agreement, District Utility Ordinances, (including, where appropriate, Section H) Bylaws, or Special Contract provided that the District has given notice of said failure to comply, and Customer has failed to comply within a specified amount of time after notification.
- 5) Failure to provide access to the meter under the terms of this District Utility Ordinances or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify.
- 6) Misrepresentation by any Applicant or Transferee of any fact on any form, document, or other agreement required to be executed by the District.
- 7) Failure of Customer to re-apply for service upon notification by the District that Customer no longer meets the terms of the service classification originally applied for under the original service application.
- 8) Cancellation of Customer by Customer on an account that the Customer holds for water service to the Customer's renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement. (Note: The cancellation of deposit must be in writing and signed by the customer. **DISTRICT ASSUMES NO LIABILITY TO RENTER/LESSEE; CUSTOMER IS SOLELY RESPONSIBLE FOR COMPLIANCE WITH, AND LIABILITY UNDER ANY FEDERAL, STATE OR LOCAL LAW CREATING OR PROTECTING RIGHTS OF RENTERS/LESSEES.**)

b. **Disconnection Without Notice** -- Water utility service may be disconnected without notice for any of the following conditions:

- 1) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a violation of the Texas Sanitation and Health Protection Law 4477-1, or there is reason to believe a dangerous or hazardous condition exists and the Customer refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (Section E. 3. d., E. 24., 30 TAC 290.46 (j));
- 2) Service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment; and
- 3) In instances of tampering with the District's meter or equipment, by-passing the meter or

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equipment, or other diversion of service.

NOTE: Where reasonable, given the nature of the reason for disconnection, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.

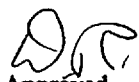
- c. **Disconnection Prohibited** -- Utility service may not be disconnected for any of the following reasons:
- 1) Failure of the Customer to pay for merchandise or charges for non-utility service provided by the District, unless an agreement exists between the Applicant and the District whereby the Customer guarantees payment of non-utility service as a condition of service;
 - 2) Failure of the Customer to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
 - 3) Failure of the Customer to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billing;
 - 4) Failure of the Customer to pay the account of another meter as guarantor thereof, unless the District has in writing the guarantee as a condition precedent to service;
 - 5) Failure of the Customer to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the Inoperative Meters subsection E. 19. of this District Utility Ordinances.
 - 6) Failure of the Customer to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the District is unable to read the meter due to circumstances beyond its control;
- d. **Disconnection on Holidays and Weekends** -- Unless a dangerous condition exists or the customers requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the District are not available to the public for the purpose of making collections and reconnecting service.
- e. **Disconnection Due to Utility Abandonment** -- The District may not abandon a Customer or a Certificated Service Area without written notice to its customer and all similar neighboring utilities and approval from the Texas Commission on Environmental Quality.
- f. **Disconnection for Ill and Disabled** -- The District may not discontinue service to a delinquent residential Customer permanently residing in an individually metered dwelling unit when that Customer establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a Customer seeks to avoid termination of service under this Sub-section, the customer must have the attending physician call or contact the District within sixteen (16) days of issuance of the bill. A written statement must be received by the District from the physician within twenty-six (26) days of the issuance of the utility bill. The prohibition against service termination shall last sixty-three (63) days from the issuance of the utility bill or such lesser period as may be agreed upon by the District and Customer's physician. The Customer shall enter into a Deferred Payment Agreement (see Miscellaneous Transaction Forms).
- g. **Disconnection of Master-Metered Accounts** -- When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the following shall apply: (30 TAC SUBCHAPTER H. 291.126)
- 1) The District shall send a notice to the Customer as required. This notice shall also inform the Customer that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.
 - 2) At least five (5) days after providing notice to the customer and at least five (5) days prior to

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disconnection, the District shall post at notices, stating "Termination Notice" in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.

3) The tenants may pay the District for any delinquent bill in behalf of the owner to avert disconnection or to reconnect service to the complex.

h. **Disconnection of Temporary Service** -- When an applicant with a Temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this District Utility Ordinances service may be terminated with notice.

16. **Billing Cycle Changes.** The District reserves the right to change its billing cycles if the workload requires such practice. After a billing period has been changed, the billings shall be sent on the new change date unless otherwise determined by the District.

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

18. **Disputed Bills.** In the event of a dispute between the Customer and the District regarding any bill, the District shall forthwith make and conduct an investigation as shall be required by the particular case, and report the results in writing thereof to the Customer. All disputes under this Subsection must be submitted to the District, in writing, prior to the due date posted on said bill except in cases involving the transfer of a Customer conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h.

19. **Inoperative Meters.** Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless by-passed or tampered with, the District shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

20. **Bill Adjustment Due To Meter Error.** The District shall test any Customer's meter upon written request of the Customer. In the event the meter tests within the accuracy standards of The American Water Works Association, a test fee as prescribed in Section G of this District Utility Ordinances shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months but not extending beyond current the deposit. Except in cases, involving the transfer of a Deposit conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Customer shall complete a Meter Test Request Form prior to the test. (See Misc. Transaction Forms.)

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

- a. removing a locking or shut-off device used by the District to discontinue service,
- b. physically disorienting the meter,

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- c. attaching objects to the meter to divert service or to by-pass,
- d. inserting objects into the meter, and
- e. other electrical and mechanical means of tampering with, by-passing, or diverting service.

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

21. Meter Relocation. Relocation of services shall be allowed by the District provided that:

- a. The relocation is limited to the existing property designated to receive service;
- b. A current easement for the proposed location has been granted to the District;
- c. The customer pays the actual cost of relocation plus administrative fees.
- d. Service capacity is available at the proposed location.

22. Prohibition of Multiple Connections To A Single Tap. No more than one (1) residential, commercial, or industrial service connection is allowed per meter. The District may consider allowing an apartment building or mobile home/RV park to apply as a "Master Metered Account" and have a single meter (This refers to Section E. 2. c. (4)). Any unauthorized submetering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. If the District has sufficient reason to believe a Multiple Connection exists, the District shall discontinue service under the Disconnection with Notice provisions of this District Utility Ordinances. (see Sample Application Packet RUS-TX Bulletin 1780-9 (Rev. 2002_))

23. Customers Responsibility.

- a. The Customer shall provide access to the meter as per the easement and service agreement. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the customer for the month; and a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification to the Customer, then service shall be discontinued and the meter removed with no further notice. (Section E. 3. d.)
- b. The customer shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
 - 1) All connections shall be designed to ensure against back-flow or siphonage into the District's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC 290.46)
 - 2) The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the District's facilities Customer service pipelines shall be installed by the applicant. (30 TAC 290.46)
- c. A Customer owning more than one (1) Customer shall keep all payments current on all accounts. Failure to maintain status on all accounts shall be enforceable as per Service Application and Agreement executed by the customer.
- d. The District's ownership and maintenance responsibility of water supply and metering equipment

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shall end at the meter or other service equipment. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the District shall be subject to charges as determined by the District Utility Ordinances as amended from time to time by the Board of Directors.

- e. The District shall require each Customer to have a cut-off valve on the Customer's side of the meter for purposes of isolating the Customers service pipeline and plumbing facilities from the District's water pressure. The valve shall meet AWWA standards (a ball valve is preferred). The Customer's use of the District's curb stop or other similar valve for such purposes is prohibited. Any damage to the District equipment shall be subject to service charges. (This cut-off valve may be installed as a part of the original meter installation by the District.)

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

1 **Districts Limitations.** All Applicants shall recognize that the District must comply with local, state, and federal rules and regulations as promulgated from time to time, and with covenants of current indebtedness. The District is not required to extend retail utility service to an Applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this policy. Section 13.2502 of the Texas Water Code requires that notice be given herein or by publication (see Miscellaneous Transaction Forms) or by alternative means to the Developers/Applicants. (Also see Section F. 11.)

2. **Purpose.** It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions and other kinds of Non-Standard Service are determined, including the Non-Standard Service Applicant's and the District's respective costs.

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

3. **Application of Rules.** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required for a single tract of property. Examples of non-standard services for a single tract of land can include, but are not limited to, road bores, extensions to the distribution system, service lines exceeding 1" diameter and service lines exceeding (10) feet. Non-residential service applications typically will be considered non-standard. For the purposes of this District Utility Ordinances, Applications subject to this Section shall be defined as Non-Standard. This Section may be altered or suspended for planned facility expansions when the District extends its indebtedness. The Board of Directors of the District shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.

