

District Service Policy for Post Oak Special Utility District

Adopted by vote of the Board of Directors
March 25, 2022

107 N.E. 2nd Street
P.O. Box 545
Hubbard, Texas 76648

Telephone: 254 576-1012

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**ORDER BY POST OAK SPECIAL DISTRICT ADOPTING
A SERVICE POLICY ESTABLISHING RATES, FEES,
CHARGES, AND ADOPTING RULES RELATING TO THE
ADMINISTRATION OF ITS UTILITY SERVICES, AND PROVIDING
FOR ENFORCEMENT FOR VIOLATIONS**

WHEREAS, the Post Oak Special Utility District (the “District”) operating under Chapter 65 and [Chapter 49 of Texas Water Code](#) has provided facilities for the production and distribution of potable water to residential and business users within its authorized service areas;

WHEREAS, Section 49.212, Texas Water Code, authorizes the District to adopt and enforce all necessary charges, rates, fees, and other terms and conditions for providing any district services;

WHEREAS, the Board of Directors has carefully considered the matter and is of the opinion that the following fees, charges, rates, rules, and enforcement procedures are necessary for the safe and efficient management of the District’s utility facilities and services;

NOW THEREFORE,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF POST OAK SPECIAL UTILITY DISTRICT, IN Hill, Navarro, and Limestone counties, Texas, that the following Service Policy is adopted and establishes the fees, charges, rules and enforcement procedures for the District’s water services (“Service Policy”) and shall be effective on _____, 2022.

SECTION A: AUTHORITY

1. This Service Policy was adopted by an order by the Board of Directors of the District on _____, 2021. This Service Policy supersedes all utility service policies, adopted or passed by the Board of Directors previously, unless otherwise provided.

The adoption of this Service Policy shall not affect any violation or act committed or done, any penalty or forfeiture incurred, or any contract or vested right established or accrued under any prior Service Policy.

2. An original of this Service Policy as approved shall be maintained in the records of the District and all additions, deletions, and changes thereto shall be clearly exhibited.
3. Laws and regulations of state and federal agencies having applicable jurisdiction, promulgated under any applicable state or federal law, shall supersede all terms of the Service Policy that directly conflict with such state and federal laws or regulations. If any section, paragraph, sentence, clause, phrase, word or words of the Service Policy are declared unconstitutional or in violation of law, the remainder of the Service Policy shall not be affected thereby and shall remain in full force and effect.
4. This Service Policy is immediately effective upon the date of adoption unless otherwise specified.

SECTION B: STATEMENTS

1. **Organization.** The Post Oak Special Utility District is a Political Subdivision of the State of Texas organized under [Chapters 49](#) and [Chapter 65](#) of the Texas Water Code for the purpose(s) of furnishing potable water service to parts of Hill, Navarro, and Limestone counties, generally surrounding the city of Hubbard, Texas. The management of the District is supervised by the Board of Directors, which is responsible for adopting all District service policies, rates and regulations. The members of the Board of Directors are elected on a uniform election date by the registered voters residing within the District's boundaries. The public is invited to the Board of Directors meetings and may make comments as permitted under the Texas Open Meetings Act. The public will be excluded from closed sessions of the Board as provided by the Texas Open Meetings Act. An annual meeting of the customers or any other group affected by the district is not required by law. Election of Board members follows Texas election law. The Board is comprised of seven members, and the term is three years for each, with staggered terms. The Board annually elects a Board President, Vice President, and Secretary/Treasurer at the next regular board meeting following the regularly scheduled election of board members if no canvass of votes is required, or at the next regular board meeting following the canvass if such a canvass is required. If a board member has a substantial interest in a business entity or real property involved in a vote or decision of the Board, the member must disclose the interest pursuant to Texas law. The Board shall establish and charge rates and fees sufficient to pay all costs incident to the operation of the utility district system. Each withdrawal or check written on a Utility District account in order to be authorized must be signed by any two of the following three officers: President, Vice-President, and Secretary-Treasurer. The District has designated the following as the official District office and location for board meetings, absent additional resolution of the Board of Directors:

107 N. E. 2nd Street, Hubbard, Texas 76648. The District also has designated the following locations for Board of Directors meetings, at the discretion of the Board: the fellowship hall of First Baptist Church of Hubbard and the Hubbard Old High School building.

2. **Non-Discrimination Policy.** Service is provided to all Applicants who comply with the provisions of this Service Policy regardless of race, color, religion, national origin, disability or sexual orientation.
3. **Policy and Rule Application.** These policies and rules apply to the water services provided by the District. Failure on the part of the Customer or Applicant to observe these policies and rules gives the District the authority to deny or discontinue service and to take any other action deemed appropriate according to the terms of this Policy.
4. **Fire Protection Responsibility.** The District generally does not provide, nor does it imply that fire protection is available throughout the distribution system, except where expressly specified and agreed to by the District. All hydrants or flush valves are for the operation and maintenance of the system and may be used for refill only by authorized fire departments. The District reserves the right to remove any hydrant, due to improper use or detriment to the

system as determined by the District, at any time without notice, refund, or compensation to any third party.

5. ***Liability.*** The District is not liable for damages caused by service interruptions, events beyond its control, nor for normal system failures.
6. ***Information Disclosure.*** The records of the District shall be kept in the District's office in Hubbard, 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 unless an exception applies. A reasonable charge as established pursuant to the Texas Public Information Act may be assessed to any person requesting copies of District records. An individual customer may request in writing that their address, telephone number, account record of water use, or social security number be kept confidential. Such confidentiality does not prohibit the District from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the District acting in connection with the employee's duties or as otherwise authorized by [Section 182.054 of the Texas Utilities Code](#).
7. ***Customer Notice Provision.*** The District will give written notice of a monthly water rate change by publication, mail or hand delivery to all affected customers within thirty (30) days after the date on which the board authorizes the new rate. The notice shall contain the old rates, new rates, effective date of the new rates, date of Board authorization, and the location where additional information on rates can be obtained. Failure of the District to give the notice shall not invalidate the effective date of the change, the amount of the newly adopted rate nor any charge incurred based on the new rate.
8. ***Customer Service Inspections.*** The District requires that a customer service inspection certification be completed prior to providing water service to new construction and for all new customers as part of the activation of standard and nonstandard service. Customer service inspections are also required on any existing service when the District has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction or addition to the customer's water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contaminant hazards and illegal lead materials. ([30 Texas Administrative Code 290.46\(j\)](#))
9. ***Submetering Responsibility.*** Submetering and non-submetering by master metered accounts may be allowed in the District's water distribution system provided the master metered account customer complies with the [Public Utility Commission of Texas \(PUC\) Chapter 24](#), Subchapter I rules pertaining to Submetering. The District has no jurisdiction over or responsibility to the tenants. Tenants receiving water under a master metered account are not considered customers of the District. Any interruption or impairment of water service to the tenants is the responsibility of the master metered account customer. Any complaints regarding submetering should be directed to the PUC. If the submetering does not comply with the PUC rules, the service shall be considered an impermissible Multiple Connection and subject to disconnection of service under the Disconnection with Notice provisions of this Policy.

10. ***Prohibition Against Resell of Water.*** No more than one (1) dwelling or one (1) business is allowed per meter. Extension of pipe(s) to share or resell water to any other persons, dwellings, businesses, or property, etc., is prohibited.
11. ***Conflict of Interest.*** The District follows the adopted Simplified Conflict of Interest Policy found in Section H., incorporated herein for all purposes.

SECTION C: DEFINITIONS

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. A person must have reached age of majority (18) in Texas to apply for service. ([Section 129.001, Civil Practice & Remedies Code](#))

Authorized Representative or District Representative — The general manager of the District or a representative or employee of the District engaged in carrying out the terms of or performing services prescribed by this Policy pursuant to either general or specific authorization to do so from the general manager or the board of directors of the District.

Base Rate — The monthly charge assessed each Customer for the opportunity of receiving service. The Base Rate is a fixed rate based upon the meter size as set forth in the equivalency chart in [Section G](#).

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.

Customer — Any person, corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, or any other legal entity receiving District's service at any specified premises designated to receive service.

Defined Service Area — That area within which water services are provided to customers, and that includes the area within the District's boundaries or the area described within Certificate of Convenience and Necessity CCN Number 10760.

Deposit — A non-interest-bearing refundable fee as set by the Board of Directors based upon the size of the water meter or customer class, which is held by the District as security for service being rendered.

Developer — Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who owns land located within the District or the District's service area(s) who has divided or proposes to divide the land into more than two parts for the purpose of laying out any subdivision or any tract of land or any addition to any town or city, or for laying out suburban lots or building lots, or any lots, streets, alleys, or parks or other portions intended for public use, or the use of purchasers or owners of lots fronting thereon or adjacent. (See Texas [Water Code 13.2502\(e\)\(1\) & 49.052\(d\)](#)).

Disconnection of Service — The discontinuance of water service to a customer of the District.

District — The Post Oak Special Utility District.

District's Water System — The water production, treatment, and distribution facilities operated or to be constructed by the District as currently operating and any water system extensions or improvements which may be built within the District in the future.

