



Rates and Rules

2730 Country Club Road
Lucas, Texas 75002

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WWW.SLUD.US

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This document has periodic reviews and revisions made by the Board of Directors. Any interested parties should go to the website for that latest version.



TABLE OF CONTENTS

Rates and Rules	1
This document has periodic reviews and revisions made by the Board of Directors. Any interested parties should go to the website for that latest version.	1
INTRODUCTION	6
Index of Charges	6
Definitions	8
1 Service Rates and Conditions	11
1.1 Monthly Water Rates for Each Active Meter or Unit	11
1.1.1 Residential (1” meter)	11
1.1.2 Commercial Construction (1” meter) ¹	11
1.1.3 Outside the District	11
1.1.4 Public Use rates – effective 10-1-2007	11
1.1.5 Restrictions on Water Use	11
1.2 Inactive Meter and Non-Metered Charges	12
1.3 Water Leak Relief Policy	12
1.4 Reconnection Charges:	13
1.4.1 Residential and irrigation meters or units:	13
1.4.2 Commercial meters or units:	13
1.4.3 Reconnect Charge	13
1.5 Meter Test Policy:	13
1.6 Water Leak Determination Policy:	14
1.7 Water Tap Fees	14
1.8 Meter Relocation Policy:	14
1.9 Water Service Connection to District's Water System	14
1.9.1 Application Procedures and Requirements	14
1.9.1.1 Standard Service	15
1.9.1.2 Non-Standard Service	15
1.9.2 Requirements for District Standard services	15
1.9.3 Rules for District Standard services	15
1.10 Meters: Title, Tampering, Maintenance, Setting.	16
1.11 Monthly Sewer Rates and Conditions	17
1.11.1 Rates for Residential Customers – effective 10-1-2022 ² :	17
1.11.2 Monthly Rates Monthly for Commercial Customers:	17
1.12 Sewer Backup Determination Policy:	17



1.13	Sewer Tap Fee	18
1.14	Sewer Service Connection to District System	18
1.14.1	Application for Installation of Water Meters and Sewer Connections	20
1.14.2	Classes of Users	20
1.14.2.1	Standard Service Requests & Construction Meter Service	20
1.14.2.2	Non-Standard Service Requests	20
1.15	Payment of District Tap Charges	21
1.16	Deposit to Secure Payment for Service.	21
1.17	Discontinuing Service for Failure to Pay Bills When Due or in the Event of Abandonment of Property.	21
1.18	Penalty for Failure to Pay Bill Before Delinquent - Lock-up Policy	22
1.19	Damage Policy	22
1.20	Damage Liability	23
1.21	Fire Protection Responsibility	23
1.22	Information Disclosure	23
1.23	Assessments and other fees	23
2	Developer, Subdivision and Non-Standard Service Requirements	23
2.1	District's Limitations	23
2.2	Purpose	24
2.3	Application of Rules	24
2.4	Non-Standard Service Application	24
2.5	Design	25
2.6	Non-Standard Service Contract	25
1.	Design of the Applicant's service facilities;	26
2.	Securing and qualifying bids;	26
3.	Execution of the Service Agreement;	26
4.	Selection of a qualified bidder for construction;	26
5.	Dispensing advanced funds for construction of facilities required for the Applicant's service;	26
6.	Inspecting construction of facilities; and	26
7.	Testing facilities and closing the project.	26
2.7	Property and Right-of-Way Acquisition	26
2.8	Bids for Construction	27
2.9	Pre-Payment for Construction and Service	27
2.10	Construction	27
2.11	Service within Subdivisions	27



2.12	Evapotranspiration (ET) weather based controllers, rain and freeze sensors.	28
3	Enforcement	29
4	Roads and Drainage Ditches	29
4.1	District's Easements and Right-of-Way Policy	29
4.2	Erosion Control Policy	29
4.3	Digging Limitations	29
4.3.1	Road Right-of-Way	30
	1) Connection of a driveway(s) or sidewalk(s) to the road: (See Section 5.2.3 of the Rates and Rules Manual – DRIVEWAYS, CULVERTS, DRAINAGE, SIDEWALKSM, PATIOS, etc. (any concrete delivery.)	30
	2) Installation of a mailbox	30
5	Construction Process	32
5.1	Construction Deposits, Fees, and Inspections	33
5.2	Construction Prerequisites and Requirements	34
5.2.1	Sprinkler/Irrigation Systems	34
5.2.2	Swimming Pools and Spas	34
5.2.3	Driveways, Culverts, Drainage, Sidewalks, Patios, etc. (any concrete delivery)	35
5.2.4	Buried Fuel Tanks (and related lines and equipment)	35
5.3	Suspension of Contractor Registration and Appeals of Suspension	35
5.3.1	Suspension of registration	35
5.3.2	Appeal of suspension by operator	36
5.3.3	Reinstatement of registration	36
6	Sanctions	36
6.1	\$250.00 fee for entering pump station without the District's consent	37
6.2	\$250.00 fee for entering sewer plant without the District's consent	37
6.3	\$250 fee for entering or climbing the elevated tank tower or holding tanks, without the District's consent	37
6.4	\$250.00 fee for turning water on or off at the meter without the District's consent.	37
6.5	\$250.00 fee per occurrence for discharging fireworks, firearms or any device containing an explosive or flammable compound within the boundaries of the district, except for community shows or displays as approved by the Board of Directors	37
6.6	\$500.00 fee for turning fire hydrants on or off without the District's consent.	37
6.7	\$500.00 fee for any meter tampering.	37
6.8	\$3,000.00 fee for proceeding with any work without an executed CONTRACTOR'S PERMIT & DEPOSIT AGREEMENT on file along with all Fees and Deposits paid.	37
6.9	Administrative Costs for Enforcement of Section 2.12.	37
7	Out of District Service	38



8	Inspection of Rate Schedule and Open Records Law	38
9	Community-Sharing Project Policy	39
10	Customer Service and Protection	39



INTRODUCTION

The Seis Lagos Utility District (SLUD) is a conservation and reclamation district, a governmental body, and a political subdivision of the State of Texas initially created as a municipal utility district on March 12, 1973, by the order of the Commissioner of the Texas Commission on Environment Quality (TCEQ). Effective August 28, 1989, SLUD was reorganized as a Conservation, Utility and Reclamation District. SLUD is a State of Texas political subdivision endowed with the functions, powers, authority, rights, and duties that will permit it to accomplish the purposes for which it was created. The Texas Statutes which governing the District are Chapter 49, Texas Water Code and Chapter 293, Texas Administrative Code. The District's statutory purposes include, but not limited to, are water supply, wastewater treatment, storm water control, irrigation, road maintenance, and fire protection. The Board of Directors manages and controls the District's affairs including financial management, employment, and purchasing.

The Board establishes polices, in the interests of the District's residents and customers, to aid in the process of managing the District's assets. This document is a single source for all rates, rules, and policies that the Board has approved through the years of existence. These rates, rules, and policies apply to the water and sewer services provided by the District. Failure on the part of the consumer to observe these rates, rules, polices gives the District the authority to deny or discontinue service. The District will continue to enforce, change, and amended these rates, rules, and polices to meet the needs of the District.

Index of Charges

Residential Water Usage (1" meter)	Section 1.1.1
Commercial Construction Usage (1" meter)	Section 1.1.2
Commercial Construction Usage (2" meter))	Section 1.1.2 (a)
Meter Installation Fee	\$250.00 per Section 1.2
Water Leak Relief Policy	Section 1.3
Meter Reconnection Charge.....	\$120.00 per Section 1.4
Meter Test Policy Fees.....	estimate cost of \$75 per Section 1.5
Water Leak Determination Policy	\$50.00 per Section 1.6
Meter Relocation Policy.....	Section 1.8
Requirements for District Standard Services	Section 1.9.2
Failure to 1.9.3	\$130.00 per Section 1.9.3
Violation by Tampering.....	\$500.00 per Section 1.10
Monthly Rates for Residential Customers	\$65.00 per Section 1.11.1
Monthly Rates for Commercial Customers.....	Section 1.11.2
Sewer Backup Determination Policy	\$50.00 per Section 1.12
Residential Sewer Tap Fee	\$2000.00 per Section 1.13
Commercial Sewer Tap Fee.....	\$2500.00 per Section 1.13
Residential Deposit to Secure Payment for Service.....	\$250.00 per Section 1.16
Commercial Deposit to Secure Payment for Service	\$150.00 per Section 1.16
Penalty for Failure to Pay Bill Before Delinquent	10% late fee per Section 1.18
Lock-up Policy	Section 1.18
Damage Policy.....	\$100.00 minimum per Section 1.19
Monthly Fire Surcharge	\$67.40 monthly per Section 1.21
Utility and Drainage Easements Application fee	\$75.00 per Section 4.3.2
Construction Process Registration Fee.....	\$25.00 per Section 5
Construction Deposits, Fees, and Inspections	Section 5.1
Failure to adhere to construction requirements.....	\$3000.00 per Section 5.1



Addition of a Sprinkler or Irrigation System	Section 5.2.1
Addition of a Swimming Pool or Spa	Section 5.2.2
Concrete Usage and Delivery.....	Section 5.2.3
Sanctions	Section 6



Definitions

For purposes of this document, the following words or terms shall have the following meanings:

Applicant -- A person, corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, or any other legal entity applying for service with the District.