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

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4. **Non-Standard Service Application.** The Applicant shall meet the following requirements prior to the initiation of a Non-Standard Service Contract by the District:
- a. The Applicant shall provide the District a completed Service Application and Agreement giving special attention District to the item(s) on SPECIAL SERVICE NEEDS OF THE APPLICANT.
 - b. A final plat approved by the District must accompany the Application showing the Applicant's requested service area. The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
 - c. A Non-Standard Service Investigation Fee shall be paid to the District in accordance with the requirements of Section G for purposes of paying initial administrative, legal, and engineering fees. The District shall refund any balance that remains after it has completed its service investigation, and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all expenses incurred by the District, the Applicant shall pay to the District all remaining expenses that have been, or will be incurred by the District and the District shall have no obligation to complete processing of the request until all remaining expenses have been paid.
 - d. If after the service investigation has been completed, the District determines that the Applicant's service request is for property located, in whole or in part, outside the area described in the District's Certificate of Convenience and Necessity, service may be extended provided that:
 - 1). The service location is not in an area receiving similar service from another retail utility;
 - 2). The service location is not within another retail utility's Certificate of Convenience and Necessity; and
 - 3) The District's Certificate of Convenience and Necessity shall be amended to include the entirety of Applicant's property for which service is requested. Applicant shall pay all costs incurred by District's in amending its CCN, including but not limited to engineering and professional fees. If the service location is contiguous to or within one-fourth (1/4) mile of District's Certificate of Convenience and Necessity, District may extend service prior to completing the amendment to its CCN, but will do so only upon Applicant's legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including legal, surveying and engineering fees incurred by District in securing the amendment).
5. **Design.** The District shall study the design requirements of the Applicant's required facilities prior to initiation of a Non-Standard Service Contract by adopting the following schedule:
- a. The District's Consulting Engineer shall design, or review and approve plans for, all on-site and off-site service facilities for the Applicant's requested service within the District's specifications, incorporating any applicable municipal or other governmental codes and specifications.

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- b. The Consulting Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee under Section 4.
 - c. The Consulting Engineer shall submit to the District a set of detailed plans, specifications, and cost estimates for the project.
 - d. The District's Engineer shall ensure all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The District reserves the right to upgrade design of service facilities to meet future demands provided however, that the District shall pay the expense of such upgrading in excess of the Applicant's facility requirements.
6. **Non-Standard Service Contract.** Applicants requesting or requiring Non-Standard Service may be required to execute a written contract, drawn up by the District's Attorney, in addition to submitting the District's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. The service contract may include, but is not limited to:
- a. All costs associated with required administration, design, construction, and inspection of facilities for water/sewer service to the Applicant's service area and terms by which these costs are to be paid.
 - b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
 - c. Equity Buy-In Fee (Front-end Capital Contributions) required by the District in addition to the other costs required under this Section.
 - d. Monthly Reserved Service Charges as applicable to the service request.
 - e. Terms by which service capacity shall be reserved for the Applicant and duration of reserved service with respect to the impact the Applicant's service demand will have upon the District's system capability to meet other service requests.
 - f. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Equity Buy-In Fees.
 - g. Terms by which the District shall administer the Applicant's project with respect to:
 - 1) Design of the Applicant's service facilities;
 - 2) Securing and qualifying bids;
 - 3) Execution of the Service Agreement;
 - 4) Selection of a qualified bidder for construction;
 - 5) Dispensing advanced funds for construction of facilities required for the Applicant's service;
 - 6) Inspecting construction of facilities; and
 - 7) Testing facilities and closing the project.
 - h. Terms by which the Applicant shall indemnify the District from all third party claims or lawsuits in connection with the project.
 - i. Terms by which the Applicant shall dedicate, assign and convey to the District all constructed facilities and related rights (including contracts, easements, right-of-way, deeds, warranties, and so forth) by which the District shall assume operation and maintenance responsibility for the Applicant's project. The Applicant shall also provide reproducible as-built drawings of all constructed facilities. The as-built drawings must

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verify that all facilities have been properly located within the easements conveyed to the District.

- j. Terms by which the Board of Directors shall review and approve the Service Contracts pursuant to current rules, regulations, and bylaws.

The District and the Applicant must execute a Non-Standard Service Contract prior to the initiation of construction of facilities by the Applicant. In the event that the Applicant commences construction of any such facilities prior to execution of a Contract with the District, then the District may refuse to provide service to the Applicant (or require full costs of replacing/repairing any facilities constructed without prior execution of a contract from any person buying a lot or home from Applicant), require that all facilities be uncovered by the Applicant for inspection by the District, require that any facilities not approved by the District be replaced, or take any other lawful action determined appropriate by the Board of Directors of the District.

- 7. **Property and Right-of-Way Acquisition.** With regard to construction of facilities, the District shall require private right-of-way easements or private property as per the following conditions:
 - a. If the District determines that right-of-way easements or facility sites outside the Applicant's property are required, the Applicant shall secure easements or title to facility sites in behalf of the District. All right-of-way easements and property titles shall be researched, validated, and filed by the District at the expense of the Applicant. (See Sample Application Packet RUS Form 442-8 or 442-9.)
 - b. All costs associated with facilities that must be installed in public right-of-ways on behalf of the Applicant, due to the inability of the Applicant to secure private right-of-way easements, shall be paid by the Applicant. Alternatively, Applicant shall pay all costs, including legal and other professional fees and the condemnation award in the event District secures such private easements or facility sites through eminent domain proceedings.
 - c. The District shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the District) and title to property required for other on-site facilities.
 - d. Easements and facilities sites shall be prepared for the construction of the District's pipeline and facility installations in accordance with the District's requirements and at the expense of the Applicant.

- 8. **Bids for Construction.** The District's Consulting Engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge, to prospective bidders. Although the District reserves the right to reject any bid or contractor, the District shall generally award the contract to the lowest and best bidder in accordance with the following criteria:
 - a. The Applicant shall sign the Service Contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
 - b. The Contractor shall provide an adequate bid bond under terms acceptable to the District;

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- c. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the District;
 - d. The Contractor shall supply favorable references acceptable to the District;
 - e. The Contractor shall qualify with the District as competent to complete the work; and
 - f. The Contractor shall provide adequate certificates of insurance as required by the District.
9. ***Pre-Payment for Construction and Service.*** After the Applicant has executed the Service Agreement, the Applicant shall pay to the District all costs necessary for completion of the project prior to construction and in accordance with the terms of the Non-Standard Service Contract.
10. ***Construction.***
- a. All roadwork pursuant to state, county and/or municipal standards (as applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.
 - b. The District shall, at the expense of the Applicant, inspect the facilities to ensure compliance with District standards.
 - c. Construction plans and specifications shall be strictly adhered to, but the District reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate construction or operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.
11. ***Service within Subdivisions-***The District 's objective to provide service to any customer located within a subdivision governed by this section is strictly limited to the nonstandard service specified by the Applicant. The Applicant is responsible for paying for all costs necessary for non-standard service to a subdivision as determined by the District under the provisions of this tariff and specifically the provisions of this Section; if the Applicant fails to pay these costs, the District has the right to require payment of these costs by any one or more of the persons purchasing lots within such subdivision before the District is obligated to provide water/sewer service. In addition, District may elect to pursue any remedies provided by the Non-Standard Service Contract. Applicant is advised that purchasers of lots also may have legal recourse to the Applicant under Texas law.

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SECTION G.
RATES AND SERVICE FEES

Unless specifically defined in this District Utility Ordinances, all fees, rates, and charges as stated shall be non-refundable.

1. **Service Investigation Fee.** The District shall conduct a service investigation for each service application submitted at the District's office. The District, without charge, as to whether the service request is Standard or Non-Standard, shall make an initial determination. An investigation shall then be conducted and the results reported under the following terms:
 - a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.
 - b. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the District ability to deliver service to the Applicant to;
 - (1) provide cost estimates of the project,
 - (2) to present detailed plans and specifications as per final plat,
 - (3) to advertise and accept bids for the project,
 - (4) to present a Non-Standard Service Contract to the Applicant, and
 - (5) to provide other services as required by the District for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.)
2. **Deposit Fee.** At the time the application for service is approved, a refundable Deposit must be paid for each service requested before service shall be provided or reserved for the Applicant by the District.
 - a. The Deposit for water service is \$200.00 for each service unit.
 - b. Deposit for oversized or Master Metered Accounts shall be based on multiples of meter size equivalence or actual connections served.
3. **Easement Fee.** When the District determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of the District and/or pay all costs incurred by the District in validating, clearing, and retaining such right-of-way in addition to tap fees otherwise required pursuant to the provisions of this District Utility Ordinances. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites in behalf of the Applicant. (See Section E. 2. c. (2), Section F. 7. a.)
4. **Installation Fee.** The District shall charge an installation fee for service as follows:
 - a. **Standard Service** shall include all current labor, materials, engineering, legal, customer service inspection, and administrative costs necessary to provide individual metered water service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.
 - b. **Non-Standard Service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the District under the rules of Section F of this District Utility Ordinances.