Easement — A private perpetual right-of-way dedicated to the District for the installation of water pipelines and necessary facilities that allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable) 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. (See Sample Application Packet, [Form RUS-TX 442-8](#) or [Form RUS-TX 442-9](#)). The easement will be filed in the real property records of the appropriate county or counties.

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

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

Impact Fee — A charge or assessment imposed by a District against new development to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to such new development (See [TWC Chapter 49, Section 49.212\(d\)](#)). A charge or fee by a District for construction, installation, or inspection of a tap or connection to District water facilities, including all necessary service lines and meters, or for wholesale facilities that serve such water facilities, shall not be deemed to be an impact fee if it does not exceed three times the actual and reasonable costs to the District for such tap or connection.

Installation Fee — A fee charged for all costs necessary for installation of the type of service requested. (See [Section G](#) for breakdown of costs included in the fee.)

Master Meter — A meter used to measure, for billing purposes, all water usage of an apartment house, condominium, multiple use facility, or manufactured home rental community, including common areas, common facilities, and dwelling units. (See PUC Rules [Chapter 24, Subchapter H, Section 24.275\(c\)\(8\)](#))

Meter Test Fee — A fee assessed by the District upon written request of the Customer for testing the accuracy of the meter.

Mobile Home Park — A property on which spaces are rented for the occupancy of manufactured or mobile homes for non-transient residential use and for which rental is paid at intervals of one month or longer.

Public Utility Commission (PUC) — State regulatory agency having jurisdiction over Certificates of Convenience and Necessity (CNNs) and appellate jurisdiction for rates of utility districts.

Recreational Vehicle — A motor vehicle primarily designed as temporary living quarters for

recreational camping or travel use, including a travel trailer, camping trailer, truck camper, and motor home. (See [Section 522.0044\(b\) Transportation Code](#))

Recreational Vehicle Park — A commercial property that is designated primarily for recreational vehicle transient guest use for which fees for site service connections are paid daily or longer. (See [Texas Water Code Section 13.087](#))

Re-Service — Providing service to an Applicant at a location where service previously existed and where there is an existing setting for a meter. Costs of such re-servicing shall be as established in the District's Service Policy or based on justifiable expenses in connection with such re-servicing.

Revenues — Any funds received for water service, tap fees, service charge fees, disconnect fees, reconnection fees or any and all other charges except for service deposits, that may be charged and collected by the District from the ownership and operation of its water system.

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

Service Application and Agreement — The current service application and agreement form between the Applicant and the District defining the specific type of service requirements requested, and the responsibilities of each party regarding the service to be provided on property designated to receive service.

Service Investigation Fee — A fee for costs associated with determining if service is available and determining cost of service.

Service Trip Fee — A fee charged for any service call or trip to the Customer's tap as a result of a request by the Customer for response to damage of the District's or another Customer's facilities; for customer service inspections due to suspicion of meter tampering, bypass or diversion of service; or for the purpose of disconnecting or collecting payment for services.

Service Unit — The base unit of service used in facilities design and rate making. For the purpose of this District Service Policy, a service unit is a 5/8" X 3/4" water meter. (See District Service Policy [Section G. 7. a.](#))

Standby Fee — As authorized by Water Code Section 49.231, a charge, other than a tax, imposed on undeveloped property for the availability of water services.

Subdivide — To divide the surface area of land into lots or tracts primarily for residential use. ([Texas Local Government Code Section 232.021\(11\)](#)).

Subdivider or Person who Subdivides Land — An individual, firm, corporation, or other legal entity that directly or indirectly subdivides land into lots for sale or lease as a part of a common

promotional plan in the ordinary course of business. (See [Texas Local Government Code Section 232.021\(12\) Definitions](#) and [Section F, Part II.](#))

Subdivision — An area of land that has been subdivided into lots or tracts. (See [Texas Local Government Code Section 232.021\(13\) Definitions](#))

Tap Fee — All current labor and materials necessary to provide individual metered water service.

Temporary Service — The classification assigned an Applicant that is in the process of construction. This could also apply to service for uses other than permanent (agricultural, road construction, drilling, livestock, etc.). The board will set the length of time associated with this classification. This classification will change to permanent service after requirements in the District Service Policy Section [E. 2](#), [E. 4](#), [E. 8](#), and [E. 26](#) are met.

Texas Commission on Environmental Quality (TCEQ) — State regulatory agency having general supervision and oversight of water districts, including:

- Monitoring water district activities and their compliance with state laws.
- Providing information to district customers, consultants, board members, and employees.
- Reviewing applications and petitions for appointment to district boards.
- Reviewing the issuance of bonds that finance certain district infrastructure.

Usage — Amount billed for water or sewer service based on actual or estimated usage.

1. **Actual Usage** – Amount billed or to be collected based on actual meter reading.
2. **Estimated Usage** – Amount billed or to be collected based on either the customer’s historical average usage for the prior month or for the same month of the prior year where date is available. (See [Section E. 6.b.](#); See also [PUC Rules 16 TAC §24.165\(i\)](#) regarding estimated bills.)

Water Conservation Penalty — A penalty that may be assessed under [Section H](#) of this Policy to enforce customer water conservation practices during drought contingency or emergency water demand circumstances. (See [Section H](#) Sample Drought and Contingency Plan item 7)

SECTION D: GEOGRAPHIC AREA SERVED

(See front of binder for a map of the geographic area)

POST OAK SPECIAL UTILITY DISTRICT GEOGRAPHIC SERVICE AREA

The geographic service area for Post Oak Special Utility District is located in Hill, Navarro and Limestone Counties. The service area is generally bounded by the southern shore of Navarro Mills Lake to the north and the towns of Penelope, Mount Calm, and Coolidge to the west, south and east and is more particularly described as follows:

Starting at the intersection of the Navasota River with F.M. Highway 73 in Limestone County;

THENCE northeasterly with the center of F.M. Highway 73 approximately 4.3 miles to a location in the center of the highway ½ mile southwest of the Coolidge city limits;

THENCE northwesterly, then northeasterly, then easterly along a line running ½ mile outside of and parallel to the Coolidge city limits approximately 2.7 miles to the center of County Road #208;

THENCE northerly along the center of County Road #208 approximately 5 miles to its intersection with the Limestone/Navarro County line;

THENCE westerly along the Limestone/Navarro County line approximately 1.2 miles to its intersection with the Hill County line;

THENCE northwesterly along the Navarro/Hill County line approximately 1.6 miles to the center of Hill County Road #3370;

THENCE westerly along the center of County Road #3370 approximately 3 miles to a line running ½ mile outside of and parallel to the Hubbard city limits;

THENCE southerly, then westerly, then northerly, then easterly, then southerly along a line running ½ mile outside of and parallel to the Hubbard city limits approximately 8.3 miles to the center of County Road #3370;

THENCE southeasterly along the center of County Road #3370 approximately 0.3 mile to its intersection with County Road #3361;

THENCE northeasterly along the center of County Road #3361 approximately 1.9 miles to the Hill/Navarro County line and Navarro County Road #4040;

THENCE northeasterly along the center of County Road #4040 approximately 3 miles to its intersection with the center of F.M. Highway 1838, said intersection being located approximately 0.5 mile southeast of the Dawson city limits;

THENCE westerly, then northwesterly crossing State Highway 31, then northeasterly along a line located ½ mile outside of and parallel to the Dawson city limits approximately 6.3 miles to its intersection with the former St. Louis Southwestern Railway;

THENCE northeasterly along the center of the former St. Louis Southwestern Railway approximately 2.5 miles to the center of Richland Creek;

THENCE westerly along the center of Richland Creek approximately 2.4 miles to the south shore of Navarro Mills Lake;

THENCE westerly along the south shore of Navarro Mills Lake approximately 6 miles to Ash Creek;

THENCE westerly along the center of Ash Creek approximately 5.5 miles to its intersection with State Highway 171, said intersection being located approximately 0.5 mile from the Malone city limits;

THENCE southwesterly, then northwesterly along a line running ½ mile outside of and parallel to the Malone city limits approximately 2 miles to its intersection with Ash Creek;
THENCE westerly along the center of Ash Creek approximately 1.5 miles to its intersection with County Road #3150;
THENCE southeasterly along the center of County Road #3150 approximately 0.65 mile to its intersection with County Road #3223;
THENCE southwesterly along the center of County Road #3223 approximately 1 mile to a line running 200 feet west of and parallel to the westerly right-of-way line of County Road #3222;
THENCE southeasterly approximately 1.5 miles along a line running 200 feet west of and parallel to the west right-of-way line of County Road #3222 to a line running ½ mile outside of and parallel to the Penelope city limits;
THENCE northeasterly, then southeasterly crossing F.M. Highway 308, then southwesterly, then northwesterly along a line running ½ mile outside of and parallel to the Penelope city limits approximately 4.0 miles to its intersection with F.M. Highway 308;
THENCE southwesterly along the center of F.M. Highway 308 approximately 0.5 mile to its intersection with County Road #3240;
THENCE southeasterly along the center of County Road #3240 approximately 2.8 miles to its intersection with County Road #3263;
THENCE northeasterly along the center of County Road #3263 approximately 0.5 mile to its intersection with County Road #3240;
THENCE southeasterly along the center of County Road #3240 approximately 2 miles to its intersection with County Road #3267;
THENCE northeasterly along the center of County Road #3267 approximately 0.7 mile to its intersection with County Road #3266;
THENCE southeasterly, then northeasterly along the center of County Road #3266 approximately 2.3 miles to its intersection with State Highway 31;
THENCE northeasterly along the center of State Highway 31 approximately 0.2 mile to its intersection with the Navasota River;
THENCE southeasterly along the center of the Navasota River approximately 10.5 miles to its intersection with F.M. Highway 73 and the starting point of this description.

CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide Water and/or Sewer Service Under the Texas Water Code
and Public Utility Commission Substantive Rules

Certificate No. 10760

I. Certificate Holder:

Name: Post Oak Special Utility District
Address: 107 N.E. 2nd Street
P.O. Box 545
Hubbard, Texas 76648

II. General Description and Location of Service Area:

The area covered by this certificate is located in Hill, Navarro, and Limestone counties and surrounds the city of Hubbard, Texas.

III. Certificate Maps:

The certificate holder is authorized to provide water service in the area(s) identified on the Commission's official service area map, maintained in the offices of the Public Utility Commission, 701 N. Congress Avenue, PO Box 13326, Austin, TX 78711-3326 with all attendant privileges and obligations.

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

MAP OF CCN AREA

(See front of binder)

SECTION E: DISTRICT SERVICE RULES

1. **Activation of Nonstandard Service.** Activation of Nonstandard Service shall be conducted as prescribed by the terms of [Section F.](#) of this service policy.
2. **Activation of Standard Service.** Before receiving service, applicants must comply with all the following requirements, as applicable:
 - a. **New Tap** — The District shall charge a non-refundable service installation fee and a deposit as required under [Section G.](#) of this service policy. The service installation fee shall be quoted to the Applicant. All fees shall be paid.
 - b. **Re-Service** — On property where service previously existed, the District shall charge the deposit and other costs necessary to restore service. When re-service is requested by an Applicant, any debt owed to the District by the Applicant must be paid before re-servicing procedures can begin. In no event will a capital improvement fee or capital impact fee be charged for a re-service event.
 - c. **Performance of Work** — After approval is granted by proper authorities, all tap and equipment installations specified by the District shall be completed by the District staff or designated representative or approved contractor. No person, other than the properly authorized agent of the District, shall be permitted to tap or make any connection to the mains or distribution pipes of the District’s water system, or make any repairs or additions to or alterations in any tap, pipe, cock or other fixture connected with the water service pipe. A request for service that requires a tap but does not require line extensions, construction, or new facilities shall be completed within five (5) working days after approval and receipt of payment of quoted fees on the property designated to receive service. This time may be extended for installation of equipment for Nonstandard Service Request. (See [Section F.](#), [\(16 TAC 24.161\(a\)\(4\)\)](#))
 - d. **Inspection of Customer Service Facilities** — The facilities at the service connection shall be inspected to ensure 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 and provide certification of maintenance on any backflow prevention device required by the District. (See [30 TAC 290.46\(j\)](#))
3. **Applicant’s Recourse.** In the event the District refuses to serve an Applicant under the provisions of this service policy, the District must notify the applicant, in writing, of the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the District.

4. ***Application Procedures and Requirements.*** For the purposes of this service policy, service requested by the Applicant(s) shall be for real estate designated to receive the service provided by the District. Service shall be through a meter located on that designated real estate unless otherwise approved by the board. Service shall be divided into the following two classes:
- a. **Standard Service** is defined as service on a specific property designated to receive service from an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines.
 - b. **Nonstandard Service** is defined as any service request that requires a larger meter service, service to a master metered account ([see E.4.d.iv.](#)) of this section), or an addition to the supply, storage and/or distribution/collection system. The service requirements as prescribed by [Section F](#) of this service policy shall be required of the Nonstandard Service Applicant prior to providing service. The District shall make a determination as to the appropriate size and type of meter to serve nonstandard applicants.
 - c. **Requirements for Standard and Nonstandard Service.**
 - i. The District's Service Application and Agreement Form shall be completed in full and signed by the Applicant.
 - ii. A Right-of-Way Easement Form, or other such easement form, approved by the District, must be provided by the applicant (properly executed by the person or persons having legal authority to convey an easement) for the purposes of providing water service to the applicant and to facilitate current and future system-wide service ([Texas Water Code 49.218\(d\),\(f\)](#)). *See also [Uniform Partition of Heirs Property Act, Property Code Chapter 23A](#)*.
 - iii. Master Meter for multiple use facilities. The District may install a master meter for water service to apartments, condominiums, business centers or other multiple use facilities on which construction began prior to January 1, 2003, or at an Applicant's request provided the total number of units to be served are:
 1. owned by the same person, partnership, cooperative, corporation, agency, public or private organization of any type but not including a family unit; and
 - considered a commercial enterprise; i.e. for business, rental, or lease purposes; or
 - not directly accessible to public right-of-way (such as but not limited to gated communities).

- iv. Individual meters for multiple use facilities. On request by the property owner or manager, the district shall install individual meters owned by the District in apartments, condominiums, business centers or other multiple use facilities on which construction began after January 1, 2003, unless the District determines that installation of meters is not feasible. If installation of meters is not feasible, the District shall have no obligation to install meters until the property owner or manager installs a plumbing system, at the property owner's or manager's expense, that is compatible with the installation and service of meters. Each individual meter will require a Service Application and Agreement pursuant to this service policy.
 - v. The District shall install a master meter for recreational vehicle and mobile home parks and charge the same rate as other commercial businesses that serve transient customers and receive non-submetered master metered utility service. (See [Texas Water Code Section 49.2122\(a-1\)](#))
 - vi. Notice of application approval and costs of service determined by the District shall be presented to the applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the applicant must re-apply for service.
 - vii. The District shall provide to each service applicant a copy of the Confidentiality of Personal Information Request Form. See [Section J](#), Miscellaneous Transaction Forms. See also, [Texas Utilities Code Section 182.052\(c\)](#).
 - viii. If the water main has been located in the public right-of-way and is adjacent to the Applicant's property due to the current or previous landowner's refusal to grant an easement or easements to the District for the purpose of installing the water main and appurtenances, and the District has documentation of such refusal, the Applicant, prior to receiving the requested service, shall grant the easements required under this service policy and in addition to the normally required fees for new customer service, shall pay such sums as are reasonably necessary to cap the existing line in the right-of-way (ROW) and construct the appropriate line or lines within those easements for the District's system-wide service (See [Miscellaneous Transaction Forms](#)).
5. **Back-billing.** The District may back-bill a customer for up to forty-eight (48) consecutive months for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a customer's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service. (See [16 TAC 24.165\(h\)](#))
6. **Bill Adjustment Due to Meter Error.**
- a. Due to Meter Error. The District shall test any customer's meter upon request of the customer. In the event the meter tests within the accuracy standards of the American Water Works Association, a test fee as prescribed in [Section G](#) of this

- service policy shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test.
- b. **Due to Estimated Billing.** If the District has estimated usage because the District is unable to access the meter due to circumstances beyond the District's control, such as a natural disaster, or because access is hindered or denied by a Customer, the District shall adjust the bill once access has been regained and actual usage is determined. (See [Section E. 12. a.](#)).
7. ***Billing Cycle Changes.*** The District reserves the right to change its billing cycles if the workload requires such practice. After a billing period has been changed, the billings shall be sent on the new change date unless otherwise determined by the District.
8. ***Changes in Service Classification.*** 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 service policy. Customers failing to comply with this provision shall be subject to the disconnection with notice provisions of this service policy. (See [Section E.25.a](#))
9. ***Charge Distribution and Payment Application.***
- a. **The Base Rate** — Billed on a monthly basis. Charges shall be prorated for meter installations and service terminations falling during the billing period.
- b. **Gallage Charge** — Shall be billed at the rate specified in [Section G](#) and billing shall be calculated in one thousand (1,000) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the District's employees or designated representative.
- c. **Posting of Payments** — All payments shall be posted against previous balances prior to posting against current billings.
- d. **Forms of Payment** — The District will accept the following forms of payment: cash, personal check, cashier's check, money order, credit card (if the District has become a credit card merchant), automatic debit on customer's bank account, or draft on bank. The District will not accept two-party checks, pay checks, or any other instrument of payment that is not made out to the District. For credit card charges, the District may collect a reasonable fee to recoup the costs incurred by the District to process the credit card payment.