Board of Directors -- The governing body of the District elected by the registered voters within the District's boundaries in accordance with the applicable election laws.

Certificate of Convenience and Necessity (CCN) -- The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for Seis Lagos Utility District to provide water and sewer utility service within a defined territory. The District has been issued Certificate Number 11256 on November 1, 1979.

"Commercial Unit" shall mean and include all units which are defined by the District as commercial including, but not limited to, any industry, office building, hotel, motel, retail store, clubhouse, warehouse, service station, church, school, or other establishment rendering a service or offering products for sale to the public.

Concept Plan Checklist -- a checklist that developers would submit to the District that describes certain aspects of their project.

"Contractor" -- Any person, partnership, builder, homeowner, resident, corporation, agency, or public or private organization who agrees by written approved contract to supply materials and/or perform services for a fee or cost.

Contractor's Permit and Deposit Agreement (CP&DA) -- a permit with deposit agreement signed by the contractor when requesting to perform work within the District.

"Customer" shall mean the person or any legal entity responsible for paying for services of the District. The customer may be a builder, an owner, or a lessee of a residential, commercial, industrial structure.

Customer Service Agreement (CSA) -- an agreement signed by the homeowner when requesting service from the District.

"Delinquent Bill" shall mean a bill for District services which have not been paid by the due date shown on the monthly bill.

Deposit -- A non-interest-bearing fee as set by the Board of Directors which is held by the District as security for water and sewer service being rendered.

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].

"District" as used herein shall mean the Seis Lagos Utility District of Collin County whose business office address is 220 Seis Lagos Trail, Wylie, Texas 75098, telephone (972) 442-6875, and fax (972) 442-6875 (call first), e-mail at comments@slud.us, or our website at www.slud.us

District's Sewer System -- The sanitary sewer collection, disposal, and treatment facilities, whether owned or contracted, operated by the District and any sanitary sewer system or sewer extensions which may be built within the District in the future.

District's Water System -- The water production, treatment, and distribution facilities, whether owned, contracted, or operated by the District and any water system extensions or improvements which may be built within the District in the future.

Drought Contingency Plan (DCP) -- A plan that the District adopts to set regulations and limitations on the delivery and consumption of water to conserve the available water supply in times of drought.

Easement -- A perpetual right-of-way dedicated to the District for the installation of water (and sewer) pipelines and necessary facilities which allows access to property for future operation,



maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines for both service to a customer/applicant and system-wide service. This may also include restrictions on the adjacent area to limit the installation of sewer lines or other facilities that would restrict the use of any area of the easement. The District maintains and occasionally updates a standard easement which must be provided prior to service to a new customer or new service connection.

Final Plat -- A complete and exact plan for the subdivision of a tract of land which has been approved by all regulatory agencies having jurisdiction over approval of the design, planning and specifications of the facilities of such subdivision.

Grinder Pump System -- The individual lift stations located at each commercial building or residence which are owned and maintained by the District as part of the District's Low-Pressure Sewer System. The Grinder Pump Station includes a pump, a tank, controls, a control panel, valves, piping, electric wiring, and related facilities. District will be responsible for the maintenance of all grinder assembly components except owner's yard line from the property line to the connection outside of the basin.

Hazardous Condition -- A condition that jeopardizes the health and welfare of the customers of the District as determined by the District or any other regulatory authority with jurisdiction.

"Irrigation Unit Connection" shall mean those connections used exclusively for irrigation which cannot be connected to provide household water.

Master Meter -- A meter that serves two or more connections and is installed in accordance with the requirements set forth in Section 1.9.3 of this document.

Non-Standard Service Application -- is a number of requirements that must be met by a Non-Service applicant in order for service to be granted.

Non-Standard Service Contract -- is a binding contract between the Non-Service applicant and the District related to the application for service.

Non-Standard Service Investigation Fee -- a fee that is submitted to the District to cover District cost related to the request for service.

Public Use shall mean non-residential and non-commercial property that is used for the enjoyment of the public.

"Out of District Service" shall mean District services, both water, wastewater, and fire protection beyond the established S.L.U.D. official boundary.

Red Tag -- a tag or flyer that indicates an inspection has failed.

Renter -- A consumer who rents or leases property from a property owner or who may otherwise be termed a tenant.

"Reconnect" shall mean those connections that were previously connected to the water and/or sewer service and subsequently disconnected either: (1) at the request of the customer; (2) for non-payment for District services; or (3) as deemed necessary by the District due to public health related issues; and then reconnected to water and/or sewer service: (1) when requested by the customer; (2) after payment of all fees, charges, and penalties owed; or (3) after resolution of all public health related issues.

"Residential Unit" shall mean and include all single-family residences and all separate living units within a common property or building such as apartments, duplexes, town houses or condominiums which are not defined as commercial or irrigation units.

"Services" shall mean any work or action performed by the District.

Service Classification/Unit -- The type of water service required by an Applicant as may be determined by the District based on specific criteria such as usage, meter size, demand, type application, and other relevant factors related to the Applicant's request. The base unit of water (or sewer) service used by the District in facilities design and rate making in this document is a 1" water meter.

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



Subdivide -- 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.

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 the District.

Water Conservation Plan (WCP) -- A plan adopted by the District to set guidelines and requirements to governing the development of water conservation objectives for the use of water supplies.



1 Service Rates and Conditions

The District has adopted Water Conservation and Drought Contingency Plans that the customer should become familiar with which may impact the rates and conditions of when water may be consumed. A copy of the plans can be obtained from the District office or from the District's web site.

A Texas Commission on Environmental Quality (TCEQ) assessment is applicable to retail water usage charges and is added to the charges shown.

1.1 Monthly Water Rates for Each Active Meter or Unit

1.1.1 Residential (1" meter)

Base:	\$40.00 ¹
0 – 10,000 gallons:	\$4.25 / 1,000 gallons ²
10,001 – 35,000 gallons:	\$5.50 / 1,000 gallons ²
35,001 - 50,000 gallons:	\$8.50 / 1,000 gallons ²
50,001 gallons and over:	\$9.50 / 1,000 gallons ²

1.1.2 Commercial Construction (1" meter)¹

Base:	\$60.00
0 – 10,000 g:	\$5.50 / 1,000 gallons
10,001 – 20,000 g:	\$6.50 / 1,000 gallons
20,001 - 40,000 g:	\$7.00 / 1,000 gallons
40,001 and over:	\$7.50 / 1,000 gallons

1.1.2(a) Commercial (2" meter)¹

Base:	\$150.00
0 – 25,000 g:	\$5.50 / 1,000 gallons
25,001 – 50,000 g:	\$7.00 / 1,000 gallons
50,001 – 75,000 g:	\$8.00 / 1,000 gallons
75,001 and over:	\$8.75 / 1,000 gallons

1.1.3 Outside the District

Per contract agreement with S.L.U.D

1.1.4 Public Use rates – effective 10-1-2007

Base	\$35.00
All usage:	\$3.00 / 1,000 gallons

1.1.5 Restrictions on Water Use

Each water meter must be used in compliance with the watering day and hour restrictions in the District's Water Conservation Plan and Drought Contingency Plan. Violators will be charged additional fees.

¹ ORDER NO. 160919

² ORDER-08222022 - RATES



1.2 Inactive Meter and Non-Metered Charges

A meter installation fee of \$250 will be assessed and a water charge to reflect the highest residential rate per gallon as listed above. All temporary service water connections must be taken from a District approved backflow protected connection or site.

1.3 Water Leak Relief Policy³

The intent of this District policy is to provide some financial relief to customers who receive a high water bill resulting from a water leak at their property.

A water leak or water leakage is defined as any water lost on the customer's side of the District water meter resulting from a condition where repair and/or replacement of infrastructure (service line, interior plumbing, fixtures, etc.) is required to terminate the water leak.

Any District customer in good standing may apply and be considered by the District to receive an adjustment to their current water bill according to this policy.

To be eligible for a water leak adjustment, the customer is first required to promptly resolve the water leakage at the customer's own expense (The District is not fiscally responsible for repairs or replacements needed on the customer side of the District water meter). The customer must provide documented proof of the repair or replacement such as a dated receipt(s), paid invoice(s) and photographs if available.

Once the repairs are complete, the customer is responsible for requesting a water leak adjustment from the District in writing either at the District office or through the District's web site at <http://www.slud.us> within two billing cycles of the when repairs have been made to terminate the water leakage.

The customer's leak adjustment request must include a statement of where the leakage occurred and what steps were taken (what work was done) to terminate the water leakage.

Leakage or a high water bill resulting from conditions that did not involve repairs or replacements are not eligible for a water leak adjustment by the District, including but not limited to the following:

Usage above the customer's 12-month average consumption is due to seasonal usage such as watering of sod, gardening, filling, or re-filling swimming pools or hot tubs, washing vehicles, etc.

Water loss due to theft, vandalism, or construction damage. Resolution of these instances is the responsibility of the customer or property owner.

The meter at said property has been accessed, tampered with, or turned on/off by anyone other than a District employee, and that action results in loss of water.

Toilet leaks other than for single residential properties. (Only single-family residential properties are eligible for toilet leak consideration).