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c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E.2. (d) (6) of this District Utility Ordinance, or other system improvements.

5. **Equity Buy-In Fee.** In addition to the Deposit, each Applicant shall be required to achieve parity with Customer. This fee shall be assessed immediately prior to providing or reserving service on a per service unit basis for each tap/lot and shall be assigned and restricted to the tap/lot for which the service was originally requested. The formula applied to such fee calculated annually after receipt of the system audit is as follows:

Sample Calculation:

Total Contributions and Assets of the District minus (-)
 Accumulated Depreciation minus (-)
 Outstanding District Debt Principle minus (-)
 Developer Contributions minus (-)
 Grants received divided by
 Total Number of Members / Customers equals =
 Average Net Equity Buy-In Fee

Water Fee is \$1,800.00

6. **Monthly Charges.**

a. **Service Availability Charge**

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

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$16.00
3/4"	1.5	\$16.00
1"	2.5	\$40.00
1 1/2"	5.0	\$80.00
2"	8.0	\$128.00

b. **Reserved Service Charges** -- The monthly charge for each active account at a specific location for which a meter has not been installed but for which the District and the Applicant have entered into agreement and/or contract for reserved service. This monthly charge shall be based on the District's fixed costs to service the Applicant's dedicated facilities on a per Service Unit basis. This charge reserves service to the Applicant's property designated to receive service. This fee is determined on a case by case basis but shall never exceed the Service Availability Charge for Metered Service on a per Service Unit basis.

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

a.	MINIMUM WATER BILL	0 – 2,000 Gal.	\$16.00
b.		2,000 – 10,000 Gal.	\$2.50 Per. Thou. Additional
c.		10,000 – 40,000 Gal.	\$3.00 Per. Thou. Additional
d.		40,000 – 75,000 Gal.	\$4.00 Per. Thou. Additional
e.		All Over 75,000 Gal.	\$6.00 Per. Thou. Additional

(1) The District shall, as required by Section 5.235, Water Code of the State of Texas, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water or wastewater service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G.6. Monthly Charges of this District Utility Ordinances. (30 TAC 291.76 d.(3) (i))

d. **Customer Notice Provisions.** The District shall give written notice of monthly rate changes by mail or hand delivery to all consumers at least 30 days prior to the effective date of the new rate. The notice shall contain the old rates, new rates, effective date of the new rate, date of Board authorization, and the name and phone number of the District's contact person designated to address inquiries about the rate change.

7. **Assessments** – If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water or wastewater charges to be insufficient for the payment of all costs incident to the operation of the District's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the District as the Board may determine or as may be required by Rural Development, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment on indebtedness for the year's operations. (Article XVIII of Bylaws, Section 1.)

8. **Late Payment Fee.** Once per billing period, a penalty of \$10.00 shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period.

9. **Owner Notification Fee.** The District may, at the expense of the Customer, notify customer of a renter/lessee delinquent account status prior to disconnection of service. The Owner Notification Fee shall be \$5.00 per notification. (See Miscellaneous Transaction Forms.)

Mortgagee/Guarantor Notification Fee. The District shall assess a fee of \$5.00 for each notification to a Customer lien-holder under agreement prior to Deposit cancellation. (See Miscellaneous Transaction Forms.)

11. **Returned Check Fee.** In the event a check, draft, or any other similar instrument is given by a person, firm, District, or partnership to the District for payment of services provided for in this District Utility Ordinances. The instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return

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check charge of \$25.00. (see Miscellaneous Transaction Forms)

12. **Reconnect Fee.** The District shall charge a fee of \$25.00 for reconnecting service after the District has previously disconnected the service for any reason provided for in this District Utility Ordinances except for activation of service under Section E.3.b.Re-Service.
13. **Service Trip Fee.** The District shall charge a trip fee of \$35.00 for any service call or trip to the Member's tap as a result of a request by the District or resident (unless the service call is in response to damage of the District's or another Customer's facilities) or for the purpose of disconnecting or collecting payment for services.
14. **Equipment Damage Fee.** If the District's facilities or equipment has been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other District actions. This fee shall be charged and paid before service is re-established. If the District's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Customer. If the District's facilities or equipment have been damaged due to negligence or unauthorized use of the District's equipment, right-of-way, or meter shut-off valve, or due to other acts for which the District incurs losses or damages, the Customer shall be liable for all labor and material charges incurred as a result of said acts or negligence.
15. **Customer History Report Fee.** A fee of \$5.00 shall be charged to provide a copy of the Customers record of past water purchases in response to a Customer's request for such a record.
16. **Meter Test Fee.** The District shall test a Customer's meter upon written request of the Customer. Under the terms of Section E of this District Utility Ordinances, a charge of \$25.00 shall be imposed on the affected account.
17. **Transfer Fee.** An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of \$1.00.
18. **Non-Disclosure Fee.** A fee of \$5.00 shall be assessed any customer requesting in writing that personal information under the terms of this District Utility Ordinances not be disclosed to the public.
19. **Information Disclosure Fee.** All public information except that which has been individually requested as confidential shall be available to the public for a fee to be determined by the District's based on the level of service and costs to provide such information, but not to be inconsistent with the terms of the Texas Publication Information Act: Chapter 552, Texas Government Code.
20. **Customer Service Inspection Fee.** A fee of \$25.00 will be assessed each Applicant before permanent continuous service is provided to new construction.
21. **Regulatory Assessment.** A fee of 0.5% of the amount billed for water service will be assessed on each customer; this assessment is required under Texas law and TCEQ regulations.

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22. **Additional Assessments.** In the event any federal, state, or local government imposes on the District a "per meter" fee or an assessment based on a percent of water charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.

23 **Assessments for Leakage.** When a customer request an adjustment, due to a leak, an adjustment will be made when the metered amount of water exceeds two and one half (2 ½) the normal average (one year's average) for a customer. Proof of a leak, a copy of a plumber's bill, or an affidavit along with receipts for the materials to repair leak, must be presented when an adjustment is requested. The amount of the adjustment will be (1/3) off the amount of the bill in question. The adjustment will be made for no more than three (3) months. Amount must be paid in full within three (3) months of leakage.

24 **Other Fees.** All services outside the normal scope of utility operations that the Corporation may be compelled to provide at the request of a customer shall be charged to the recipient based on the cost of providing such service.

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SECTION H.
DROUGHT CONTINGENCY
AND
EMERGENCY WATER DEMAND MANAGEMENT PLAN

1. INTRODUCTION

The goal of this plan is to cause a reduction in water use in response to drought or emergency conditions so that the water availability can be preserved. Since emergency conditions can occur rapidly, responses must also be enacted quickly. This plan has been prepared in advance considering conditions that will initiate and terminate the rationing program.

A Drought/Emergency Management Committee consisting of two Board Members and the System Manager will monitor usage patterns and public education efforts and will make recommendations to the Board on future conservation efforts, demand management procedures or any changes to this plan. The Committee will develop public awareness notices, bill stuffers, and other methods that will begin and continue as a constant type of reminder that water should be conserved at all times, not just during a drought or emergency. This Committee will also review and evaluate any needed amendments or major changes due to changes in the SUD service area population, distribution system or supply. This review and evaluation will be done on a regular basis of five years unless conditions necessitate more frequent amendments.

The plan will be implemented according to the three stages of rationing as imposed by the Board. Section D describes the conditions that will trigger these stages.

2. PUBLIC INVOLVEMENT

Opportunity for the public to provide input into the preparation of the Plan was provided by the Board by scheduling and providing public notice of a public meeting to accept input on the Plan. Notice of the meeting was provided to all customers. In the adoption of this plan, the Board considered all comments from customers.

3. COORDINATION WITH REGIONAL WATER PLANNING GROUP

Being located within the _____ (name of regional water planning area or areas), a copy of this Plan has been provided to that Regional Water Planning Group.

4. TRIGGER CONDITIONS

The Drought Emergency Management Committee is responsible for monitoring water supply and demand conditions on a monthly basis (or more frequently if conditions warrant) and shall determine when conditions warrant initiation or termination of each stage of the plan, that is, when the specified triggers are reached. The Committee will monitor monthly operating reports, water supply or storage

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tank levels and/or rainfall as needed to determine when trigger conditions are reached. The triggering conditions described below take into consideration: the vulnerability of the water source under drought of record conditions; the production, treatment and distribution capacities of the system, and member usage based upon historical patterns.