10. Connection of Water Service.

- a. Applications for water service connections shall be filed with the District upon application forms made available from the District. Applicants for water service shall meet all District requirements for service including the granting of any necessary water easements (as determined by the District) to serve the connection and to enable the District to provide systemwide service. In addition, the District may install a customer service isolation valve at the expense of the service applicant. Thereafter, the maintenance or replacement of the valve shall be the responsibility of the service applicant. The District shall install a pressure regulator at the expense of the service applicant, but it shall be installed on the customer side of the meter and maintenance or replacement of it shall be the responsibility of the service applicant.
- b. No person, other than the properly authorized agent of the district, shall be permitted to tap or make any connection with the mains or distributing pipes of the district's water system, or make any repairs or additions to or alterations in any tap, pipe, cock or other fixture connected with the water service pipe.
- c. The customer must allow his or her property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections will be conducted by the District or its designated agent prior to initiating service and may be conducted periodically thereafter. All inspections will be conducted during the District's normal business hours.
- d. The customer must, at his or her expense, properly install any backflow prevention device required by the District and Texas law.
- e. Water extensions. As of the effective date of this service policy, the cost of the installation of water lines beyond the existing service lines or the cost of upsizing lines (when necessary) of District to any residential or commercial user or any undeveloped area within the District shall be the sole responsibility of the property owner and/or developer requesting services. The District may upsize the line more than necessary for the property owner and/or developer and pay the difference in the cost. The District also may bear the cost of upsizing lines if the upsizing is necessary to increase water pressure or volume in an area of the District system.

11. Customer's Responsibility.

- a. The customer shall provide access to the meter as per the easement and service agreement. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the customer for the month; and a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification to the customer, then service shall be discontinued, and the meter removed with no further notice. Conditions that may hinder access include, but are not limited to, fences with locked gates, vehicles or objects

placed on top of meters or meter boxes, and unrestrained animals. ([Section E.2.d.](#))

- b. The customer shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
 - i. All water service connections shall be designed to ensure against back-flow or siphonage into the District's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. ([30 TAC 290.46](#), [Texas Health & Safety Code Chapter 366](#))
 - ii. The use of pipe and pipe fittings that contain more than 0.00% lead or solder and flux that contain more than 0.00% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the District's facilities. Customer service pipelines shall be installed by the applicant. ([30 TAC 290.46](#); [RUS-TX Bulletin 1780-9 \(Rev. 05/17\)](#))
 - iii. All sewer and potable water service pipeline installations must be a minimum of nine feet apart and meet all applicable plumbing standards for crossings, etc.
 - iv. Service shall be discontinued without further notice when installations of new facilities or repairs of existing facilities are found to be in violation of this Section 23.b until such time as the violation is corrected.
- c. The District's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment as installed. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the District shall be subject to charges as determined by this service policy.
- d. The District shall require each customer to have a cut-off valve on the customer's side of the meter for purposes of isolating the customer's service pipeline and plumbing facilities from the District's water pressure. This cut-off valve may be installed as a part of the original meter installation by the District, at the expense of the service applicant. The valve shall meet AWWA standards. The customer's use of the District's curb stop or other similar valve for such purposes is prohibited. Any damage to the District's equipment shall be subject to service charges.
- e. The customer is required to notify the system 48 hours prior to digging or excavation activities along or near water lines and appurtenances.

12. *Deferred Payment Agreement.* The District may offer a deferred payment plan to a customer who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the District, including any late penalty fees or interest on the monthly balance to be determined as per the agreement. In particular, the District may provide a payment plan to a customer who owes more than \$100 to the District, reasonably could have anticipated the amount of the bill, and provides to the District evidence of hardship in paying the bill. Unless the circumstances of the customer are dire,

the payment plan shall be no less than \$100 per month plus timely payment of subsequent bills and must be agreed by the customer in writing. .

- 13. Denial of Service.** The District may deny service for any of the following reasons:
- i. Failure of the Applicant to provide all required easements and forms and to pay all required fees and charges;
 - ii. Failure of the Applicant to comply with rules, regulations, policies, and bylaws of the District;
 - iii. Existence of a hazardous condition at the Applicant's property that would jeopardize the welfare of other customers of the District upon connection;
 - iv. Failure of Applicant to provide representatives or employees of the District reasonable access to property for which service has been requested;
 - v. Applicant's service facilities are known to be inadequate or of such condition that satisfactory service cannot be provided;
 - vi. Failure of the Applicant to pay any previous outstanding delinquent account(s) in full. This could be delinquencies resulting from the same account location or other service location(s) within the system where the Applicant received service.
- 14. Disputed Bills.** In the event of a dispute between the customer and the District regarding any bill, the District shall make and conduct an investigation as required by the particular case and report the results thereof to the customer. All disputes under this Subsection must be submitted to the District prior to the due date posted on said bill.
- 15. Due Dates, Delinquent Bills, and Service Disconnection Date.**
- a. The District shall mail all bills on or about the end of the month. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in [Section G](#). The time for payment by a wholesale customer of the District or political subdivision may be different than the regular due date. (See [Texas Government Code 2251.021](#)) A bill is delinquent if not paid on or before the past due date. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposes shall be the next day the District office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings.
 - b. Upon written request, any residential customer 60 years of age or older who occupies the

entire premises of a dwelling receiving water utility service from the District shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15-day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings (See [Texas Utilities Code Section 182.001 - 182.005](#))

All insufficient fund checks, accounts closed, or money orders that have had a “stop payment order” issued for payment of a water bill will be deemed delinquent as if no payment was received and the meter is subject to disconnection with notice on the regular disconnection day.

- 16. Inoperative Meters.** Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless bypassed or tampered with, the District shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years. If the meter is inoperative due to bypassing or tampering, the District will proceed with disconnection.
- 17. Insufficient Grounds for Refusal of Service.** The following shall not constitute sufficient cause for the refusal of service to an Applicant:
- a. Delinquency in payment for service by a previous occupant of the premises to be served;
 - b. Violation of the utility’s rules pertaining to operation of nonstandard equipment or unauthorized attachments that interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said rules;
 - c. Failure to pay a bill of another customer as guarantor thereof, unless the guarantee was made in writing to the utility as a condition precedent to service;
 - d. Failure to pay the bill of another customer at the same address except where a change of customer identity is made to avoid or evade payment of a utility bill;
 - e. Failure to pay for the restoration of a tap removed by the utility at its option or removed as the result of tampering or delinquency in payment by a previous customer;
 - f. The service applicant or customer chooses to use a type of backflow prevention assembly approved under [30 TAC §290.44\(h\)](#) (relating to Water Distribution) even if the assembly is not the one preferred by the utility; or
 - g. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations or sewer hookup requirements.

18. Meter Tampering and Damage to Property.

- a. For purposes of this Section, the term “Tampering” shall mean meter-tampering, bypassing, or diversion of the District’s water or sewer meter or equipment causing damage or unnecessary expense to the utility, bypassing the same, or other instances of diversion, including:
1. Removing a locking or shut-off device used by the District to discontinue service;
 2. physically disorienting the water meter or sewer tap;
 3. attaching objects to the water meter or sewer tap to divert service or to bypass;
 4. inserting objects into the water meter or sewer tap;
 5. other electrical or mechanical means of tampering with, bypassing, or diverting service;
 6. connection or reconnection of service without District authorization;
 7. connection into the service line of adjacent customers of the District;
 8. preventing the water supply from being correctly registered by a water metering device due to adjusting the valve so that flow is reduced below metering capability; and
 9. connecting more than one dwelling or one business to a single meter

The burden of proof of Tampering is on the District. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the District’s staff when any action regarding Tampering is initiated. A court finding of Tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the District shall be prosecuted to the extent allowed by law under the [Texas Penal Code Sections 28.03, 12.21 and 12.22](#).

- b. If the District determines under subsection (a) that Tampering has occurred, the District shall disconnect service without notice as set forth in [Subsection E.22.b](#) and charge the person who committed the Tampering the total actual loss to the District, including the cost of repairs, replacement of damaged facilities, and lost water revenues. Any person who destroys, defaces, damages or interferes with District property will be charged the total actual loss to the District, including but not limited to the cost of repairs, replacement of damaged facilities, and lost water revenues.

The District also will prosecute the offending party to the extent allowed under law pursuant to [Texas Water Code Section 49.228](#) and other applicable laws. For purposes of this section, “offending party” means the person who committed the Tampering or damaged the property.

- c. In addition to actual damages charged under [subsection \(b\)](#), the District may assess a penalty against the person who committed the Tampering. The penalty must be reasonable and not exceed \$10,000. The District may decline to reconnect service until all actual damages, loss and penalty are paid. If service is restored, yet there are outstanding damages, losses and/or penalty, the District may suspend service until

they are paid in full. If the person who committed the Tampering no longer is a customer of the District, the District nevertheless may bill the person for actual damages, loss and penalty and may pursue any lawful remedy to collect the full amount.

NOTE: See [Section 65.207, Water Code](#), regarding requirements for publication of new penalty provision and [Section 49.004, Water Code](#), for penalty limits for districts.

19. *Ownership of equipment.* All water meters and equipment and materials required to provide water service to the point of customer connection; water meter or service tap, is the property of the District upon installation, and shall be maintained by the water system only.