³ Resolution 09192022



Customer has a history of high or erratic usage in the similar period of previous years.

No more than one water leak adjustment shall be granted to a customer during a rolling 36-month period. The customer should consider the size of the leak and possible adjustment amount before submitting an adjustment request.

Upon receiving a water leak adjustment request, the District will calculate a water leak adjustment using the current North Texas Municipal Water District (NTMWD) current customer rate being charged to the District, plus **3.25%** to cover the cost to the District. The water leak adjustment credit excludes the fixed base rate portion of the bill and normal historical water use during the billing period. The customer's cost for infrastructure repairs (materials and labor) or damage done to other property because of the customer's water leak is not eligible for reimbursement by the District.

While a leak adjustment is under consideration, the customer shall pay the fixed base rate portion of the bill and normal historical water use during the billing period. The remaining leak charges will be suspended until a determination is made on the pending leak adjustment request. After an adjustment is made, if any, the customer shall be required to pay the remaining account balance or enter into a payment arrangement.

Water leak adjustments shall be made at the discretion of the District. The District will apply the water leak adjustment to the customer as a credit on the next regular monthly water bill.

1.4 Reconnection Charges:

1.4.1 Residential and irrigation meters or units:

\$120.00

1.4.2 Commercial meters or units:

\$120.00

1.4.3 Reconnect Charge

A reconnect charge shall be paid in full prior to reactivation of District services.

1.5 Meter Test Policy:

Meter accuracy will be maintained by the District to the industry standard of five percent (5%). Upon request, a customer may have his water meter tested, without charge, in his/her presence or in that of his authorized representative, at a convenient time to the customer, but during the utility's normal working hours. If the meter test proves that the meter is inaccurate according to the manufacture's specification, the District will pay for a replacement meter, installation and all testing costs. If the meter tests accurately, according to the manufacture's specification, the property owner must pay for the cost of the test plus \$75/hour for the District's time to take the meter for testing and testing costs.

Water customers are not guaranteed a specific quantity or pressure of water for any purpose whatsoever, and it is understood that the District is only to furnish a connection to the District's



water system and is in no case to be liable for failure or refusal to furnish water of any particular amount or pressure of water.

1.6 Water Leak Determination Policy:

If a property owner requests the District to check for a leak, and the District determines there is a leak on the District's side of the meter, the District will repair the leak at no cost to the property owner. If the District determines that the property owner has a leak on their side of the meter, they must repair the leak at their own expense. **In addition, the property owner will be billed \$50.00 for the District's time and labor.**

1.7 Water Tap Fees

Residential units will be charged the following for each meter and/or sewer connection (size and type of the meter will be determined by the District).

- 1" connection (as per Contractor's Requirements Acknowledgement form)

Commercial and irrigation units will be charged the greater of either a minimum as listed above or the total costs of labor, materials and equipment usage plus overhead.

Sewer and water taps must be at least 10 feet apart at the road's edge.

In addition to the connection charges, pro-rata fees, tap fees, capital recovery fees, or delinquent taxes that are linked to specific properties must be collected in full in order for a connection to be made.

Should a customer request an upgrade in the size of the service with the District's approval, the customer will pay a minimum of the difference of the original connection cost and the newly requested connection cost or time and materials, whichever is greater.

1.8 Meter Relocation Policy:

Relocation of a meter shall be allowed by the District provided that:

An easement for the proposed location has been granted to the District; and

The property owner requests the meter site to be relocated by petitioning the Board in writing with a detailed explanation; and

Upon approval from the Board, the relocation will be performed by the District at the expense of the property owner; and

Meter depth must be maintained between (12) twelve inches and (18) eighteen inches from the meter face to final grade; and

The charges have been collected as follows:

- Raise or lower a meter, \$200.
- Move a meter, \$250.
- Retap a meter, \$1,000.

1.9 Water Service Connection to District's Water System

An Applicant requesting service within the boundaries of the District or the District's defined service area shall be considered qualified and entitled to water (and/or sewer) utility service when proper application has been made, terms and conditions of service have been met and continue to be met, and all fees have been paid as prescribed. An Applicant requesting service outside the District's boundaries or defined service area shall be considered for service in accordance with current District policies on providing service outside the District boundaries.

1.9.1 Application Procedures and Requirements

Service shall be divided into the following two classes:



1.9.1.1 Standard Service

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 a 3/4", 1", or 2" sized water meter within 200 feet of the existing water mainlines or 1 1/2" to 2" sewer taps or connected to collection lines no more than 36" in depth and within 200 feet of the existing sewer mainlines.

1.9.1.2 Non-Standard Service

Non-Standard Service is defined as any service request which requires a larger meter service, service to a Master Metered Account, or an addition to the supply, storage and/or distribution/collection system. The service requirements as prescribed by Section 2.4 shall be required of the Non-Standard Service Applicant prior to providing service. A Service Investigation fee is required for non-standard service as defined in Section 2.4.

1.9.1.3 Construction Service

Construction service is defined as any service to a general contractor registered with the District (see Section 5) for new construction prior to the structure being completed and lawfully occupied. A construction meter shall be provided for construction service. The construction meter shall be replaced with a meter for either standard or non-standard service prior to occupancy.

1.9.2 Requirements for District Standard services

The completion and signed form of the Customer Service Application.

The payment of a \$250.00 non-interest bearing deposit that is refundable after being applied to the final utility bill when a property is sold.

The payment of a \$50.00 non-refundable transfer fee.

A Customer Service Inspection has been performed by the District.

A certificate of occupancy from the Homeowner's Association has been signed by the District.

1.9.3 Rules for District Standard services

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. Any unauthorized sub-metering 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 Schedule of Services and Rates.

Services to living units not tied physically to main residential structure, i.e., guest house, apartment, etc., will require a separate water meter and service connection.

Renters Policy: The property owner will retain the meter deposit on account and the responsibility for the utility bill.

The District shall consider a Master Meter service connection for non-single family residential units, such as, apartments, condominiums, trailer/RV parks, or business centers provided the total number of units to be served are all owned by the same person, partnership, cooperative, corporation, agency, public or private organization of any type but not including a family unit, directly inaccessible to public right-of-way, and is considered a commercial enterprise; i.e., for business, rental, or lease purposes.

The District will install individual meters in an apartment house, multiple use facility, or condominium 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 sub-meters or individual meters. The District shall be entitled to the payment of costs, including the costs of individual meter installations. 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/sewer service demand represented by full occupancy of the property.

Each structure within the District may be connected to the District's water or sewer system of the District as soon as the District has made available to such structure the plant and mainline capacity to serve same. If both water and sewer services do not become available at the same time, the customer may connect to the water system at the time water service becomes available and to the sewer system at the time sewer service becomes available subject to inspection and approval of system by the District.

No person other than District personnel and the District's properly authorized agents shall be permitted to tap or make any connection with any part of the District's water or sewer system, or make any repairs or alterations to any part of the system. Violators of this section will incur a charge of \$500.00 per violation plus a charge at current District rates for the estimated water usage. Failure to pay these charges within 30 days will cause the District to deny water, sewer and to the property of the entity or person responsible. Additionally, criminal charges may be filed by the District for tampering with a public water system, if deemed necessary by the District.

The property of and the facilities at the service connection 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 any backflow prevention device required by the District. (30 TAC 290.46(j)).

On a rotating basis, every property with a pool, spa, fountain, or irrigation system will have the backflow prevention device checked, annually, by the District's water operator or certified contractor. A \$3.00 per month charge will be added to the utility bill to cover the inspection expenses incurred by the District. If the device fails, the District's water operator/certified contractor, by law, must shut off the irrigation system until repairs are made. If the device fails and repairs need to be made, the District office will contact the resident with a list of authorized contractors. Residents will have 45 days to have their backflow device repaired/replaced. If a "passed" Backflow Test and Maintenance Report is not received in 45 days, a flow restrictor will be attached to prevent the irrigation system from being used and a \$130.00 disconnect/reconnect fee will be added to the next utility bill.

All connections to the District water system must have plumbing systems in compliance with the current Uniform Plumbing Code.

The provisions of the current Standard Plumbing Code shall apply to every plumbing installation, including alterations, repairs, replacement, equipment, appliances, fixtures, fittings, and appurtenances, when connected to the District's water or sewage system.

If at any time the District determines that the customer service demands have 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 Customer to re-apply for service under the terms and conditions of this Schedule of Services and Rates. Customers failing to comply with this provision shall be subject to the disconnection with notice.

1.10 Meters: Title, Tampering, Maintenance, Setting.

Title to all water meters and appurtenances, including the meter boxes enclosing same, shall be vested in the District.

No person other than a duly authorized agent of the District shall open the meter box, tamper, or in any way interfere with the meter box. Tampering with any District equipment, assembly or



device that provides drinking water to the public is considered a violation and will be subject to a \$500 fine. Failure to pay these charges within 30 days will cause the District to deny water, sewer and to the property of the entity or person responsible. Additionally, criminal charges may be filed by the District for tampering with a public water system, if deemed necessary by the District

The District will maintain, repair and replace all meters and appurtenances in connection therewith at its cost. In the event, such repairs are required as a result of damage by entities or persons, other than District personnel, the cost of the repairs will be charged to the responsible party. Failure to pay these charges will cause the District to deny water, sewer services to the property of the entity or person responsible or property owner where damage occurred.