- a. Stage I - Mild Condition:** Stage I water allocation measures may be implemented when one or more of the following conditions exist:
- 1) Water consumption has reached 80 percent of daily maximum supply for three (3) consecutive days.
 - 2) Water supply is reduced to a level that is only 20 percent greater than the average consumption for the previous month.
 - 3) There is an extended period (at least eight (8) weeks) of low rainfall and daily use has risen 20 percent above the use for the same period during the previous year.
- b. Stage II - Moderate Conditions:** Stage II water allocation measures may be implemented when one of the following conditions exist:
- 1) Water consumption has reached 90 percent of the amount available for three consecutive days.
 - 2) The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days. Example: The highest recorded water level drops _____ () feet or more for _____ () consecutive days.
- c. Stage III - Severe Conditions:** Stage III water allocation measures may be implemented when one of the following five conditions exist:
- 1) Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of 24 hours or longer.
 - 2) Water consumption of 95 percent or more of the maximum available for three (3) consecutive days.
 - 3) Water consumption of 100 percent of the maximum available and the water storage levels in the system drop during one 24-hour period.
 - 4) Natural or man-made contamination of the water supply source(s).
 - 5) The declaration of a state of disaster due to drought conditions in a county or counties served by the District.
 - 6) Reduction of wholesale water supply due to drought conditions.
 - 7) Other unforeseen events which could cause imminent health or safety risks to the public.

5. STAGE LEVELS OF WATER ALOCATIONS

The stage levels of water allocations are to be placed in effect by the triggers in Section D. The System shall institute monitoring and enforce penalties for violations of the Drought Plan for each of the Stages listed below. The water allocation measures are summarized below.

a. Stage I - Mild Conditions

- 1) Alternate day, time of day, or duration restrictions for outside water usage allowed. (System will notify Customers which restriction is in effect)
- 2) The system will reduce flushing operations.
- 3) Reduction of customers' water use will be encouraged through notices on bills or other method.

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b. Stage II - Moderate Conditions

- 1) All outside water use is prohibited (except for livestock variances).
- 2) Make public service announcements as conditions change via local media (TV, radio, newspapers, etc.).

c. Stage III - Severe Conditions

- 1) All outside watering prohibited.
- 2) Water use will be restricted to a percentage of each member's prior month usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
- 3) District shall continue enforcement and educational efforts.

NOTE:

- Refer to your water purchase contract for additional restrictions/requirements that may be imposed by stipulations from the wholesale supplier.
- There may be additional restrictions imposed by Governmental Entities.
- Meters will be read as often as necessary to insure compliance with this program for the benefit of all the customers.

6. INITIATION AND TERMINATION PROCEDURES

Once a trigger condition occurs, the District, or its designated responsible representative, shall, based on recommendation from the Chairperson of the Drought/Emergency Management Committee, decide if the appropriate stage of rationing shall be initiated. The initiation may be delayed if there is a reasonable possibility the water system performance will not be compromised by the condition. If water allocation is to be instituted, written notice to the customers shall be given.

Written notice of the proposed water allocation measure shall be mailed or delivered to each affected customer upon the initiation of each stage. In addition, upon adoption of Stage II or Stage III, a notice will be placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:

- a. The date water allocation shall begin,
- b. The expected duration,
- c. The stage (level) of water allocations to be employed,
- d. Penalty for violations of the water allocation program, and
- e. Affected area or areas.

A sample Customer Notice of water allocation conditions is included in Miscellaneous Transaction Forms of this District Utility Ordinance.

If the water allocation program extends 30 days then the Chairperson of the Drought/Emergency Management Committee or manager shall present the reasons for the allocations at the next scheduled Board Meeting and shall request the concurrence of the Board to extend the allocation period.

When the trigger condition no longer exists then the responsible official may terminate the water allocations provided that such an action is based on sound judgment. Written notice of the end of allocations shall be given to customers. A water allocation period may not exceed 60 days without extension by action of the Board.

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7. PENALTIES FOR VIOLATIONS

- a. **First Violation** – The customer/member will be notified by a written notice of their specific violation and the penalty to be assessed for continued violation.
- b. **Second Violation** - The District will assess a penalty of \$_____.
- c. **Subsequent Violations** – The District will assess an additional penalty of \$_____ for violations continuing after the Second Violation.
- d. **Termination** - The District will terminate service for up to 7 days for continuing violations continuing after the Second Violation under this section or until any delinquent penalty is fully paid and will charge for the service call to restore service.

These provisions apply to all customers of the District.

8. EXEMPTIONS OR WAIVERS

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

- a. Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- b. Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the Drought/Emergency Management Committee within 5 days after the Plan or a particular drought response stage has been invoked or after a condition justifying the variance first occurs. All petitions for variances shall be reviewed by the Committee and shall include the following:

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

Variances granted by the Committee shall be subject to the following conditions, unless specifically waived or modified by the Committee or Board of Directors:

- Variances granted shall include a timetable for compliance.

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- Variances granted shall expire when the water allocation is no longer in effect, unless the petitioner has failed to meet specified requirements. No variance allowed for a condition requiring water allocation will continue beyond the termination of water allocation under Section F. Any variance for a subsequent water allocation must be petitioned again. The fact that a variance has been granted in response to a petition will have no relevance to the Committee's decision on any subsequent petition.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

9. IMPLEMENTATION

The Board establishes a Drought/Emergency Management Committee by Resolution, the chairperson of which will be the responsible representative to make Drought and Emergency Water Management actions. This Committee will review the procedures in this plan annually or more frequently. Modifications may be required to accommodate system growth, changes in water use demand, available water supply and/or other circumstances.

This Plan was adopted by the Board at a properly noticed meeting held on July 03, 2006.

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CORPORATION USE ONLY

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

LUELLA
Special Utility District
SERVICE APPLICATION AND AGREEMENT

Please Print: DATE _____

APPLICANT'S NAME _____

CO-APPLICANT'S NAME _____

CURRENT BILLING ADDRESS: _____ FUTURE BILLING ADDRESS: _____

PHONE NUMBER - Home (_____) _____ - _____ Work (_____) _____ - _____

PROOF OF OWNERSHIP PROVIDED BY _____

DRIVER'S LICENSE NUMBER OF APPLICANT _____

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

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

ACREAGE _____ HOUSEHOLD SIZE _____

NUMBER IN FAMILY _____ LIVESTOCK & NUMBER _____

SPECIAL SERVICE NEEDS OF APPLICANT _____

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY. A MAP OF SERVICE LOCATION REQUEST MUST BE ATTACHED.

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

White, Not of Hispanic Origin Black, Not of Hispanic Origin American Indian or Alaskan Native Hispanic Asian or Pacific Islander Other (Specify) Male
Female

AGREEMENT made this _____ day of _____, _____, between

Luella Special Utility District, a corporation organized under the laws of the State of Texas (hereinafter called the District) and

_____ (hereinafter called the Applicant and/or Customer),

Witnesseth:

The District shall sell and deliver water and service to the Applicant and the Applicant shall purchase, receive, and/or reserve service from the District in accordance with the bylaws and Utility Rate Ordinance of the District as amended from time to time by the Board of Directors of the District. Upon compliance with said policies, including payment of a Deposit, the Applicant qualifies for Service as a new applicant or continued Customer as a transferee and thereby may hereinafter be called a Customer.

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

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

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

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

The Applicant hereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the District's policies, shall further qualify as a Customer and the Indication of Interest Fee shall then be converted by the District to a Deposit. Applicant further agrees to pay, upon becoming a Customer, the monthly charges for such service as prescribed in the District's Utility Ordinance. Any breach of this agreement shall give cause for the District to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the District may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by the District. If the District as a part of this project deems delivery of service to said location infeasible, the Applicant shall be denied Membership in the District and the Indication of Interest Fee, less expense, shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the District's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the District Deposit.

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

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

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

- a. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state regulations.
- b. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an air gap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.

- c. No connection which allows condensing, cooling, or industrial process water to be returned to the public drinking water supply is permitted.
- d. No pipe or pipe fitting which contains more than 8.0 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- e. No solder or flux which contains more than 0.2 % lead may be used for the installation or repair plumbing on or after July 1, 1988, at any connection which provides water for human consumption.

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

The District hereby notifies the customer that dual check valves are routinely installed on all new services. The dual check valves create a closed system for the customer which helps to ensure the health and safety of all customers from possible cross connection contamination. The customer is warned that as a result of the installation of dual valves, the possibility of thermal expansion is present within the customer's closed system. To prevent possible damage or harm from thermal expansion, all customer shall and maintain adequate and/or pressure relief valves on all hot water heaters attached to the customer's service lines. For further information regarding the dual check valves, closed system or thermal expansion, please contact the District.