20. *Prohibited Plumbing Practices.*

- a. No direct connection between the public drinking water supply and a potential or unknown source of contamination is permitted. Potential sources of contamination will be isolated from the public water system by an air gap or an appropriate backflow prevention device.
- b. No cross-connection between the water supply and a private water system is permitted. These potential threats to the public drinking water supply must be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
- c. No connection which allows water to be returned to the public drinking water supply is permitted.
- d. No pipe or pipe fitting which contains more than 0.00% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
- e. No solder or flux which contains more than 0.00% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

21. *Prohibition of Multiple Connections to a Single Tap.*

- a. No more than one (1) residential, commercial, or industrial service connection is allowed per meter. For purposes of this section a master meter for a multiple use facility is considered a commercial meter. (Refer to [Section E.4.d.iv-vi](#)). If the District has sufficient reason to believe a multiple connection exists, the District shall discontinue service under the disconnection without notice provisions of this service policy. Meters shall be located on the customer's property, readily accessible for maintenance and reading and, so far as practicable, the meter shall be at a location mutually acceptable to the customer and the District. The meter shall be installed so as to be unaffected by climatic conditions and reasonably secure from damage.
- b. For purposes of this section, the following definitions shall apply:

- A “multiple connection” occurs when a primary delivery point already serves one residence, one commercial facility, or one industrial facility and the private system is extended to serve another residence, commercial facility, or industrial facility. Water lines to outbuildings, barns or other accessory structures shall not be considered a multiple connection if: (i) those structures are located on the same tract as the primary delivery point and (ii) such structures are not used as a residence or as a commercial or industrial facility.
 - A “primary delivery point” shall mean the physical location of a meter that is installed in accordance with this Service Policy and applicable law and which provides water to the residence or commercial or industrial facility of a customer.
 - A “residence” shall mean any structure used for human habitation, which may include kitchen and bathroom facilities, or other evidence of habitation as defined by the District.
 - “Commercial” facility shall mean any structure or combination of structures at which any business, trade, occupation, profession, or other commercial activity is conducted. A business conducted within a customer’s residence or property that does not require water in addition to that provided to the customer’s residence shall not be considered a separate commercial facility.
- c. The District permits customers in good standing to share water usage with a visitor on their property in a recreation vehicle (RV) or travel trailer for a period of no longer than three months. If the recreation vehicle/travel trailer is being used for a permanent residence, this service policy requires an additional meter installation. If the customer routinely has more than one visitor at a time with recreation vehicles or travel trailers or has multiple visitors throughout the year, the District may require that a second or additional meter(s) be purchased. The customer must submit a written request to the District’s business office at least five (5) business days prior to sharing District water with a visitor. The District has the right to refuse or deny the shared usage for any reason. The District also has the right to inspect the premises for any potential cross-contamination issues as outlined in the Customer Service Inspection requirements and to ensure that the meter is properly sized for the additional usage at the time of total peak water demand. These requirements pertain to visitors ONLY. No commercial usage where fees for water are charged is allowed. If a customer is found to violate these conditions, the customer will be sent a letter of notice stating that water service will be cut off in ten (10) days if the situation is not corrected.

22. Rules for Disconnection of Service. The following describes the rules and conditions for disconnection of service. Notwithstanding any language to the contrary in the Service Application and Agreement Form, the District may only discontinue service for the reasons set forth in this Section.

- a. **Disconnection with Notice** — Water utility service may be disconnected for any of the following reasons after proper notification has been given.
- i. **Returned Checks** — The District shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the

notice, to be made in the District office. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall result in disconnection of service (See [Section J: Miscellaneous Transaction Forms](#)). Any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period shall be considered evidence of bad credit risk by the District. The customer in violation shall be placed on a “cash-only” basis for a period of 12 months.

NOTE: “cash only,” means certified check, money order, or cash.

- ii. Failure to pay a delinquent account for utility service, failure to timely provide a deposit or failure to comply with the terms of a deferred payment agreement (See [Section J: Miscellaneous Transaction Forms](#)).
- iii. Violation of the District’s rules pertaining to the use of service in a manner that interferes with the service of others if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation.
- iv. Failure of the customer to comply with the terms of the District’s service agreement, service policy, bylaws, or special contract provided that the District has given notice of said failure to comply, and customer has failed to comply within fifteen (15) days after notification.
- v. Failure to provide access or hindering access to the meter under the terms of this service policy or to property at which water service is received when there is reason to believe a hazardous condition or policy violation exists for which access is necessary to verify. Conditions that may hinder access include, but are not limited to, fences with locked gates, vehicles or objects placed on top of meters or meter boxes, and unrestrained animals.
- vi. Misrepresentation by any applicant of any fact on any form, document, or other agreement required to be executed by the District.
- vii. Failure of customer to re-apply for service upon notification by the District that the customer no longer meets the terms of the service classification originally applied for under the original service application.
- viii. Failure by a customer to pay for all repair or replacement costs resulting from the customer damaging system facilities including, but not limited to water lines, service taps, meter boxes, valves, or meters by engaging in activities such as property excavations, installation of a driveway or roadway requiring encasements, lowering or re-routing of lines or system components, or by any other action. The District shall provide thirty days’ notice prior to disconnection of its claim by regular mail to the address on file for the customer. The notice will detail the extent of the damage, the location of the damage, the cost of repair, the cost of water lost, and whether the

damage occurred on private property or on a public right-of-way. Failure to pay the cost of repair or replacement and the cost of the water lost will result in the customer's service being disconnected. Service will remain disconnected until payment is received or an acceptable payment plan is approved. Service also may be disconnected upon failure of the customer timely to make one or more payments under an approved payment plan.

- ix. Failure to disconnect or secure additional service tap(s) for an RV or travel trailer (See 22.c. of this Section) after notification by the District of violation of the prohibition of multiple connections.

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

- i. A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to, a public health nuisance as defined in [Sections 341.011 or 343.011 of the Texas Health and Safety Code](#), [30 TAC 290.46 \(j\)](#) and this Section E). If there is reason to believe a dangerous or hazardous condition exists, the District may conduct a customer service inspection (CSI) to verify the hazardous condition and may notify the local county health office. The District will disconnect without notice if the customer refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition ([30 TAC 290.46\(i\)](#) and [30 TAC 290.46\(j\)](#)). Service will be restored when a CSI confirms no health hazard exists, the health hazard has been removed or repaired, or the health hazard has been isolated from the District's water system by the installation of a backflow prevention device.
- ii. A line leak on the customer's side of the meter is considered a potential hazardous condition under paragraph (b)(i). If the District conducts a CSI and discovers that the line leak has created a hazardous condition, the District will provide the customer up to five (5) business days, or another time period determined reasonable under the circumstances, to repair the line prior to disconnection of service.
- iii. Service is connected without authorization or has been reconnected without authorization following termination of service for nonpayment; and
- iv. Tampering with the District's meter or equipment, bypassing the meter or equipment, connecting more than one residence or business to a single meter, or other unauthorized diversion of water service as set forth in this [Section E](#).
- v. When a returned check is received on an account that was scheduled for disconnection, service shall be immediately disconnected.

NOTE: Where reasonable under the circumstances of the disconnection without notice, a written statement providing notice of disconnection and the

reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit after service has been disconnected.

- c. **Disconnection Prohibited** — Utility service may not be disconnected for any of the following reasons:
- i. Failure of the customer to pay for merchandise or charges for non-utility service provided by the District, unless an agreement exists between the applicant and the District whereby the customer guarantees payment of non-utility service as a condition of service;
 - ii. Failure of the customer to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
 - iii. Failure of the customer to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billing;
 - iv. Failure of the customer to pay the account of another customer as guarantor thereof, unless the District has in writing the guarantee as a condition precedent to service;
 - v. Failure of the customer to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the inoperative meters subsection [E.16](#). of this service policy.
 - vi. Failure of the customer to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the District is unable to read the meter due to circumstances beyond its control.
- d. **Disconnection on Holidays and Weekends** — Unless a dangerous condition exists or the customer requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the District are not available to the public for the purpose of taking collections and reconnecting service.
- e. **Disconnection Due to Utility Abandonment** — The District may not abandon a customer or a certificated service area without written notice to its customers and all similar neighboring utilities and approval from the Texas Commission on Environmental Quality.
- f. **Disconnection for Ill Customers** — The District may not discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. To avoid disconnection under these circumstances, the customer must provide a written statement from a physician to the District prior to the stated date of disconnection. Service may be disconnected in accordance with [Subsection \(a\)](#) of this Section if the next month's bill and the past due bill are not paid by the due date of the next month's bill, unless the customer enters into a deferred payment agreement. (See [Section J.](#), Miscellaneous Transaction Forms)

- g. **Disconnection of Master-Metered Accounts** — When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the following shall apply:
- i. The District shall send a notice to the customer as required. This notice shall also inform the customer that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.
 - ii. At least five (5) days after providing notice to the customer and at least five (5) days prior to disconnection, the District shall post notices stating “Termination Notice” in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.
 - iii. The tenants may pay the District for any delinquent bill on behalf of the owner to avert disconnection or to reconnect service to the complex.
- h. **Disconnection of Temporary Service** — When an applicant with a temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this service policy, service may be terminated with ten (10) days notice.
- i. The Board of Directors may provide a payment plan to a customer who: owes more than \$100 to the District, reasonably could not have anticipated the amount of the bill, and provides to the Board evidence of hardship in paying the bill. Unless the circumstances of the customer are dire, the payment plan shall be no less than \$100 per month plus timely payment of subsequent bills and agreed in writing by the customer.
23. **Service Entitlement.** 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 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 or CCN service area.
24. **Service Facility Relocation.** Relocation of service facilities on the same property shall be allowed by the District provided that:
- a. An easement for the proposed location has been granted to the District; and
 - b. The customer pays the actual cost of relocation plus administrative fees.
25. **Standards for Water Service Lines.**
- a. In addition to compliance with this service policy, all connections shall comply with the rules and regulations for public water systems issued by the Texas Commission on Environmental Quality set forth in [30 TAC 290](#). In the event of a conflict between this service policy and TCEQ Rules, the more stringent rule shall apply.