All meters shall be set by employees or agents of the District.

Each property will have a shut off valve installed on the customer side of the meter. Shut off valves on the customer side of the meter may be operated by the customer or their agent. Meter valves on the District side of the meter may only be operated by the District employees. A charge of \$50 will be invoiced to the customer where the District is requested to turn on or off shut off valves or meter valves for the purpose of locating a leak on the customer's property.

Meter and Boxes to be Free from Rubbish and Obstructions. After a meter, has been set, the customer shall at all times keep the space occupied by the meter and the box free from rubbish or obstructions of any kind.

All construction meters shall be placed with service meters by employees or agents of the District.

1.11 Monthly Sewer Rates and Conditions

1.11.1 Rates for Residential Customers – effective 10-1-2022²:

All residential service inside District - \$65.00

The residential rate will prevail for builders prior to initial occupancy.

1.11.2 Monthly Rates Monthly for Commercial Customers:

0 - 3,000 gallons of water used - \$26.00

All over 3,000 gallons - \$2.00 per 1,000 gallons.

Each (tenant) unit having dedicated wastewater facilities connected to a common grinder pump system will be used as a factor (multiplier) to determine the total monthly sewer charges. For example, for inside the District Customers - six units (tenants) will be charged six fees, i.e., six (6) units x \$26.00 per month, and will be entitled to 18,000 gallons of wastewater, before being charged an additional rate of \$2.00 per 1,000 gallons.

Irrigation meters are available and encouraged for commercial applications to reduce sewer expenses to actual sewer usage.

1.12 Sewer Backup Determination Policy:

If a property owner requests the District to check for a sewer blockage, and the District determines there is a blockage on the District's side of the main sewer cleanout, the District will remove the blockage at no cost to the property owner. If the District determines that the blockage is on the property owner's side of the main sewer cleanout, the property owner must repair the blockage at their own expense. **In addition, the property owner will be billed \$50.00 for the District's time and labor.**



1.13 Sewer Tap Fee

Residential units will be charged a \$2,000 tap fee for each standard 1 1/2" connection required where the collection line is immediately adjacent to the property to be served.

Commercial units will be charged the greater of a minimum of \$2500.00 tap fee for each standard 1 1/2" sewer grinder connection or total costs computed on the basis of actual costs of labor materials and equipment usage plus overhead.

Service connection work outside of the scope of the stated connection size or requiring the extension of service line in excess of 200 feet from the existing sewer main shall be charged for on the basis of the total actual costs of labor, materials, and equipment usage plus overhead. This work, if compliant with District specifications, may also be performed by a utility contractor approved by the District.

1.14 Sewer Service Connection to District System

Requirements for Mandatory Sewer Connection – the installation of any private on-site wastewater treatment or holding facility on property within the District's boundaries which is less than 300 feet, (measured from boundary line of the property to the nearest point of the District's sewer collection system along a public right-of-way or utility easement) is prohibited and service to any such property will not be provided by the District.

All sewer customers have potential for dirt, grit, sand, grease, oil, or similar substances that would be deposited in the District's sewer system. A double two-way cleanout is required within 2 feet of the structure. In addition, a one-way cleanout on the property line (+ or - one foot) is required. Sewer cleanout will require a minimum (4) four-inch PVC one-way combination, turned toward the main on the specific tap. No fittings permitted between sewer tap and cleanout. Cleanout must be no closer than (18) eighteen inches from any flatwork, such as driveway, sidewalk or patio.

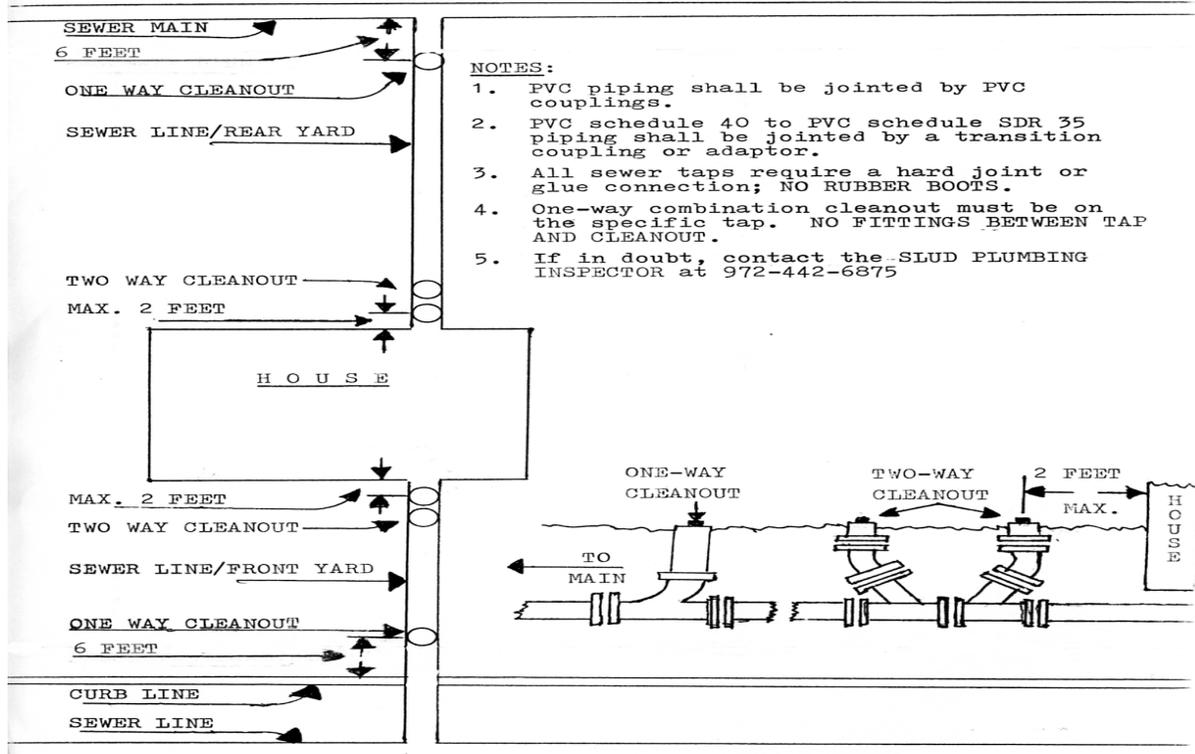
Sewer taps must utilize a hard joint or glue connection; no rubber boots permitted.

Sewer and water taps must be at least 10 feet apart at the road's edge.



SKETCH #1
SEWER TAPS AND CLEANOUTS

REVISED 5/6/98



No waste material, which is not biologically degradable, will be permitted to be discharged into the District's facilities, including mud and debris accumulated during service line installation or construction of private facilities.

No industrial wastes other than domestic sewage shall be discharged into the District's sewer system unless approved in writing by the Board of Directors. No toxic wastes, wastes which would damage the collection and treatment facilities or wastes which would interfere with the waste treatment process shall be discharged into the District's sewer system.

Industrial wastes shall not be diluted by unnecessary use of process water, or by adding unpolluted water, before discharging into the District's sewer system. No unpolluted cooling water shall be discharged into the District's sewer system.

No downspouts, yard or street drains, or gutters will be permitted to be connected into the District's sewer system.

No ground water drains, foundation drains, or other subsurface drains shall be connected in the District's sewer system.

No effluent drains from existing and/or abandoned septic tanks or field lines will be permitted to remain in service.

The District must approve extensions of sewer services in non-sewer areas within District. All related expenses will be the responsibility of the requesting customer. Upon completion of the sewer extension, a prorated reimbursement fee will be developed based on related expenses. Prorated fees will be assessed only to those lots that are adjacent to the prorated extension and will be collected upon payment of sewer tap fees. The District will reimburse the prorated fees to the customer who initially paid for the extension of the prorated extension.



Each unit served by the District's sewage system that must be equipped with a sewer grinder system will be approved by the District as part of the sanitary sewer system. The property owner will be responsible for all cost associated with the installation of the sewer grinder system.

Initial installation of each grinder pump system is the responsibility of the owner/builder in accordance with the requirements of the District and applicable State and Local codes. Grinder control panels must be located exterior to any building to be accessible to District employees for service purposes. Final inspection and approval by a District employee or representative is required to obtain sewer collection service. Inspection of grinder pump systems will be performed by the District personnel only after required checklist is returned to District office. Additional inspections required due to systems not meeting District specifications will be charged at actual cost to the District to ensure compliance.

Electrical service for operating the sewer grinder(s) shall be provided by the customer through a dedicated 240 volts 30 ampere circuit breaker which has no other connections either external or internal to the grinder control panel.

The District will provide all maintenance and repairs for sewer grinders after the installation has been approved for service. All costs for maintenance services, including the pressure side connection and grinder pump replacements, are included in the monthly rate for sewer service. With the exception of those grinders that are damaged due to negligence of the owner and in those cases the owner will be required to reimburse the District for all related costs. Maintenance of the line from the property line to the grinder is the responsibility of the property owner. Any grinder pump system installed not in compliance with District standards and specifications is subject to charges required to bring it up to compliance in addition to inspection fees.