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

In the event the total water supply is insufficient to meet all of the customer, or in the event there is a shortage of water, the District may initiate the Emergency Rationing Program as specified in the District Utility Ordinance by execution of this agreement, the Applicant hereby shall comply with the terms of said program.

By execution hereof, the Applicant shall hold the District 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 District, normal failures of the system, or other events beyond the District's control.

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

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

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

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

Witnesseth

Applicant Customer

Approved and Accepted

Date Approved

SERVICE INSPECTION CERTIFICATION

Name of PWS LUELLA SPECIAL UTILITY DISTRICT

PWS I.D. #0910032

Location of Service _____

I WARREN WILLIAMS, upon inspection of the private water distribution facilities connected to the aforementioned public water supply do hereby certify that, to the best of my knowledge:

- | | Compliance | Non-Compliance |
|---|--------------------------|--------------------------|
| (1) No direct connection between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with commission regulations. | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention device tester. | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply. | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) No pipe or pipe fitting which contains more than 8.0% lead exists in private water distribution facilities installed on or after July 1, 1988. | <input type="checkbox"/> | <input type="checkbox"/> |
| (5) No solder or flux which contains more than 0.2% lead exists in private water distribution facilities installed on or after July 1, 1988. | <input type="checkbox"/> | <input type="checkbox"/> |

Water service shall not be provided or restored to the private water distribution facilities until the above conditions are determined to be in compliance. I further certify that the following materials were used in the installation of the water distribution facilities:

Service lines	Lead <input type="checkbox"/>	Copper <input type="checkbox"/>	PVC <input type="checkbox"/>	Other <input type="checkbox"/>
Solder	Lead <input type="checkbox"/>	Lead Free <input type="checkbox"/>	Solvent Weld <input type="checkbox"/>	Other <input type="checkbox"/>

I recognize that this document shall become a permanent record of the aforementioned Public Water System and that I am legally responsible for the validity of the information I have provided.

Signature of Inspector

450-19-2935
Registration Number

OPERATOR
Title

(B) GROUND ENDOREMENT
Type of Registration

05-22-2006
Date

Luella Special Utility District CUSTOMER TRANSFER AUTHORIZATION

Transferor hereby surrenders service in the Luella SUD by execution of the following document. Water service rights granted by the customer and other qualification hereby cease contingent upon further qualification of the Transferee in accordance with the policies of the Luella SUD.

By execution hereof, the undersigned hereby acknowledges that the Customer has transfer complies with the terms of one of the following items (1) through (4), thereby qualifying for transfer of deposit in accordance with the laws of the State of Texas.

- (1) The service is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
- (2) The service is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
- (3) The service is transferred without compensation or by sale to the District; or
- (4) The service is transferred as a part of the conveyance of real estate from which the customer arose.

Transferee understands that qualification for service is not binding to the District and does not qualify Continued water service unless the following terms and conditions are met:

- (1) This Deposit Transfer Authorization Form is completed by the Transferor and Transferee;
- (2) The Transferee has completed the required Application Packet;
- (3) All indebtedness due the District has been paid;
- (4) The Customer Transferor Form has been signed, properly endorsed, by the record Transferor;
- (5) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Customer originally arose; and
- (6) Any other terms and conditions of the Districts Utility Ordinance are properly met.

Signature of Transferor

Signature of Transferee

CUSTOMER TRANSFER AUTHORIZATION (CONTINUED)

Transferor's Name _____

Transferee's Name _____

Forwarding Address _____

Current Address _____

City, State, Zip Code _____

City, State, Zip Code _____

Phone _____

Phone _____

Account Number _____

Final Reading _____

Reading Date _____

Location of Meter _____

Note: A fee of \$1.00 is charged to the Transferor on all transfers.

Transferor may be due a refund of the Membership Fee, and Transferee understands that he/she must place a refundable deposit with the District.

ACKNOWLEDGEMENT

The State of Texas
County of Grayson

IN WITNESS WHEREOF the said Transferor and Transferee have executed this instrument this ____ day of _____, 20____.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledge to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS ____ day of _____, 20____.

(SEAL)

Notary Public in and for

Grayson County, Texas

Commission expires _____

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

RIGHT OF WAY EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that _____
(hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Luella Special Utility District, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install, and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances and any other facilities necessary to serve Grantors' property as well as the Grantee's current and future system-wide customers, under, over and across _____ acres of land, more particularly described in instrument recorded in Vol. _____, Page _____, Deed Records, Grayson County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed 15' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 15' in width the center line thereof being the pipeline as installed.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, paralleling, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor or their successors or assigns to move or remove any such abandoned lines or appurtenances.

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

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described land and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to **WARRANT AND FOREVER DEFEND**, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

The easement conveyed herein was obtained or improved through Federal financial assistance. This

easement is subject to the provisions of the Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this ____ day of _____, 20____.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF GRAYSON.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE ____ day of _____, 20____.

(Seal)

(Notary Public in and for) _____ County, Texas.

**LUELLA SPECIAL UTILITY DISTRICT
36 LWSC RD.
SHERMAN, TEXAS 75090**

CUSTOMER'S APPROVAL OF BANK DRAFTS

Customer's Name: _____

Customer's Address: _____

Customer's Acct. #: _____

I _____ give Luella Special Utility District permission
to draft my bank account for my water bill only.

CUSTOMER SIGNATURE

DATE

Customer is required to provide a **VOIDED** blank check **DO NOT SIGN!**

**LUELLA SPECIAL UTILITY DISTRICT
ALTERNATE BILLING AGREEMENT
FOR RENTAL ACCOUNTS**

NAME: _____ METER #: _____

ADDRESS: _____ ACCT #: _____

I hereby authorize Luella Special Utility District to send all billings on my account to the person(s) and address below until further written notice:

I understand that under this agreement, the District will give me notice of all delinquencies on this account prior to disconnection of service. A notification fee of \$25.00 will be charged to the account in accordance with the provisions of the Districts Utility Ordinance.

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

Signature _____

Date _____

**CUSTOMER NOTICE
OF WATER RATIONING**

DATE: _____

TO: Customers of Luella Special Utility District

FROM: Warren Williams, Manager, Luella SUD

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

Stage _____ allocation restricts your water use as follows:

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

Thank you for your cooperation.

Warren Williams
LSUD
Manager/Operator

**CUSTOMER NOTICE
OF VIOLATION**

DATE: _____

FROM: Warren Williams, Manager, Luella SUD To: _____
you are hereby notified that on (Date): _____ it was determined that you
violated the restrictions on your water use that are required under the Districts Drought
Contingency and Emergency Water Demand Management Plan. Specifically,
[DESCRIBE VIOLATION]. You were notified of the restriction on your water use, and
the penalties for violating this restriction, on _____ (see attached
[ATTACH COPY OF CUSTOMER NOTICE OF WATER RATIONING]).

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

You will be assessed a penalty in the amount specified in Districts Utility Ordinance for
any subsequent violations. If you fail to pay any penalties, your water service may be
terminated; In addition, your water service may be temporarily terminated for continued
violations.

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

We appreciate your cooperation.

**CUSTOMER NOTICE
OF SECOND VIOLATION
AND PENALTY**

DATE: _____

FROM: Warren Williams, Manager, Luella SUD To: _____
you are hereby notified that on (Date): _____ it was determined that you
violated the restrictions on your water use that are required under the Districts Drought
Contingency and Emergency Water Demand Management Plan. Specifically,
[DESCRIBE VIOLATION].

This is the **SECOND** violation. You were notified of a previous violation on _____
(see attached notice of violation) Accordingly, and as provided in the Districts Utility
Ordinance, you are hereby directed to pay a penalty of \$ _____, to be received in the
Districts business office no later than 4:00 pm on _____ 20____.
**Failure to pay the penalty by this date and time will result in termination of your
water service WITHOUT FURTHER NOTICE. Any further reconnection will
require payment of the penalty and a charge for the service call to restore service.**

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

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

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

**LUELLA SUD
DEFERRED PAYMENT AGREEMENT**

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

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

Failure to fulfill the terms of this Agreement shall institute the Districts disconnection procedures as set forth in the District Utility Ordinance unless other satisfactory arrangements are made by the Customer and approved by the Districts authorized representative.

Customer

Date

Luella SUD Authorized Representative

EASEMENT DENIAL LETTER AND AFFIDAVIT

Date _____

Luella Special Utility District
36 LWSC Rd.
Sherman, Texas 75090

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

Dear _____:

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

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

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

If you need any clarification on this matter, or wish to discuss any aspects of the enclosed easement, please contact our office: [36 LWSC Rd. 903-892-9084].

We appreciate your attention to this matter.

Sincerely,

ACKNOWLEDGEMENT OF REFUSAL

I, _____, hereby refuse to provide the easement requested by _____ Luella Special Utility District for authority to construct/operate a water distribution system across my property.