- b. Water pipe and fittings shall be of the proper grade of PVC, brass, copper, cast iron, or other approved materials.
- c. Water service lines and wastewater service lines shall not be less than nine (9) feet apart horizontally and shall be separated by undisturbed or compacted earth.
- d. Water service lines or any underground water pipe shall not be run or laid in the same trench with non-metallic sewer or drainage piping unless meeting AWWA standards.
- e. If the cost is reasonable, water service lines shall be bedded in washed sand to provide six inches (6") of cushion below the line. The trench bottom and walls shall be cleared of all protruding rocks which could damage the pipe before the sand bedding is placed.
- f. A District-owned water meter and a District approved meter box shall be installed by a District representative.
- g. Potable water supply piping, water discharge outlets, backflow prevention devices, or similar equipment shall not be located so as to make possible the submergence of such equipment in any contaminated or polluted substance.
- h. Lawn sprinkling systems shall be equipped with an approved vacuum breaker installed in the discharge side of each of the last valves. The vacuum breaker shall be installed at least six inches (6") above the surrounding ground and above a sufficient number of heads so at no time will the vacuum breaker be subjected to back pressure or drainage.
- i. The District's water system shall be protected from swimming pool makeup water by means of an approved backflow preventer or an adequate air gap.
- j. Upon the installation of a service line, a request for inspection shall be made to the District's office forty-eight (48) hours in advance for request of inspection, and no back filling of the lines may be made until inspection has been made by the District, its agents or employees.
- k. Back filling of service line trenches must be accomplished within twenty-four (24) hours of inspection and approval, and no debris will be permitted in any service line trench.
- l. As to any line replacement or extension in the District: If there is no reasonable possibility that the replacement or extension now or in the future will serve more than one customer meter, then the extension shall be a "customer service line" and may be as small as two inches in diameter, at the discretion of the Manager or Board of Directors. If there is reasonable possibility that the replacement or extension now or in the future will serve more than one customer meter, then the line shall be a "water main" and may not be less than three inches in diameter. The District will pay the difference in the cost of the materials if the upgrade to three inches or more is not necessary for the immediate customer's service.

- m. If a water line within the Post Oak Special Utility District distribution system is moved for any reason, the line size shall be increased according to Engineer or TCEQ recommendations.
- n. If any water line in the District or owned by the District must be moved because of activity or projects of the State of Texas, county, or city, the full cost of the move and the reinstallation of the line, including the cost of materials and an upgrade required by these policies, shall be paid by the State, county, or city is conducting the activity or project.

SECTION F: DEVELOPER, SUBDIVISION AND NONSTANDARD SERVICE REQUIREMENTS

Part I. General Requirements.

This section details the requirements for all types of nonstandard service requests.

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.

2. *Purpose.*

It is the purpose of this section to define the process by which the specific terms and conditions for all kinds of nonstandard service, including specifically for nonstandard service to subdivisions and the respective developers and subdividers, are determined, including the nonstandard service application and the District's respective costs.

3. *Application of Rules.*

This section sets forth the terms and conditions pursuant to which the District will process nonstandard service requests. 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 nonstandard services for a single tract of property include, but are not limited to, road bores, extensions to the distribution system, and meters larger than 5/8" X 3/4". An applicant who divides a tract of land into two or more parts must follow the nonstandard service rules unless an exception to the plat requirement is included in Local Government Code Section 232.001. For the purposes of this service policy, applications subject to this section shall be defined as nonstandard. In cases of service to a single tract, the board of directors shall determine whether or not an applicant's service request shall be subject to all or part of the conditions of this section.

4. *Nonstandard Service Application.*

The applicant shall meet the following requirements prior to the initiation of nonstandard service or the execution of a nonstandard service contract by the District:

- a. The applicant shall provide the District a completed Nonstandard Service Application (see [Section I](#) of this service policy). The applicant shall specify any special service needs, such as large meter size, size of subdivision or multi-use facility, including the flow and pressure requirements and specific infrastructure needs such as line size and system capacity.
- b. The applicant must be authorized to enter into a contract with the District setting forth terms and conditions pursuant to which nonstandard service will be furnished to a property or subdivision. The Specific terms and conditions pursuant to which the District will provide nonstandard 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. A non-standard service contract may not contain any terms or conditions that conflict with this section.

- c. A plat acceptable to the District must accompany the application showing the applicant's requested service area. (See [Section C. Definition of Final Plat](#)) 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.
- d. A nonstandard service Investigation Fee shall be paid to the District in accordance with the requirements of [Section G](#) for purposes of paying initial administrative, legal, and engineering fees.
- e. 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:

The service location is not in an area receiving similar service from another retail public utility;

- i. The service location is not within another retail public utility's Certificate of Convenience and Necessity (CCN); and
- ii. 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 reasonable costs incurred by District for annexation or for amending its CCN, including but not limited to engineering and professional fees. The District may extend service prior to completing the amendment to its CCN but will do so only upon applicant's legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including administrative, 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.

5. Design.

Upon receipt of a complete nonstandard service application and Investigation Fee, the District shall study the design requirements of the applicant's required facilities prior to initiation of a nonstandard service contract by adopting the following schedule:

- a. The District's engineer shall design, or review and approve plans for, all on-site and off-site service facilities for the applicant's requested level and manner of

service within the District's specifications, incorporating any applicable municipal or other governmental codes and specifications.

- b. The engineer's fees shall be paid out of the Nonstandard Service Investigation Fee under section 4.
- c. The engineer shall submit to the District a set of detailed plans, specifications, and cost estimates for the project.
- d. The District's Engineer shall ensure all facilities for any applicant are of proper size and type to meet the level and manner of service specified in the nonstandard service application. 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 what is reasonably and directly allocable to the applicant's facility requirements.
- d. The District's engineer will determine the fire flow design for any nonstandard service request, including new subdivisions, based on density, type of structure, and other factors. The District is not obligated to provide fire flow unless it is included in the applicant's request.

6. *Nonstandard Service Contract.*

Applicants requiring nonstandard service may be required to execute a nonstandard service contract, drawn up by the District's attorney, in addition to submitting the District's Nonstandard Service Application. Service to any subdivision shall require a nonstandard service contract. Said contract shall define the terms, including the level and manner of service and the date for commencing service, prior to construction of any facilities. The nonstandard service contract may include, but is not limited to:

- a. Specifying the costs for contract administration, the design, construction, and inspection of facilities, securing additional water supply, and terms by which these costs are to be paid.
- b. Procedures by which the applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
- c. Terms by which service capacity adequate to the level and manner of service requested shall be reserved for the applicant following construction of facilities and duration of reserved service, taking into consideration the impact the applicant's service demand will have upon the District's overall system capability to meet other service requests, as well as assessment of any base rate following construction of facilities (if applicable).
- d. Terms by which the District shall administer the applicant's project with respect to:
 - i. Design of the on-site and off-site facilities;
 - ii. Securing and qualifying bids;

- iii. Requirements for executing the nonstandard service agreement;
 - iv. Selection of a qualified bidder for construction;
 - v. Dispensing funds advanced prior to initiation of construction;
 - vi. Inspecting facilities following construction; and
 - vii. 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 convey 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 easements for use of property during construction and for ongoing service thereafter.
 - h. Terms by which the board of directors shall review and approve the nonstandard 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.

In the event that the applicant undertakes any construction of any such facilities prior to execution of a nonstandard contract with the District, the District may refuse to provide service to the applicant or to any portion of the applicant's property (or require payment of all costs for replacing/repairing any facilities constructed without prior execution of a contract from any person requesting service within the applicant's service area, such as a person buying a lot or home within the subdivision), require that all facilities be uncovered by the applicant for inspection by the District, require that any facilities not approved by the District be replaced, or take any other lawful action determined appropriate by the board of directors of the District.

7. *Property and Right-of-Way Acquisition.*

With regard to construction and subsequent maintenance and operation of facilities, the District shall require exclusive easements or title to property as appropriate.

- a. If the District determines that easements or facility sites outside the applicant's property are required, the applicant shall secure such easements or title to facility sites exclusively for the District. All easements and property titles shall be researched, validated, and filed by the District at the expense of the applicant (See Sample Application Packet Rural Utilities Service Form [RD-TX 442-8](#) or [442-9](#)).
- b. In the event the applicant is unable to secure any easements or title to any sites required by the District, and the District determines to acquire such easements or title by eminent domain, all reasonable costs incurred by the District shall be paid by the

applicant, including administrative, legal fees, appraisal fees, court costs, and the condemnation award.