1.14.1 Application for Installation of Water Meters and Sewer Connections

Every person or legal entity desiring the installation of a water meter/connection or sewer connection must execute the District's Customer Service Agreement for same. A check or money order in the amount due for the work requested must accompany the application. To protect the public health and welfare and to ensure safe and uncontaminated systems, no water meter/connection, sewer connection or permit shall be granted for a house in which the contractor has failed to fulfill all requirements of Section 5, et. seq. of these Rates & Rules during construction of any house.

1.14.2 Classes of Users

All users of the District's water and/or sewer services shall be classified as either: Standard or Non-Standard. Either class of users may be further classified into sub-classes according to residential or commercial by which service is provided.

1.14.2.1 Standard Service Requests & Construction Meter Service

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.

1.14.2.2 Non-Standard Service Requests

All Non-Standard Service requests shall be subject to a Non-Standard Service Investigation fee appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees required by the District to:

- a) Provide cost estimates of the project,
- b) Develop detailed plans and specifications as per final plat,
- c) Advertise and accept bids for the project,



- d) Execute a Non-Standard Service Contract with the Applicant, and
- e) Provide other services as required by the District for such investigation.

When the District determines that dedicated 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 the necessary easements and/or sites on behalf of the District and/or pay all costs incurred by the District in validating, clearing, and retaining such easements or sites in addition to tap fees otherwise required pursuant to the provisions of this service policy. The costs may include all legal fees and expenses necessary to attempt to secure such easements and/or facilities sites on behalf of the District.

In the event of replat, the owner(s) will be responsible for the relocating of the water/sewer service and/or hold the District harmless for any maintenance of same.

1.15 Payment of District Tap Charges

Water and sewer tap charges, as well as any prorate sewer main or other required charges, are due and payable upon application or on receipt of District's billing for same. In no instance, will the District provide water to the premises until water and/or sewer tap and installation charges are paid in full.

1.16 Deposit to Secure Payment for Service.

Certain applications for water and/or sewer service must be accompanied by a non-interest-bearing security deposit as follows:

A \$250.00 deposit is required for all residential units. However, if service is discontinued twice in any twelve-month period for nonpayment of billings, the District may increase the amount of deposit.

A \$150.00 deposit is required for all commercial connections. However, the District may increase the amount of deposit to any new or existing commercial unit if service is discontinued for nonpayment of billings. Any increased amount would be based on the customer's average billings for the previous six (6) month period.

The required deposit will be returned to the customer in full less any charge due the District for water, sewer or other charges when the customer terminates service. No interest will be paid on deposits.

1.17 Discontinuing Service for Failure to Pay Bills When Due or in the Event of Abandonment of Property.

District shall have the right to discontinue service and cut off the supply of water to a customer in accordance after any District charge becomes delinquent. In addition to payment of all delinquent charges a customer shall pay in advance for restoring water and sewer service where such service has been discontinued because of the customer's failure to pay a delinquent bill.

After service, has been disconnected to a property, the District has the right to assess a lien on the property for the collection of the unpaid utility bill, the lien release fee, maintenance fees, and any other fees incurred during the period of the lien.

When a property has been determined by the District to be abandoned the water and sewer service connections will be inactivated. Reactivation requires that the individual or entity requesting service pay all District charges incurred against said property in addition to the appropriate reconnect fee if no change in service configuration is required. If service changes are requested, payment of tap fee(s) and any other related expenses will be required.

The District may disconnect service without notice if a known dangerous or hazardous condition exist for which service may remain disconnected for as long as the condition exist, or there is reason



to believe a dangerous or hazardous condition exists and the property owner refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition.

The District may disconnect service without notice if service is connected without proper authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment.

The District may disconnect service without notice in instances of tampering with the District's meter or equipment, by-passing the meter or equipment, or other diversion of service.

The District will not disconnect service to a delinquent residential customer permanently residing in an individually metered dwelling when that customer establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is disconnected. Each time a customer seeks to avoid termination of service under this subsection, the customer must have an attending physician call or contact the District office within sixteen (16) days of issuance of the bill. A written statement must be received by the District from a 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 the customer's physician.

1.18 Penalty for Failure to Pay Bill Before Delinquent - Lock-up Policy

Meter reading is on the 28th of each month, if the 28th is on a Saturday or Sunday, meters will be read the Friday preceding the 28th. Utility bills will be mailed by the first of each month, due upon receipt and are considered delinquent after 8:00 a.m. on the morning of the 16th. **The District is not responsible for delays in delivery by the Post Office. Bills postmarked on or before the 16th will not be considered delinquent.**

A ten percent (10%) late payment fee will be added to the account after 8:00 a.m. on the 16th of the month.

Past due notices will be mailed on the 16th of the month, if the 16th is on Saturday or Sunday, past due notices will be mailed next business day following the 16th allowing water service to continue until 10:00 a.m. on the 28th of the month (13 days past due). If payment is not received the meter will be locked and \$120.00 fee will be added to the account. The account will need to be paid in full in order to restore service.

A \$25.00 charge will be assessed to all accounts which are paid with a check charged back against the District's deposit account due to insufficient funds. Any customer who has more than two (2) checks returned due to insufficient funds in a twelve-month period will be placed on a cash only basis; to include money orders and cashier checks.

A \$25.00 charge will be assessed to all accounts on the automatic debit feature which have payments charged back against the District's deposit account due to insufficient funds. Any customer who has more than two (2) charge-backs in a twelve-month period will be removed from the automatic debit status and placed on a cash only basis to include money orders and cashier checks.

1.19 Damage Policy

If damage is done to any of the District's improvements, (water meters and lines, meter boxes, sewer lines, fire hydrants, drainage areas, bar ditches, bar ditches, roads, fences, etc.) by a property owner or by a contractor hired by a property owner, it is the ultimate responsibility of the property owner to reimburse the District for damages. There is a **\$100.00 minimum** charge for any damage found.



1.20 Damage Liability

The District is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limit of liability of the District is the extent of the cost of service provided.

1.21 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 from service, due to improper use or detriment to the system as determined by the District, at any time without notice.

The District will provide an Interlocal agreement for Fire Protection and Emergency Medical Services for the communities serviced by Seis Lagos Utility District.

As of October 2022, a \$67.40² per month fire surcharge will be added to all utility service accounts. This surcharge will be re-evaluated each year when presented with an Interlocal contract of charges for Fire Protection and Emergency Services.

1.22 Information Disclosure

The records of the District shall be kept in the District office in Wylie, 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 personal information be kept confidential by filling out the Request for Confidentiality form. In no event and under no circumstances shall the District disclose the Social Security Number of any customer or staff to any person other an employee or director of the District.

1.23 Assessments and other fees

If at the end of the fiscal year, or in 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 customer of the District as the Board may determine, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment on indebtedness for the year's operations.

The Board may approve fees to be collected by each customer for services outside the normal scope of utility operations that the District may be compelled to provide. In the event any federal, state or local government imposes on the District a fee or an assessment based on a percent of water/sewer charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.

2 Developer, Subdivision and Non-Standard Service Requirements

2.1 District's 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 service to an applicant in a subdivision where the responsible party of the applicable property has failed to comply with the terms of this policy.



2.2 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. The Applicant must be the same person or entity that is authorized to enter into a contract with the District setting forth terms and conditions pursuant to which Non-Standard Service will be furnished to a property or subdivision.

2.3 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 property include, but are not limited to, road bores, extensions to the District's water or sewer system, service lines exceeding 2" diameter and service lines exceeding 200 feet. For the purposes of this Service Policy, applications subject to this section shall be defined as Non-Standard. 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.

2.4 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 Concept Plan Checklist. A preliminary plat of the requested service area must accompany the checklist.
- b) A final plat showing the Applicant's requested service area must be approved by the District before proceeding with plans. 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 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 upon the District's request all additional expenses that have been, or will be incurred by the District and 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 defined service area, 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 defined service area shall be amended to include the entirety of Applicant's property for which service is requested. Applicant shall pay all costs incurred by District for annexation or for amending its boundary, including but not limited to engineering and professional fees. The District may extend service prior to completing the amendment to its BOUNDARY, 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). If the District determines to annex the property, the applicant shall secure written requests for annexation from all ownership interests in the property to be annexed, and shall pay all costs, including engineering and professional fees for the annexation.

Annexation is not automatically implied and is subject to terms in Section 7.

2.5 Design

Upon receipt of the Concept Plan Checklist and paid Investigation Fee, 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.
- b) The Consulting Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee.
- 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 that all facilities for any Applicant meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The 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 that which is reasonably allocable to the level and manner of service requested by the Applicant.

2.6 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. 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) A procedure by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
- c) Terms by which service capacity shall be reserved for the Applicant and duration of reserved service with respect to the demand which the level and manner of service will have upon the District's water or sewer system capability to meet other service requests, including assessment of any reserved capacity fee (if applicable).
- d) 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.
- e) Terms by which the Applicant shall indemnify the District from all third-party claims or lawsuits in connection with the project.
- f) Terms by which the Applicant shall deed all constructed facilities to the District and by which the District shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.
- g) Terms by which the Applicant shall grant title or easement for right-of-ways, constructed facilities, and facility sites and/or terms by which the Applicant shall provide for the securing of required rights-of-way and sites.
- h) Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.
- i) Agreement to enforceable remedies in the event applicant fails to comply with all contract obligations, including specific performance.