AFFIDAVIT

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

[name]
[position with District]
Date: _____

THE STATE OF TEXAS
COUNTY OF _____

THIS INSTRUMENT was acknowledged before me on _____, 20____,
by _____.

(SEAL)
Notary Public, _____ County, Texas
My Commission Expires:

Luella Special Utility District
36 LWSC RD.
SHERMAN, TEXAS
Phone 903-892-9084 / Fax 903-813-0693

MEMBER / APPLICANT Emergency/Repair Request Agreement

Member / Applicant: _____ Phone: _____
Account Number(s): _____ Fax: _____
E Mail: _____

I, the member / applicant, requests that the District notify the person(s) listed below, **OR** turn off meter service **IF I AM NOT AVAILABLE.**

In case of emergency contact:

- A. Name _____ Phone Number: _____
FAX: _____ E MAIL _____
- B. Name _____ Phone Number: _____
FAX: _____ E MAIL _____
- C. Name _____ Phone Number: _____
FAX: _____ E MAIL _____

YES/NO I hereby authorize the Luella SUD personnel to **TURN OFF METER VALVE** in case of a leak or other type of emergency on my property.

By signing this agreement I also agree to pay the service trip charges or make arrangements to pay these charges and understand if these charges are not paid with the next monthly utility service bill or other payment arrangements have been made, service will be disconnected in accordance with Section E. 15. 9) of the District's Tariff.

I also understand and acknowledge that the District is under no obligation or liability to look for any leaks occurring on my property and that, the District may not know when or if a leak is on my property.

Customer / Applicant: _____ DATE: _____

Customer / Applicant's Designee: _____ DATE: _____

Districts Witness: _____ DATE: _____

**Luella Special Utility District
EQUIPMENT AND LINE DEDICATION AGREEMENT**

I, _____ (Transferor - Name of person, entity, corp., or other), having complied with the Luella Special Utility Districts Developer, Subdivision, and Non-Standard Service Requirements Policy, do hereby dedicate, transfer and assign to the Luella Special Utility District all rights and privileges to and ownership of said equipment and or line(s) installed as a condition of service this equipment and or line(s) being described in the Non-Standard Service Agreement between the District and Transferor and the Non-Standard Service Contract of _____ (date) including any amendments thereto and being further described as follows: (or see Attachments) _____

The Luella Special Utility District through its designated representative having agreed to accept the equipment and or line(s) as previously described on the ____ day of _____, 20___. The District shall hold harmless, _____ (name of person, entity etc.) from this day forward any costs for repairs or maintenance of said equipment and or line(s), notwithstanding any warranty or bond for said repairs as per the Non-Standard Service Contract/Agreement.

This agreement entered into on the ____ day of _____ in the year of _____ by: _____

Luella Special Utility District

Transferor Signature

Address

City Zip

Signed by Districts Representative

Address

City Zip

THE STATE OF TEXAS, COUNTY OF GRAYSON

IN WITNESS WHEREOF the said Transferor and the District Representative have executed this instrument this ____ day of _____, 20__.

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS ____ day of _____, 20__.

Signature of Notary Public

**Luella Special Utility District
INSTALLMENT AGREEMENT**

AN AGREEMENT made this _____ day of _____, 20____, between Luella Special Utility District, a District organized under the laws of the State of Texas (hereinafter called the District) and _____, (hereinafter called the Applicant and/or Customer).

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

Failure to fulfill the terms of this Agreement shall institute the District disconnection procedures as set forth in the Districts Utility Ordinance.

APPROVED AND ACCEPTED this _____ day of _____, 20____ at the regular monthly meeting of the Board of Directors of the Luella Special Utility District

President, _____ SUD

Sec/Treasurer, _____ SUD

THE STATE OF TEXAS COUNTY OF GRAYSON

IN WITNESS WHERE OF the said Customer/Applicant has executed this instrument this _____ day of _____, 20____.

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

Notary Public in and for _____

Customer/Applicant

County, Texas.
Commission Expires _____ / _____ / _____

Luella Special Utility District LINE EXTENSION REFUND AGREEMENT

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

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

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

Luella Special Utility District

Signed by Applicant

Signed by President

Address

Address

City

Zip

City

Zip

Witness

Date filed: ____/____/____

THE STATE OF TEXAS, COUNTY OF GRAYSON

IN WITNESS WHEREOF the said Customer/Applicant and President of Luella SUD has executed this instrument this _____ day of _____, 20____.

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

WITNESSED UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

Luella Special Utility District CUSTOMER MORTGAGE AGREEMENT

This agreement hereby verifies that the Luella SUD provides or is able to provide utility service under the terms and conditions of its Districts Utility Ordinance to the property so designated in this agreement.

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

The Deposit available/assigned to this property is transferable to all legally qualifying interests upon compliance with the terms and conditions of the Luella Districts Utility Ordinance, including but not limited to completion of all required forms and applications, payment of all fees, and payment of final account balances.

The Luella SUD shall notify any Loan/Customer guarantor and/or mortgagee by certified mail at least thirty (30) days prior to Customer service to be termination and guarantor/mortgagee hereby guarantees payment of any account balances required to prevent termination of Deposit by the Luella SUD.

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

Legal Description of Property:

Mortgagee (Lien-Holder)

Guarantor (If Applicable)

Luella SUD Representative

Date

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

**Luella Special Utility District
METER TEST AUTHORIZATION
AND TEST REPORT**

NAME: _____

ADDRESS: _____

DATE OF REQUEST: _____ PHONE NUMBER (DAY): _____

ACCOUNT NUMBER: _____ METER SERIAL NUMBER: _____

REASONS FOR REQUEST: _____

Customers requesting a meter test may be present during the test, but if not, Customers shall accept test results shown by the District. The test shall be conducted in accordance with the American Water Works Association standards and methods on a certified test bench **or on-site with an acceptable certified test meter**. Customer agrees to pay \$25.00 for the test if the results indicate an AWWA acceptable performance, plus any outstanding water utility service. In the event that the Customer is required to pay for the test and for outstanding water utility service as set forth herein, said charges shall be applied to the next billing sent to the Customer after the date of the test.

Signed by Customer

TEST RESULTS

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

Register test _____ minutes at _____ gallons per minute recorded per _____ gallons.

Meter tests accurately; no adjustments due.

Meter tests high; adjustment due on water charges by _____ %

Meter tests low; no adjustment due.

Test conducted by _____ Approved

LUELLA SPECIAL UTILITY DISTRICT

36 LWSC RD.

903-892-9084

Contact Person: _____

APPLICANT'S NOTICE OF INSUFFICIENT INFORMATION

TO: _____

ACCOUNT NUMBER: _____

DATE: _____

DATE OF SCHEDULED DISCONNECTION: _____

You are hereby advised that the INCOMPLETE status of your (SEE LIST BELOW FOR WHICH) FORMS is jeopardizing your service with the District. If our office does not receive COMPLETED DOCUMENTS OR PROPER INFORMATION within ten days of the date of this notice, your utility service will be terminated. To regain service after termination, you must re-apply for Service and pay all costs applicable to a new Customer under the terms of the Districts Utility Ordinance. If you have no intentions of retaining our service, make sure the service line is capped. We will not cap your line for you, but will remove the meter regardless of the circumstances on the Disconnection Date indicated above.

Circle all the forms needing additional information from the Applicant/Customer.

- A. SERVICE APPLICATION AND AGREEMENT
- B. RIGHT-OF-WAY EASEMENT
- C. SANITARY CONTROL EASEMENT
- D. ALTERNATE BILLING AGREEMENT
- E. NON-STANDARD SERVICE AGREEMENT OR CONTRACT
- F. FINAL PLAT
- G. BANKRUPTCY INFORMATION FOR YOUR ACCOUNT(S)
- H. OTHER INFORMATION _____

LUELLA SUD MANAGEMENT

Signed by: _____

**LUELLA SPECIAL UTILITY DISTRICT
NOTICE OF RETURNED CHECK**

TO: _____

DATE: _____

CHECK NUMBER: _____

AMOUNT OF CHECK: _____

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

You have ten days from the date of this notice in which to redeem the returned check and pay an additional \$25.00 Returned Check Fee. Redemption of the returned check and payment of additional fees may be made by cash, money order, or certified check. If you have not redeemed the returned check and paid the additional service fees within ten (10) days, your utility service will be disconnected unless other arrangements have been made with management.