- c. The District shall require exclusive dedicated easements on the applicant's property as appropriate for the level and manner of service requested by the applicant and system-wide service by the District. All such easements shall be adequate to authorize the District to construct, install, maintain, replace, upgrade, inspect, or test any facility necessary for service to the applicant as well as system-wide service within the District generally. Easements for subdivisions also must be sufficient for service throughout the subdivision when the subdivision is fully occupied. Title to any portion of applicant's property required for on-site facilities will be provided and exclusive to the District.
- d. Easements and facilities sites shall be prepared for the construction of all District facilities in accordance with the District's requirements at the expense of the applicant.

8. *Dedication of Water System Extension/Improvements to District.*

- a. Upon proper completion of construction of all on-site and off-site service facilities (the "Facilities") to meet the level and manner of service requested by the applicant, the facilities shall become the property of the District. The facilities shall thereafter be owned and maintained by the District subject to the warranties required of applicant under Subsection (b). Any connection of individual customers to the Facilities shall be made by the District.
- b. Upon transfer of ownership of the facilities, applicant shall warrant materials and performance of the Facilities constructed by applicant for 12 months following the date of the transfer.

9. *Bids for Construction.*

The District's consulting engineer or attorney shall solicit or shall advertise for bids for the construction of the applicant's proposed facilities in accordance with law and generally accepted practices. Plans and specifications shall be made available, with or without charge, to prospective bidders. Although the District reserves the right to reject any bid or contractor, the District shall generally award the contract to the lowest and best bidder in accordance with the following criteria:

- a. The applicant shall execute the nonstandard service contract evidencing 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.

10. *Pre-Payment for Construction and Other Costs.*

As a general rule, applicant shall be required to pay all anticipated costs of construction, easement and title acquisition, legal and engineering fees, and other costs associated with extending nonstandard service prior to these costs being incurred by District. District shall promptly remit any and all unexpended prepaid funds, without interest, upon completion of the nonstandard service extension and commencement of service. While the District will make every reasonable effort to work with applicant, prepayment of costs shall be provided in a manner acceptable to District.

11. *Construction.*

- a. All roadwork pursuant to state, county and/or municipal standards (as applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage of applicant's facilities during construction.
- b. The District shall, at the expense of the applicant, inspect the facilities to ensure compliance with District standards.
- c. Construction plans and specifications shall be strictly adhered to, but the District reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate construction or operation of the applicant's facility. All change-order amounts shall be charged to the applicant.

Part II. Request for Service to Subdivided Property

This section contains additional requirement for applicants that are developers as defined in [Section C](#) Definitions.

1. *Sufficient Information* – Applicants shall provide the District sufficient information describing the level and manner of service requested and the timeline for initiation of this service. The following is the minimum information needed for an engineering evaluation of the requested service to the property described in the application.

- a. Completion of requirements described in [Section F, Part I](#), including completing the *Nonstandard Service Application*.

- b. Applicant shall provide the District with details concerning access to the property during evaluation of application.
- c. Applicant shall be notified in writing by the District or designated representative the timeframe within which the requested service can be provided and the costs for which the applicant will be responsible, in accordance with the details described on the Applicant's request for service.

2. *Service within Subdivisions.*

The District's obligation to provide service to any customer located within a subdivision governed by this section is strictly limited to the level and manner of the service specified by the applicant developer for that subdivision. The applicant developer is responsible for paying for all costs necessary for nonstandard service to a subdivision as determined by the District under the provisions of this service policy and specifically the provisions of this section. If the applicant developer 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 or homes within such subdivision before the District is obligated to provide retail utility service to any customer service applicant within the subdivision. In addition, the District may elect to pursue any remedies provided by the nonstandard service contract if one has been executed. Applicant developer is advised that purchasers of lots also may have legal recourse to the applicant developer under Texas law, including but not limited to [Section 13.257, Texas Water Code](#), and the [Texas Deceptive Trade Practices–Consumer Protection Act, Chapter 17, Subchapter E, Business and Commerce Code](#).

- a. The applicant developer must provide all information otherwise required under this section and must ensure that the District has been provided complete information sufficient to determine whether the level and manner of service requested by the applicant developer can be provided within the time frame specified by the applicant developer and to determine what capital improvements, including expansion of capacity of the District's production, treatment and/or storage facilities and/or general transmission facilities properly and directly allocable to the requested level and manner of service, will be needed. At a minimum, and in addition to information otherwise required under this section, the applicant developer must provide:
 - i. Map and legal description of the area to be served complying with the map requirements of [PUC Rules, Chapter 24, Subchapter G, Section 24.257\(a\)\(1-4\)](#).
 - ii. Time frame for:
 - a. Initiation of service; and
 - b. Service to each additional or projected phase following the initial service.
 - iii. Detailed description of the nature and scope of the project/development for:
 - a. Initial service; and
 - b. Phased and final needs, including a map showing each phase, and the projected land uses that support the requested level of service for each phase.
 - iv. Flow and pressure for anticipated level of fire protection requested, including line size and capacity;

- v. Specific infrastructure needs for anticipated level of fire protection requested, including line size and capacity;
 - vi. Copies of all required approvals, reports and studies done by or for the applicant developer to support the viability of the proposed subdivision.
 - vii. The proposed improvements to be constructed by the applicant developer.
 - viii. A map or plat of the subdivision depicting each phase and signed and sealed by a licensed surveyor or registered professional engineer.
 - ix. Intended land use of the development, including detailed information concerning types of land use proposed;
 - x. The projected water demand of the development when fully built out and occupied, the anticipated water demands for each type of land use, and a projected schedule of build-out;
 - xi. A schedule of events leading up to the anticipated date upon which service from the District will first be needed;
 - xii. A proposed calendar of events, including design, plat approval, construction phasing and initial occupancy; and
 - xiii. Any additional information requested by the District necessary to determine the capacity and the costs for providing the requested service.
- b. The applicant developer must advise the District that he/she may request expedited decertification from the PUC.
- c. The application will be processed on a time frame that should ensure final decision by the District within ninety (90) days from the date of the nonstandard service application and the payment of all fees required by this section.
- i. Upon payment of all required fees, the District shall review applicant developer's service request. If no additional information is required from applicant developer, the District will prepare a written report on applicant developer's service request, subject to any final approval by the District's governing body (if applicable) which must be completed within the ninety (90) days from the date of application and payment of the required fees. The District's written report will state whether the requested service will be provided, whether the requested service can be provided within the time frame specified by the applicant developer, and the costs for which the applicant developer will be responsible (including capital improvements, acquisition of any additional water supply treatment capacity, easements and land acquisition costs, and professional fees).
 - ii. In the event the District's initial review of the applicant developer's service application shows that additional information is needed, the District will notify applicant developer of the need for such additional information. Notice of the need for additional information will be made in writing within 30 days of the date the District receives the applicant developer's payment of the required fees and completed application for nonstandard service. Applicant developer should respond to the District's request for additional information within 15 days of receipt of the District's written request. In any case, the District will provide the written report, including any final approval by the District's Board (if applicable)

within ninety (90) days from the date of the initial written application and payment of all required fees.

- iii. By mutual written agreement, the District and the applicant developer may extend the time for review beyond the ninety (90) days provided for expedited petitions to the PUC. The applicant developer is advised that failure to timely provide the information required by this section, including this Subsection, may cause the PUC to reject any subsequent petition for decertification of applicant developer's property. The applicant developer is further advised that if the applicant developer makes any change in level or manner of service requested, the time frame for initiation of service, or the level or manner or time frame for any phase of service, the applicant developer's original application for nonstandard service will be deemed withdrawn, and the change may be considered a new application for nonstandard service for all purposes, including the times specified herein for processing.
- iv. Following ninety (90) days and final approval by the District and acceptance of the District's terms for service by the applicant, a nonstandard service contract will be executed, and the District shall provide service according to the conditions contained in the nonstandard service contract.

SECTION G: RATE AND SERVICE FEE ORDER

UNLESS SPECIFICALLY DEFINED IN THIS SERVICE POLICY, ALL FEES, RATES, AND CHARGES AS STATED HEREIN SHALL BE NONREFUNDABLE.

THE BOARD OF DIRECTORS OF THE DISTRICT SHALL ESTABLISH AND CHARGE RATES AND FEES SUFFICIENT TO PAY ALL COSTS INCIDENT TO THE OPERATION OF THE UTILITY DISTRICT SYSTEM

1. Classes of Users.

All users of the District's water services shall be classified as either standard or nonstandard service, as further defined in [Section E](#) and [Section F](#) of this service policy. Either class of users may be further classified into customer classes according to the type of service, cost or risk associated with each individual customer class. (See [Texas Water Code 49.2122](#)). The terms of water service to a wholesale customer shall be governed by Texas law and by the contract with the wholesale customer.