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, in a subdivision, to any person purchasing a lot or home from the Applicant (require full costs of replacing/repairing any facilities constructed without prior execution of a contract from any person buying a lot or home from Applicant). At a minimum, the District will require that all facilities be uncovered by the Applicant for inspection by the District, and/or 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.

2.7 Property and Right-of-Way Acquisition

With regard to construction of facilities, the District shall require right-of-way easements or property dedicated to the District 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.
- b) All additional 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, such as including road bores and TxDOT approvals shall be paid by the Applicant. Alternatively, the 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 and off-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.



2.8 Bids for Construction

The District's Consulting Engineer or the Developer's 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 or the Developer reserves the right to reject any bid or contractor, the District or Developer shall generally award the contract to the lowest qualified bidder in accordance with the following criteria:

- a) The Applicant shall sign the Service Contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
- b) The Contractor shall provide an adequate bid bond under terms acceptable to the District;
- 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.

2.9 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 the completion of the project prior to construction and in accordance with the terms of the Non-Standard Service Contract.

2.10 Construction

All roadwork pursuant to state, county and/or municipal standards (as applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, approved road sleeves/casings may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.

The District shall, at the expense of the Applicant, inspect the facilities to ensure compliance with District standards.

Construction plans and specifications shall be strictly adhered to, but the District reserves the right to issue change-order of any specifications, due to unforeseen circumstances during the design phase, to better facilitate construction or operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

2.11 Service within Subdivisions

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. 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 policy 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.



2.12 Evapotranspiration (ET) weather based controllers, rain and freeze sensors.

- (a) Any new irrigation system installed on or after December 19, 2011, must be equipped with a properly programmed on-site ET weather based controller. An ET based controller shall be capable of the following:
- (1) Monitor on-site weather data or environmental conditions such as solar radiation, wind speed, temperature, relative humidity, and soil moisture; and
 - (2) Calculate or determine the amount of moisture lost from the soil; and
 - (3) Automatically create zone (station) run times on a 24-hour basis to replace only the water that has been lost through evapotranspiration without affecting the start times and the watering days as preset in the program. Inputs for calculating evapotranspiration must include ZIP Code, sprinkler type, plant type, and weather data gathered from an on-site weather station that includes rain sensing using hydroscopic discs.

This subsection does not prevent maintenance or repairs to existing irrigation systems that were originally installed on or before December 18, 2011, however replacement of more than 50% of such system will be considered installation of a new irrigation system and not maintenance or repair.

- (b) It is an exemption from the watering day and hour restrictions in the District's Water Conservation Plan and Drought Contingency Plan for Stages 1, 2 and 3 if the property has installed a properly programmed and maintained ET-based controller meeting the standards outlined in Section 2.12 and the following conditions are met:
- (1) The ET based controller has been selected from a list approved by the district and is properly programmed;
 - (2) The ET based controller is functioning properly and as it is designed to function;
 - (3) The property displays a district-issued yard sign visible from the street to indicate the use of ET technology; and
 - (4) The ET-based controller has been registered with the district and an initial (one time) registration fee, as determined from time to time by district board, has been paid. All operational ET systems must have their registration renewed with the district annually to continue to qualify for the exemption to watering day and hour restrictions outlined in this subsection.
- (c) Any new irrigation system installed on or after December 19, 2011, must be equipped with rain and freeze shut off devices having sensors located on the same lot as the irrigation system.
- (d) Any new irrigation system installed on or after December 19, 2011, must be in compliance with state design and installation regulations.
- (e) A person violates this Order if the person, on property owned, leased, occupied, controlled, or managed by the person:
- (1) Installs or allows the installation of a new irrigation system or systems in violation of subsections 2.12(a), (c) or (d); or
 - (2) Operates or allows the operation of an irrigation system installed after December 19, 2011 that does not comply with subsections 2.12(a), (c) or (d).

2.13 Enforcement of Section 2.12.

The provisions of Section 2.12 shall be enforced by the Operating Engineer and his/her duly appointed representative(s) or other person designated by the Board, and it shall be considered a violation of this Order for any person to interfere with or hinder the chief building official and his/her



duly appointed representative(s) in the exercise of their duties under this article. Water meters shall be locked and/or a utility account shall not be active for any lot not in compliance with Section 2.12.

3 Enforcement

This Rates and Rules document is enacted after careful consideration and study on the part of the District to ensure that fair, adequate and equitable rates and charges are fixed for the District's facilities and services to all customers. If any portion of this rate order should ever be determined to be invalid or non-enforceable by a court of competent jurisdiction, the District Board declares that the remaining portions shall remain in full force.

4 Roads and Drainage Ditches

The District owns and maintains the roadways of the District, and is responsible for the integrity and appearance of the roadways. The district will direct construction, maintenance and modifications to all drainage ditches that would impose a threat or risk to the integrity of the roadway. The District must approve:

- a) The design and size of all culverts that are under roadways and under property owner's driveways/sidewalks,
- b) All subterranean drainage systems,
- c) All final grading of drainage ditches and or culverts associated with the roadway,
- d) Funds for the maintenance and or modifications to any drainage ditch or culvert in danger of undermining the integrity of the road.

The District is not responsible for any drainage ditch or rain water runoff from:

- a) A homeowner's property onto another homeowner's property or onto any common area, Common or public property onto another homeowner's property.

4.1 District's Easements and Right-of-Way Policy

No digging is permitted within (6) six feet of road's edge, except for a driveway, sidewalk or mailbox.

All other improvements, including but not limited to, irrigation systems, lighting and related wiring, underground fences, planters, plant material, beds, landscaping, etc., are the total responsibility of the homeowner. The District bears no liability for repair or replacement of any improvement damaged during the repair or replacement of the District's lines, equipment, roads, or drainage.

The District has the authority to grant access for other utility construction, such as telephone, cable, power, where it is deemed to be in the best interest of the District and its homeowners.

4.2 Erosion Control Policy

Erosion control is the responsibility of the property owner and the contractor. Hay bales, silt fences and other devices should be installed before construction begins. Any damage to adjoining properties caused by erosion must be repaired before final inspection can be approved.

4.3 Digging Limitations

Water and sewer services and drainage are placed in the District's Utility Easements, Drainage Easements and Road Right-Of-Way and, the District places a high priority on safety and the protection of the lime stabilized base of the roads. As a result, it is very important that builders, contractors and homeowners fully understand the District's policy on digging in, or placing



improvements in, any of the District's Utility Easements, Drainage Easements or Road Right-Of-Way.

The following will address each of these areas, and give digging limitations, sanctions and liabilities for improvements placed therein:

4.3.1 Road Right-of-Way

No builder, contractor or homeowner shall dig, or cause to be dug, any holes, trenches, or excavations of any kind within (6) six feet of the road's edge, except for the following (3) three reasons:

- 1) Connection of a driveway(s) or sidewalk(s) to the road: (See Section 5.2.3 of the Rates and Rules Manual – DRIVEWAYS, CULVERTS, DRAINAGE, SIDEWALKSM, PATIOS, etc. (any concrete delivery.)

All work will adhere to the "Pavement Cut and Repair Standards Manual" of which a copy will be available from the District's office.

- 2) Installation of a mailbox

Digging for water or sewer taps, installation of sprinkler/irrigation lines or heads and the planting of trees and shrubs are unacceptable reasons to violate the Digging Limitations rules.

If the integrity of the lime stabilized base of the road is violated, those responsible will be held liable for all costs associated with the restoration of the aforementioned base.

Driveways and sidewalks: If the District, while repairing or replacing its lines, equipment, roads or drainage, damages or is required to cut a section of driveway or sidewalk out, the District's maximum liability for repair or replacement is as follows:

- 3000 psi concrete, 5" thick, gray in color
- 3/8" rebar, dowelled, on 24" centers

Special materials or surface treatments will not be replaced at District's expense.

Mailboxes: If the District, while repairing or replacing its lines, equipment, roads or drainage, damages a mailbox, the District's maximum liability for repair or replacement is as follows:

- one 4x4 treated wooden post
- one standard, U.S. Postal approved mailbox
- installation

- special materials, size, shape, complexity, or design of original mailbox will not be replaced at District's expense.

While observing the (6) six-foot digging limitation will protect the road base, the District strongly suggests that no additional improvements be placed in the Road Right-of-Way. Other than the aforementioned driveway, sidewalk, and mailbox liability, the District will not be liable for damage to any other improvements. In addition, the homeowner may be held liable for the removal of improvements which alter drainage.

- 3) Sprinkler/Irrigation Systems:

Prerequisites: Before any work begins:

If system is being added to an existing home as the only Project, an executed Contractor Permit and Deposit Agreement and an executed Customer Service Agreement must be on file along with a \$60.00 Inspection Fee.

Requirements:



The system must be installed with an approved backflow device that has been properly installed and tested by a state of Texas licensed backflow prevention assembly tester. A copy of the inspector's license and instrument calibration report (dated within 12 months) must be on file at the District Office.

Rain and Freeze guard protection is required for all new installations after January 1, 2006.

The lime stabilization base of the roadway system extends one foot beyond the road's edge. The integrity of the District's roads depends largely upon the lime base in its compacted state. As a result, the placement of irrigation heads must be no closer than 12 inches from any public road. In addition, placement of irrigation lines must run perpendicular to the road with supply lines running parallel to the street no closer than six feet to the roadway.