LUELLA SUD MANAGEMENT

**LUELLA SPECIAL UTILITY DISTRICT
NOTICE TO OWNER OF RENTAL PROPERTY**

You are hereby given notice that your renter/lessee is past due on your account with the District. The renter/lessee has been sent a second and final notice, a copy of which is enclosed herein, and the utility service will be scheduled for disconnection unless the bill is paid by the final due date. If disconnection occurs, the District's policies under the terms and conditions of its Districts Utility Ordinance shall govern restoration of disconnected service. A fee of \$25.00 has been posted to the account for mailing of this notice. Any unpaid bills, service fees, or reconnect fees (service trip fees) are chargeable to the owner. If you have any questions concerning the status of this account, please do not hesitate to call.

Luella Special Utility District. 6 4

Amount Due Including Service Charges _____

Final Due Date _____

**LUELLA SPECIAL UTILITY DISTRICT
REQUEST FOR SERVICE DISCONTINUANCE**

I _____, hereby request that my water meter (SSN# _____) or account number _____ located on _____, be disconnected from Luella Special Utility District service and that my deposit be refunded to me. I understand that if I should ever want my service reinstated I may have to reapply for service as a new customer and I may have to pay all costs as indicated in a then current copy of the District's Utility Ordinances. Future ability to provide service will be dependent upon system capacity, which I understand may be limited and may require capital improvements to deliver adequate service. I also understand that these improvements will be at my cost. I further represent to the District that my spouse joins me in this request and I am authorized to execute this Request for Service Discontinuance on behalf of my spouse.

Signature

Date of Signature

NOTE: Charges for service will terminate when this signed statement is received by the Luella SUD office. A \$5.00 fee will be assessed for the processing of this transaction and will be deducted from the deposit in addition to final charges.

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

RIGHT OF WAY EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that _____
(hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by _____, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install, and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances and any other facilities necessary to serve Grantors' property as well as the Grantee's current and future system-wide customers, under, over and across _____ acres of land, more particularly described in instrument recorded in Vol. _____, Page _____, Deed Records, _____ County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed 15' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 15' in width the center line thereof being the pipeline as installed.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, paralleling, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor or their successors or assigns to move or remove any such abandoned lines or appurtenances.

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

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described land and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to **WARRANT AND FOREVER DEFEND**, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

The easement conveyed herein was obtained or improved through Federal financial assistance. This
JAN 13 2004

easement is subject to the provisions of the Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day of _____, 20____.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF GRAYSON.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE _____ day of _____, 20____.

(Seal)

(Notary Public in and for) _____ County, Texas.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Farmers Home Administration

RIGHT OF WAY EASEMENT
(General Type Easement)

KNOW ALL MEN BY THESE PRESENTS, that _____,
(hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable
consideration paid by _____, (hereinafter called "Grantee"), the receipt and
sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said
Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install, and lay and
thereafter use, operate, inspect, repair, maintain, replace, and remove water distribution lines and
appurtenances over and across _____ acres of land, more particularly described in instrument recorded
in Vol. _____, Page _____, Deed Records, _____ County, Texas, together with the right of
ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are
granted. The easement hereby granted shall not exceed 15' in width, and Grantee is hereby authorized to
designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the
easement herein granted shall be limited to a strip of land 15' in width the center line thereof being the
pipeline as installed.

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

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors
by reason of the installation of the structures referred to herein and the Grantee will maintain such easement
in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantor's
premises. This agreement together with other provisions of this grant shall constitute a covenant running with
the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the
owners of the above described land and that said lands are free and clear of all encumbrances and liens except
the following:

The easement conveyed herein was obtained or improved through Federal financial assistance. This
easement is subject to the provisions of the Title VI of the Civil Rights Act of 1964 and the regulations issued
pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which
financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day of
_____, 20____.

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ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF _____.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE _____ day of _____, 20 _____.

(Seal)

(Notary Public in and for) _____ County, Texas.

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NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS
COUNTY OF GRAYSON

THIS CONTRACT is made and entered into by and between _____, hereinafter referred to as "Developer", and Luella Water Supply Corporation, hereinafter referred to as "WSC" or "Corporation".

WHEREAS, Developer is engaged in developing that certain _____ acres of land in Grayson, County, Texas, more particularly known as the _____ subdivision, according to the plat thereof recorded at Vol. _____, Page _____ of the Plat Records of Grayson County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, WSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, Developer has requested WSC to provide such water service to the Property through an extension of WSC's water system, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and WSC agree and contract as follows:

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

- (a) The Water System Extension shall be engineered and designed by a Texas Licensed Professional Engineer in accordance with the applicable specifications of the WSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by WSC's consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by the WSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the Property based on plans for the development of the provided to WSC by the Developer. WSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of the WSC, subject to the obligation to reimburse the Developer for any such oversizing as provided below.

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

- (a) Developer shall be responsible for dedicating or acquiring any easements across privately owned land or sites (including off-site) which are necessary for the construction or operation of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water System Extension in public right-of-way.
- (b) Any easements acquired by the Developer shall be in a form approved by the WSC (see Form of Easement, attached to this Contract and made a part hereof) and shall be assigned to WSC upon proper completion of the construction of the Water

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System Extension.

- (c) The validity of the legal instruments by which the Developer acquires any such easements and by which Developer assigns such easements to WSC must be approved by WSC's attorney.

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

- (a) Developer shall advertise for bids for the construction of the Water System Extension in accordance with generally accepted bidding practices and shall award the contract for the construction of the Water System Extension subject to the approval of the WSC. WSC may reject any bid.
- (b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. WSC shall have the right to inspect all phases of the construction of the Water System Extension. Developer must give written notice to WSC of the date on which construction is scheduled to begin so that WSC may assign an inspector. WSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

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

- (a) Upon proper completion of construction of the Water System Extension and final inspection thereof by WSC, the Water System Extension shall be dedicated to the WSC by an appropriate legal instrument approved by WSC's Attorney. The Water System Extension shall thereafter be owned and maintained by WSC subject to the warranties required of Applicant under Subsection (b). Any connection of individual customers to the Water System Extension shall be made by the WSC.
- (b) Upon dedication of the Water System Extension, Applicant shall warrant materials and performance of the Water System Extension constructed by Applicant for ____ months following the date of dedication.

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

- (a) Developer shall pay all costs associated with the Water System Extension as a contribution in aid of construction, including, without limitation, the cost of the following:
 - (1) engineering and design;
 - (2) easement or right -of-way acquisition;
 - (3) construction;
 - (4) inspection;
 - (5) attorneys' fees; and
 - (6) governmental or regulatory approvals required to lawfully provide service.
 - (7) Developer shall indemnify WSC and hold WSC harmless from all of the foregoing costs.
- (a) Provided, however, nothing herein shall be construed as obligating the Developer to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by WSC.
- (b) If WSC has required the Water System Extension to be oversized in anticipation of the needs of the other customers of WSC, WSC shall reimburse Developer for the additional costs of construction attributable to the oversizing, as determined by the WSC's consulting engineer, in three annual installments without interest beginning one

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year after dedication of the Water System Extension to WSC.

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

- (a) After proper completion and dedication of the Water System Extension to WSC, WSC shall provide continuous and adequate water service to the Property, subject to all duly adopted rules and regulations of WSC and the payment of the following:
- (1) All standard rates, fees and charges as reflected in WSC's approved tariff;
 - (2) Any applicable impact fee adopted by WSC;
 - (3) Any applicable reserved service charge adopted by WSC.
- (b) It is understood and agreed by the parties that the obligation of WSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (c) Unless the prior approval of WSC is obtained, the Developer shall not:
- (1) construct or install additional water lines or facilities to service areas outside the Property;
 - (2) add any additional lands to the Property for which water service is to be provided pursuant to this Agreement; or
 - (3) connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

7. **Effect of Force Majeure.**

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

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

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8. **Notices.**

Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to the WSC shall be addressed:

Luella Water Supply Corporation
36 LWSC Rd.
Sherman, Texas 75090

Any notice mailed to Applicant shall be addressed:

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

9. **Breach of Contract and Remedies.**

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith.
- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

10. **Third Parties.**

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

11. **Captions.**

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

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12. **Context.**

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

13. **Mediation. [Optional]**

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

14. **Litigation Expenses.**

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

15. **Intent.**

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.

16. **Multiple Originals.**

This Contract may be executed in multiple originals, any copy of which shall be considered to be an original.

17. **Authority.**

The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

18. **Severability.**

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

19. **Entire Agreement.**

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

20. **Amendment.**

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized

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representatives of the WSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

21. **Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Grayson County, Texas.

22. **Venue.**

Any action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Grayson County, Texas.

23. **Successors and Assigns.**

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

24. **Assignability.**

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of the WSC.