Any irrigation lines and/or heads placed within the District's easements are subject to removal by the District. Replacement will be at property owner's expense.

A sewer lateral cap (provided by District) must be installed on sewer clean out by street between one inch (1") to 4 inches (4") above grade to pass final inspection

4.3.2 Utility & Drainage Easements (change effective 3/21/11)

Property owners with the District's Utility or Drainage Easements crossing their side, back or front yards should exercise extreme care in planning any improvements in these areas. Because digging to repair or replace District lines, equipment, or drainage, may be necessary in the Utility and Drainage Easements, certain improvements are strictly prohibited. While other improvements may be placed in these easements, it is the homeowner who assumes full liability for any damage to said improvements caused by the District, or their representatives, in the course of their work.

Improvements that will affect water flow, drainage and/or erosion may only be constructed in the easements after an application for an Encroachment on Easement is approved by the Board of Directors and a fully executed Easement/Right-of-Way Joint Use Agreement is filed in the Collin County land records by the District. The form of Application and Agreement shall be approved by the Board of Directors. The Application fee shall be \$75.00.

Examples of Prohibited Improvements:

- Permanent buildings, such as garage or home additions.

Examples of Improvements allowed but, at Homeowners risk:

- Buried fuel tanks, lines, and related equipment.
- Shrubs, flowers, etc.
- Lighting and related wiring.
- Sprinkler/irrigation system heads and lines.

Examples of Improvements allowed at Homeowners risk ONLY if an application is approved by the Board of Directors and encroachment agreement is executed and filed with Collin County:

- Swimming pools and related lines and equipment.
- Retaining and terracing walls.
- Flatwork, such as patios, sidewalks, and driveways.
- Masonry posts, planters, etc.



- Trees.
- Spas and related lines and equipment.
- Fencing – above and below ground, non-masonry.
- Any improvement affecting water flow, drainage and/or erosion.

As previously stated, the District urges property owners with any easements crossing their lots, to give considerable thought and planning before placing any improvements in said easements. Any question about whether an improvement is allowed should be addressed with the District office prior to starting any work.

5 Construction Process

The following is a summary of the steps a contractor must complete before commencing construction of a new home in the District:

- Obtain any necessary permits and/or approvals from the local homeowner's association (if required),
- Execute a Customer Service Agreement. (CSA),
- Obtain and Execute a Contractor's Permit and Deposit Agreement. (CP&DA),
- Pay any Deposit and any required Inspection Fees,
- Pay Water Tap and Sewer Tap Fees,
- Pay any outstanding fees owed to the District by the contractor,
- Execute a Contractor's Requirements Acknowledgement Form, and
- Register with the District as a contractor.

General contractors shall not be eligible to receive a CP&DA from the District until they are registered with the District. To complete registration with the District, a contractor shall submit the following:

- A \$25 registration fee,
- A completed contractor registration application supplied by the District,
- A valid driver's license of the owner or officer of the company, and
- The owner or officer of the company must register in person or submit a notarized document allowing the person appearing to register in the company's name.

When the above items have been completed and the deposit, tap and inspection fees are paid and any other outstanding fees are paid, the District will provide the CP&DA to contractor authorizing construction to begin. Fees may be imposed for each day work is performed without meeting the requirements of the Rates & Rules. The District will not install a water meter or allow a sewer connection if the procedures in these Rates & Rules related to construction requirements and standards are not completed by the contractor. The District's operator shall enforce these Rules & Regulations.

Before any occupancy of the new home may occur and/or the Contractor's deposit returned, the Contractor must:

- Have settled all property damage claims including roads,
- Have paid all bills including any late fees and paid all outstanding fees,
- **Pass all required plan specific Inspections,
- **Pass the Customer Service Inspection,
- **Obtain a Certificate of Occupancy from the Homeowner's Association,



- **Pass Final Inspection,
- Meet all Requirements of the Contractor's Permit and Deposit Agreement.

**** Before the District will sign the Certificate of Occupancy (CO) that has been issued from the Homeowner's Association; all the District's inspections must have been completed and passed. The District will only sign Certificate of Occupancies (CO) on Monday through Wednesday. A CO will only be signed on a Thursday or Friday if a re-inspection has been required. Upon the passing of the re-inspection a CO will be signed.**

NOTICE TO CONTRACTOR: FORFEITURE OF \$2,000.00 DEPOSIT AND/OR DISCONNECTION OF WATER SERVICE WILL OCCUR IF A NEW HOME IS OCCUPIED BEFORE PASSING ALL REQUIREMENTS OF THE DISTRICT'S FINAL INSPECTION OR IS NOT COMPLETED WITHIN ONE YEAR FROM THE DATE OF THE CP&DA.

5.1 Construction Deposits, Fees, and Inspections

Before any construction is performed within the District's boundaries, a Contractor's Permit & Deposit Agreement must be executed. In addition, the following deposits and inspections must be paid to the District before any work shall begin:

Driveway/Culvert/Drainage

- Deposit: \$2,000.00,
- Inspection fee: \$60.00.

Sprinkler/irrigation system:

- No deposit required,
- Inspection fee: \$60.00.

Swimming Pool or Spa:

- Deposit: \$2,000.00
- Inspection fee: \$60.00

Buried Fuel Tank:

- No deposit required,
- Inspection fee: \$60.00

Work utilizing ready-mix concrete trucks (new home, driveway, patio, garage, etc.)

- Deposit: \$2,000.00
- No inspection fee.

Final new home inspection -

- Inspection fee: \$60.00

All inspections and re-inspections must be scheduled through the District's office. Inspections will only be done on Monday through Wednesday and any required re-inspections will only be done on Thursday and Friday.

The re-inspections will be billed at the inspection rate listed above and must be paid in advance.

It is the responsibility of the contractor to call the District office for the scheduling of any inspection. Failure to do so will result in the contractor being required to expose the area to be inspected before Final Inspection can be passed.

Upon the completion of a project the Homeowner's Association will issue a Certificate of Completion.



Deposits will not be returned until signed inspection forms are processed by the District office. Fees for noncompliance may be imposed for each act and/or day of noncompliance and final utility bill has been deducted.

Failure to adhere to all the above requirements can result in one or more of the following actions by the District:

- Red Tag.
- Withholding of Deposit.
- Forfeiture of Deposit.
- Responsible for District's actual cost of remedying, reversing and/or repairing the violation
- \$3000.00 Fee.
- Disconnection or withholding of water service.

5.1.1 Construction Meter Deposit Relief Policy

Return of a construction meter undamaged is the responsibility of the builder. However, each builder may request a one-time construction meter deposit forfeiture waiver to have the construction meter deposit returned when the construction meter is damaged and not be disqualified from receiving a CO based upon the damage. To receive this waiver, the builder must fulfill all requirements of Section 5, et. seq. of these Rates & Rules during construction

5.2 Construction Prerequisites and Requirements

5.2.1 Sprinkler/Irrigation Systems

Prerequisites: Before any work begins:

If system is being added to an existing home as the only Project, an executed Contractor Permit and Deposit Agreement and an executed Customer Service Agreement must be on file along with a \$60.00 Inspection Fee.

Consult "Digging Limitations" Section

Requirements:

The system must be installed with an approved backflow device that has been properly installed and tested by a State of Texas licensed backflow prevention assembly tester. A copy of the inspector's license and instrument calibration report (dated within 12 months) must be on file at the District Office.

Rain and freeze guard protection is required for all new installations after January 1, 2006.

The lime stabilization base of the roadway system extends one foot beyond the road's edge. The integrity of the District's roads depends largely upon the lime base in its compacted state. As a result, the placement of irrigation heads must be no closer than 12 inches from any public road. In addition, placement of irrigation lines must run perpendicular to the road with supply lines running parallel to the street no closer than six feet to the roadway.

Any irrigation lines and/or heads placed within the District's easements are subject to removal by the District. Replacement will be at property owner's expense.

A sewer lateral cap (provided by District) must be installed on sewer clean out by street between one inch (1") to 4 inches (4") above grade to pass final inspection.

5.2.2 Swimming Pools and Spas

Prerequisites: Before any work begins:

If a Swimming Pool or Spa is being added to an existing home, an executed Contractor Permit and Deposit Agreement and an executed Customer Service Agreement must be on file along with a \$2,000.00 Deposit and a \$60.00 Inspection Fee.



Consult "Digging Limitations" Section.

Requirements:

Drain side must have an airgap.

If tied into sewer, connection must be by airgap only.

Connection to water supply must be acceptable.

Fill side must have an airgap or a Backflow Prevention Device (B.P.D.).

If a B.P.D. is used, it must be AWWA or FCC FR/USC approved, be properly bedded, and the District must have an acceptable B.P.D. certification on file and the District must have proof on file that the certifier is licensed by the State of Texas to perform B.P.D. certifications.

5.2.3 Driveways, Culverts, Drainage, Sidewalks, Patios, etc. (any concrete delivery)

Prerequisites: Before any new or replacement concrete work begins;

If ready-mix concrete trucks are being utilized in any Project at an existing home, an executed Contractor Permit and Deposit Agreement along with a \$2,000.00 Deposit must be on file. If the Project warrants, an executed Customer Service Agreement, along with an Inspection Fee, must also be on file.

The inspection process for the installation/repair of a driveway approach and/or culver is as follows:

- Driveway approach/culvert plans must be approved by District Operator prior to the beginning of the work.
- Consult "Digging Limitations" Section (see Section 4.3) for pavement cut and/or repairs standards.
- After driveway/culvert has been formed but **PRIOR TO THE POURING OF THE CONCRETE** the District must be called to schedule an inspection.

Requirements:

All horns under driveways and sidewalks are (18") eighteen inches in diameter and clear, unless specified by approved developer engineering plans for larger or smaller horns. Requests for Waivers for smaller or larger culverts than what is standard or specified on developer engineering plans must be submitted to the District in writing and must be approved before work begins.

Water meter box and sewer cleanout must be no closer than (18") eighteen inches to any flatwork, such as driveway, sidewalk or patio.

Water meter box must be undamaged.

5.2.4 Buried Fuel Tanks (and related lines and equipment)

Prerequisites: Before any work begins;

Consult maps for location of District's Utility Easements, Drainage Easements and Road Right-of-Way.

Consult "Digging Limitations" section.

5.3 ***Suspension of Contractor Registration and Appeals of Suspension***

5.3.1 Suspension of registration

contractor's registration may be suspended by the District's operator for any of the following reasons:

- a. The contractor fails to complete all requirements necessary to start construction;



- b. The contractor allows use or occupancy of the structure for which a permit was obtained without first obtaining the required authorization from the District;
- c. The contractor has submitted any false or misleading information to the District in the registration process;
- d. The contractor fails to pay any fees assessed by District against contractor; or
- e. The contractor fails to comply with the Rates & Rules.

5.3.2 Appeal of suspension by operator

contractor whose registration has been suspended may appeal the action to the Board of Directors. In the case of an appeal to the Board of Directors, the action of the operator shall stand until the final determination of the appeal is made by the Board of Directors. The appeal must be in writing and filed with the District office within ten business days of the suspension of the contractor's registration. After hearing the case, the Board of Directors may take the following action:

- a. Affirm the suspension; or
- b. Overrule the suspension and reinstate the registration of the contractor.

5.3.3 Reinstatement of registration

contractor whose registration has been suspended may reapply for registration if:

- a. All circumstances leading to the suspension have been corrected and all fees paid;
- b. The contractor reapplies for registration in accordance with the Rates & Rules; and
- c. The contractor registration fee is paid.

6 Sanctions

The District must protect the utility facilities from unauthorized access and/or abuse. The following fees will be assessed, and the District may prosecute any individual which is found in violation:



- 6.1 \$250.00 fee for entering pump station without the District's consent
- 6.2 \$250.00 fee for entering sewer plant without the District's consent
- 6.3 \$250 fee for entering or climbing the elevated tank tower or holding tanks, without the District's consent
- 6.4 \$250.00 fee for turning water on or off at the meter without the District's consent.
- 6.5 \$250.00 fee per occurrence for discharging fireworks, firearms or any device containing an explosive or flammable compound within the boundaries of the district, except for community shows or displays as approved by the Board of Directors
- 6.6 \$500.00 fee for turning fire hydrants on or off without the District's consent.
- 6.7 \$500.00 fee for any meter tampering.
- 6.8 \$3,000.00 fee for proceeding with any work without an executed CONTRACTOR'S PERMIT & DEPOSIT AGREEMENT on file along with all Fees and Deposits paid.
- 6.9 Administrative Costs for Enforcement of Section 2.12.
- 6.10 \$250.00 fee for entering pump station without the District's consent
- 6.11 \$250.00 fee for entering sewer plant without the District's consent
- 6.12 \$250 fee for entering or climbing the elevated tank tower or holding tanks, without the District's consent
- 6.13 \$250.00 fee for turning water on or off at the meter without the District's consent.
- 6.14 \$250.00 fee per occurrence for discharging fireworks, firearms or any device containing an explosive or flammable compound within the boundaries of the district, except for community shows or displays as approved by the Board of Directors
- 6.15 \$500.00 fee for turning fire hydrants on or off without the District's consent.
- 6.16 \$500.00 fee for any meter tampering.
- 6.17 \$3,000.00 fee for proceeding with any work without an executed CONTRACTOR'S PERMIT & DEPOSIT AGREEMENT on file along with all Fees and Deposits paid.
- 6.18 Administrative Costs for Enforcement of Section 2.12.
 - (a) A person who violates any provision of Section 2.12 shall pay administrative costs of enforcement (which include, among other things, hourly cost of the Operating Engineer and office personnel) in the amount of \$100.00 for the first violation, \$200.00 for the second violation, and \$500.00 for all subsequent violations.



(b) A person, corporation, firm, association, or other entity shall be presumed to be the violator of Section 2.12 if the person, corporation, firm, association, or other entity is the owner or occupant of the subject property, exercises actual or apparent control over the subject property, or is listed as the water customer of the district for the subject property.

(c) Allegation and evidence of a culpable mental state is not required for enforcement under Section 2.12.

(d) In addition to any other remedies or enforcement provisions contained herein, the district may enforce the provisions of Section 2.12 pursuant to the applicable provisions of these "Rates and Rules" and/or state law, including, but not limited to the Texas Water Code.

In addition, work stoppage and disconnection/withholding of water service are also sanctions that may be used in the aforementioned infractions.

"THEFT OF SERVICE" CASES WILL BE PROSECUTED.

7 Out of District Service

It is the general policy of the Board of Directors to provide any services to areas outside the current boundaries of the District only by annexation. Annexation will be at the discretion of the Board of Directors and no guarantee of annexation is implied. At the discretion of the Board of Directors, the District may enter into contracts with other political subdivisions of the State of Texas to provide services.

8 Inspection of Rate Schedule and Open Records Law

A current copy of the Rates and Rules document shall be kept in the District's office and made available during regular business hours for inspection by any person.

Upon written request, the Office Manager, as custodian of public records of the District, will make requested material available under the terms and conditions of the Open Records Act. No original material may leave the office for any purpose.

In order to limit the interruption in regular work procedures, material requested for use in the office or copies of material will normally be available in 24 hours and not more than three (3) working days, if the amount of material requested is not excessive. The custodian will advise the person making the request, in writing, a day when the requested material will be available. Only items, which are completed, will be furnished.

If the custodian of public records questions whether or not the material requested is public in nature, he shall have a maximum of ten days after receiving the request in which to request a decision from the District's attorney.

A fee for reproducing of any public information will be charged to the person requesting that information in compliance with the cost rules of the Texas Buildings and Procurement Commission set forth at 1 TAC Section 111.70. Payment in full must be made in advance of the making of the first copy.

There is no charge for reading, studying, or taking notes of material requested in writing and furnished for this purpose in the office, but the previous time schedule for availability does apply.



9 Community-Sharing Project Policy

The District owns certain common areas within the roadways of the District. The appearance of common areas reflects upon the property values of the District which directly affects the tax revenue of the District. The District wishes to encourage the involvement of its constituents in enhancing the appearance of these common areas. The District may approve expenditures of matching funds for common area improvement. The process for Community Sharing projects is:

- Plans for the project are approved by the District.
- Bids for the project are approved by the District.
- Matching funds are collected and deposited with the District.
- There will be a “not-to-exceed” matching fund limit.
- Items purchased must have a one (1) year warranty against defects or against landscaping that dies for any reason.
- The project cannot commit the District to further expenditures such as the replacement of out-of-warranty items.
- Should the project be cancelled for any reason, funds spent will be first spent from the constituent's share, followed by the District's matching funds.

10 Customer Service and Protection

It is the policy and mission of the District to provide quality services on a timely basis at a fair price to all customers. The organization responsible for carrying out this mission is comprised of a five-person Board of Directors, one full time utility engineer, one-meter reader, and two office employees. Any of those persons are willing to discuss customer service in the context of their work responsibilities.

The physical address and mailing address of the business office is 220 Seis Lagos Trail, Wylie, Texas 77098. The telephone number is (972) 442-6875 and the fax number is (972) 992-0428. The after-office hours emergency phone number is 972-442-6875.

As a political subdivision of the State of Texas and a taxing authority, the District is regulated by the authority and rules of the Texas Commission on Environmental Quality and the Comptroller of Public Accounts and, of course, all applicable Federal, State and County laws. The primarily significant authorities and rules are found in the Texas Administrative Code Title 31 Natural Resources & Conservation and Title 34 Public Finance, Texas Water Code Chapters 49 & 54 and Texas Local Government Code Chapter 551.

All the laws, regulations and standards applicable to the construction, maintenance, and operation of the facilities used in the provision of District services are for the purpose of protecting the safety, health, and wellbeing of the customers and general public being served.

Comments, concerns and suggestions are solicited and will be responded to on a timely basis.



I, the President of the Board of Directors of the Seis Lagos Utility District, hereby certify that the foregoing is a true and correct copy of the order setting rates for the District adopted by said Board at its meeting of September 19, 2016.

I further certify that said meeting was open to the public, and that notice thereof was posted in compliance with the provisions of Chapter 54 of the Texas Water Code.

Witness my hand and the official seal of said District, this 19th day of September 2016.

President

(seal)