25. **Effective Date.**

This Agreement shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Luella Water Supply Corporation

DEVELOPER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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SAMPLE

ALTERNATE BILLING AGREEMENT FOR RENTAL ACCOUNTS

NAME: _____

METER #: _____

ADDRESS: _____

ACCT #: _____

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

I understand that under this agreement that I will be given notice by the Corporation of all delinquencies on this account prior to disconnection of service. A notification fee shall be charged to the account in accordance with the provisions of the Corporation's Tariff.

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

Signature _____

Date _____

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**LUELLA WSC
NOTICE TO OWNER OF RENTAL PROPERTY**

You are hereby given notice that your renter/lessee is past due on your account with the Corporation. The renter/lessee has been sent a second and final notice, a copy of which is enclosed herein, and the utility service will be scheduled for disconnection unless the bill is paid by the final due date. If disconnection occurs, the Corporation's policies under the terms and conditions of its Tariff shall govern restoration of disconnected service. A fee of \$25.00 has been posted to the account for mailing of this notice. Any unpaid bills, service fees, or reconnect fees (service trip fees) are chargeable to the owner. If you have any questions concerning the status of this account, please do not hesitate to call.

LUELLA WSC MANAGEMENT

Amount Due Including Service Charges _____

Final Due Date _____

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CONFIDENTIALITY OF UTILITY RECORDS

In 1992 Texas Legislature passed H.B. 859 to allow various utilities to maintain the confidentiality of certain records at the request of the customer. Effective September 1, 1993, H.B. 859 provides that a government operated utility which provides water, sewer, garbage, gas, or electricity for compensation, may not disclose personal information in a customer's account records if the customer requests in writing that the utility keep the information confidential. The utility is required to include with a bill sent to each of its customers a notice of the customer's right to request confidentiality of personal information as well as any applicable fee or form required to comply with such requests. Personal information means an individual's address, telephone number, account records, or social security number. This bill applies to WSC's, cities, districts and all governmental bodies who are subject to the Texas Public Information Act. {For Reference also see TX Utility Code Confidential, Subchapter B. 182.051 and 182.052 (a)}

Such confidentiality does not prohibit a WSC from disclosing the name and address of each member on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with any annual or special meeting of the Corporation's members.

The attached forms are designed for your use and may be copied, customized to your utility's needs, and mailed to each customer as required by law. Note the following instructions:

The attached form is for use by water supply corporations, cities or districts.

Type your address in the appropriate spaces.

Fill in the charge for the service (not to exceed \$5.00).

This is a one-time requirement for each customer. All existing customers should be notified by use of these or similar forms and all new applicants should be given notice and opportunity for confidentiality of records. The attached forms may be used in your application for new services.

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**YOU CAN NOW REQUEST THAT PERSONAL INFORMATION
CONTAINED IN OUR UTILITY RECORDS
NOT BE RELEASED TO UNAUTHORIZED PERSONS**

The Texas Legislature has enacted a bill, which was effective September 1, 1993, allowing publicly-owned utilities to give their customers the option of making the customer's address, telephone number, and social security number confidential.

IS THERE A CHARGE FOR THIS SERVICE?

Yes. There is a one-time charge of \$____.00 to cover the cost of postage and implementation which must be paid at the time of request.

HOW CAN YOU REQUEST THIS?

Simply complete the form at the bottom of this page and return it with your check or money order for \$____.00 to:
Utility
Address
City, State Zip

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

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

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

Detach And Return This Section

Yes, I want you to make my personal information (address, telephone number, and social security number) confidential. I have enclosed my payment of \$____.00 for this service.

Name of Account Holder

Account Number

Address

Area Code/Telephone Number

City, State, Zip Code

Signature

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**CUSTOMER NOTICE
OF SECOND VIOLATION
AND PENALTY**

DATE: _____

FROM: Warren Williams, Manager, Luella WSC To: _____
you are hereby notified that on (Date): _____ it was determined that you violated the restrictions on your water use that are required under the Corporation's Drought Contingency and Emergency Water Demand Management Plan. Specifically, [DESCRIBE VIOLATION].

This is the SECOND violation. You were notified of a previous violation on _____ (see attached notice of violation) Accordingly, and as provided in the Corporation's Tariff, you are hereby directed to pay a penalty of \$ _____, to be received in the Corporation's business office no later than 4:00 pm. on _____ 2003.

Failure to pay the penalty by this date and time will result in termination of your water service WITHOUT FURTHER NOTICE. Any further reconnection will require payment of the penalty and a charge for the service call to restore service.

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

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

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

JAN 13 2004

13 2004

**CUSTOMER NOTICE
OF VIOLATION**

DATE: _____

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

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

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

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

We appreciate your cooperation.

JAN 13 2004

**CUSTOMER NOTICE
OF WATER RATIONING**

DATE: _____

TO: Customers of Luella Water Supply Corporation

FROM: Warren Williams, Manager, Luella, WSC

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

Stage ____ allocation restricts your water use as follows:

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

Thank you for your cooperation.

Warren Williams
Manager/Operator

JAN 13 2004

04: 13 2004

**LUELLA WSC
DEFERRED PAYMENT AGREEMENT**

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

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

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

Member

Date

Luella WSC Authorized Representative

JUN 13 2004

JAN 13 2004

**LUELLA WATER SUPPLY CORPORATION
INSTALLMENT AGREEMENT**

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

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

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

APPROVED AND ACCEPTED this _____ day of _____, 20____ at the regular monthly meeting of the Board of Directors of the _____ Water Supply Corporation.

President, _____ WSC

Sec/Treasurer, _____ WSC

THE STATE OF TEXAS COUNTY OF GRAYSON

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

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

Notary Public in and for _____

Member/Applicant

County, Texas.
Commission Expires _____ / _____ / _____

JAN 13 2004

JAN 13 2004

LUELLA WATER SUPPLY CORPORATION LINE EXTENSION REFUND AGREEMENT

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

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

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

Luella Water Supply Corporation

Signed by Applicant

Signed by President

Address

Address

city

zip

City

zip

Witness

Date filed: _____ / _____ / _____

THE STATE OF TEXAS, COUNTY OF GRAYSON

IN WITNESS WHEREOF the said Member/Applicant and President of Luella WSC has executed this instrument this _____ day of _____, 20____.

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

JAN 13 2004

JAN 13 2004

**LUELLA WATER SUPPLY CORPORATION
MEMBERSHIP MORTGAGE AGREEMENT**

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

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

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

The Luella WSC shall notify any Loan/Membership guarantor and/or mortgagee by certified mail at least thirty (30) days prior to Membership/Service termination and guarantor/mortgagee hereby guarantees payment of any account balances required to prevent termination of Membership by the Luella WSC.

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

Legal Description of Property:

Mortgagee (Lien-Holder)

Guarantor (If Applicable)

Luella WSC Representative

Date

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

JAN 13 2004

JAN 13 2004

MEMBERSHIP TRANSFER AUTHORIZATION

Transferor hereby surrenders Membership in the Luella WSC by execution of the following document. Water service rights granted by Membership and other qualification hereby cease contingent upon further qualification of the Transferee in accordance with the policies of the Luella WSC.

By execution hereof, the undersigned hereby acknowledges that the Membership Transfer complies with the terms of one of the following items (1) through (4), thereby qualifying for transfer of Membership in accordance with the laws of the State of Texas.

- (1) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
- (2) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
- (3) The Membership is transferred without compensation or by sale to the Corporation; or
- (4) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.

Transferee understands that qualification for Membership is not binding on the Corporation and does not qualify Member for continued water service unless the following terms and conditions are met:

- (1) This Membership Transfer Authorization Form is completed by the Transferor and Transferee;
- (2) The Transferee has completed the required Application Packet;
- (3) All indebtedness due the Corporation has been paid;
- (4) The Membership Certification has been surrendered, properly endorsed, by the record Transferor;
- (5) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose; and
- (6) Any other terms and conditions of the Corporation's Tariff are properly met.

Signature of Transferor

Signature of Transferee

JAN 13 2004

MEMBERSHIP TRANSFER AUTHORIZATION (CONTINUED)

Transferor's Name

Transferee's Name

Forwarding Address

Current Address

City, State, Zip Code

City, State, Zip Code

Phone

Phone

Account Number _____

Final Reading _____

Reading Date _____

Location of Meter _____

Note: A fee of \$1.00 is charged to the Transferor on all transfers.

Transferor may be due a refund of the Membership Fee, and Transferee understands that he/she must place on deposit a refundable Membership Fee with the Corporation.

ACKNOWLEDGEMENT

The State of Texas
County of Grayson

IN WITNESS WHEREOF the said Transferor and Transferee have executed this instrument this ____ day of _____, 20____.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledge to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS ____ day of _____, 20____.

(SEAL)

Notary Public in and for

Grayson County, Texas

Commission expires _____

JAN 13 2004

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