2. Service Investigation Fee.

The District shall conduct a service investigation for each service application submitted to the District. An initial determination shall be made by the District, without charge, as to whether the service request is standard or nonstandard. Standard service generally encompasses re-service and addition of a meter to existing water lines. An investigation shall then be conducted, and the results reported under the following terms:

- a. There shall be no Service Investigation fee for re-service. Other standard service requests shall be investigated after payment of a \$250 Service Investigation Fee. All applicable costs for providing service shall be quoted in writing to the applicant within thirty (30) working days of application.
- b. All nonstandard service requests shall be subject to the Service Investigation Fee of \$250 and potentially other charges, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees required by the District to:
 - i. provide cost estimates of the project,
 - ii. develop detailed plans and specifications as per final plat,
 - iii. advertise and accept bids for the project,
 - iv. execute a nonstandard service contract with the applicant, and
 - v. provide other services as required by the District for such investigation.

3. Deposit.

- a. At the time the application for service is approved, or in the case of non-standard service when the necessary improvements to the District system are completed, an applicant for standard service shall pay an account deposit which will be held by the District, without interest, until settlement of the customer's final bill. The deposit will be used to offset final billing charges of the account. In the event that FIVE DOLLARS (\$5.00) or more of the deposit remains after the final billing is settled, the balance will

be paid to the customer within forty-five (45) days, provided the District is given a suitable address. In the event that an outstanding balance exists after the deposit is applied, the District shall attempt to collect the outstanding balance by all lawful means available.

The deposit for water service is \$250.00 for each service unit.

- b. If the District is not provided with a suitable address to send the balance of a deposit or if after sending the balance it is returned by the postal service, the District will hold the funds for the customer to claim for a period of one year. After the one-year holding period has expired, the District will turn the money over to the Texas Comptroller’s Office. The customer may still claim their deposit once deposited with the Comptroller’s Office.

4. Easement Fee.

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 securing, 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 Applicant.

5. Initial Connections Fees

Unless the customer is receiving re-service, the customer shall pay a Tap Fee for each service unit as follows:

Meter Size	Water Installation (Tap) Fee	\$ 50.00
5/8" X 3/4"		

In addition to the Water Installation (Tap) Fee, the customer shall pay other Initial Connection Fees of a minimum of \$2,200, with the District considering the following in determining the fee:

- a. **Standard Service (non re-service)** shall include:
 - i. Other Tap Fees — all current labor and materials more than \$50, necessary to provide individual metered water,
 - ii. Legal Fees,
 - iii. Customer Service Inspection Fees,
 - iv. Trip Charge,
 - v. Administrative Costs, and
 - vi. Any additional site-specific equipment or appurtenances necessary to provide water or wastewater service.

b. **Nonstandard service** shall include:

1. Facility improvement costs including but not limited to: tap fees for current labor and materials more than \$50, necessary to provide individual metered water; tanks; piping' main lines' hydrants and other labor and materials necessary to provide service at the level required by water code and as requested by the applicant;
2. line and facility inspection fees;
3. administrative costs, including but not limited to, contract administration costs, processing invoices, disbursement of checks to contractors;
4. legal fees, including but not limited to, contract development, easements, water rights, permits, and CCN amendments for the area;
5. engineering fees;
6. the difference in cost for a larger requested meter; and
7. any additional site-specific equipment or appurtenances necessary to provide water or wastewater service as determined by the District under the terms of [Section F](#) of this policy.

All fees will be determined by the District under the rules of [Section F](#) of this service policy.

c. **Standard and nonstandard service installations** shall include all costs of any pipeline relocations as per [Section E.4.c.viii.](#) of this service policy or other system improvements.

6. Line Extension Reimbursement Fee. An approved Applicant shall pay prior to meter activation, on a prorated basis, a line reimbursement fee to the District for the purpose of reimbursing a customer or other party who made the capital outlay to extend service to that area. The reimbursements shall be based as nearly as possible on the number of customers who tap into the extended service in the first twelve months after the extended service goes into use. An Applicant approved after the first twelve months will not pay a Line Extension Reimbursement Fee. The District shall not be liable for collecting a reimbursement if more than twelve months has elapsed since the extension of service was completed or if the customer or other party who made the capital outlay does not request the reimbursement in writing or by email prior to the date that the new Applicant's meter is installed.

7. Monthly Charges.

a. **Base Rate—Retail customer**

- i. Water service - The monthly charge for standard metered water service is for a 5/8" by 3/4" meter. The 5/8" X 3/4" meter charge is used as a base multiplier for larger nonstandard meters in accordance with the following chart based on American Water Works Association maximum continuous flow specifications:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$__ _40.00
3/4"	1.5	\$___46.00

1"	2.5	\$__50.00
1 1/2"	5.0	\$__60.00
2"	8.0	\$__72.00
3" DISP.	15.0	\$__100.00
3" CMPD.	16.0	\$__104.00
3" TURB.	17.5	\$__110.50
4" CMPD.	25.0	\$__140.00
4" TURB.	30.0	\$__160.00
6" CMPD.	50.0	\$__240.00
6" TURB.	62.5	\$__290.00
8" CMPD.	80.0	\$__360.00

Note: Certain customer classes, such as customers receiving fire flow that require a higher cost of service to the district for that class, may be charged a higher Base Rate as set forth in this policy.

- b. **Gallage Charge—Retail customer** - In addition to the Base Rate, a gallage charge shall be added at the following rates for water charges during any one (1) billing period.
- i. Water -
 - \$ __7.15 per 1,000 gallons for 0 to 10,000 gallons
 - \$ __7.15 per 1,000 gallons for 10,001 gallons to 20,000 gallons
 - \$ __7.15 per 1,000 gallons for 20,001 gallons and over
 - ii. The District shall, as required by [Section 5.701, Texas Water Code](#), collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water or wastewater service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to [Section G.7](#). monthly charges of this Service Policy.

8. **Standby Fee.**

An annual charge of \$0.00 for undeveloped property (a tract, lot or reserve in the District to which no vertical improvements and water connections have been made to serve the property and for which water facilities and services are available) within the District for the availability of water. The standby fee is separate from any other fee that may be charged to the property or any part of the property for actual service.

- a. The Standby Fee is a personal obligation of the person owning the property assessed on January 1 of each year and must be paid by that person to the District in the year it is assessed, even if title to that property subsequently transfers to another. The standby fee must be paid by January 31 of each year.
- b. Upon failure to pay the standby fee:
 - i. the District will charge interest at the rate of one percent (1%) per month; and
 - ii. the District will refuse to provide service to the property, or to any portion of the property, until all delinquent standby fees (including all accrued interest) have been paid.

In addition, the District may file suit to enforce the lien for the unpaid amount that attaches to the property on the January 1st following the assessment of the Standby Fee and accrued interest. In addition to recovery of the amount secured by the lien, the District will request assessment of its reasonable costs, including attorney's fees, not to exceed twenty percent (20%) of the delinquent fee and the accrued interest.

[Note: A standby fee must be approved by the TCEQ under [30 TAC Sections 293.141-.150](#) of the TCEQ's rules]

9. ***Capital Contribution/Impact Fee.***

Each applicant for a new service unit where service has never been provided before shall be required to pay a capital contribution fee in the amount of \$ 1,250.00. This fee shall be used to assist in funding capital improvements to the District's system capacity, including water supply or for recouping those costs. This fee shall be assessed immediately prior to providing service on a per service unit basis and shall be assigned and restricted to the location where the service was originally requested. If the sum of the capital contribution fee and the installation fee exceeds three times the actual cost* of installation, the capital contribution fee is defined as an impact fee and must be approved by TCEQ under [Texas Water Code 49.212](#) and [Local Government Code Chapter 395](#).

* Actual costs may include non-construction expenses attributable to the design, permitting, financing and construction of those facilities, and reasonable interest on those costs calculated at a rate not to exceed the net effective interest rate on any district bonds issued to finance the facilities.

Minimum Factors for Consideration in Calculating a Capital Contribution / Impact Fee include:

- Prepare and adopt a capital improvement plan.
- Project number of connections during period covered by plan.
- Prepare a table establishing the additional demand on system facilities and supply.
- Identify additional facilities to be constructed and probable cost to be financed through impact fees.
- Divide total cost to be financed through impact fees by number of connections the facilities will serve to determine per connection impact fee.

See also [30 TAC 293.171-.176](#).

10. ***Late Payment Fee.***

Once per billing period, a penalty of \$25.00 shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing but shall be applied to any unpaid balance during the current billing period.

NOTE: The District cannot charge political subdivisions and state agencies the late payment fee. ([Texas Government Code Chapter 2251.021](#))

11. ***Returned Check Fee.***
In the event a check, draft, or any other similar instrument is given by a person, firm, District, or partnership to the District for payment of services provided for in this service policy, and the instrument is returned by the bank or other similar institution as insufficient or nonnegotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$25.00.
12. ***Reconnect Fee (Re-service Fee).***
The District shall charge a fee of \$50.00 for reconnecting service after the District has previously disconnected the service for any reason provided for in this service policy.
13. ***Service Trip Fee.***
The District shall charge a trip fee of \$50.00 for any service call or trip other than for re-service to the customer's tap as a result of a request by the customer or resident (unless the service call is in response to damage of the District's or another customer's facilities) or for the purpose of disconnecting or collecting payment for services.
14. ***Meter Tampering and Damage to Property Penalty.***
In addition to the Equipment Damage Fee, the District may charge a penalty for "Tampering" as defined in [Section E.18](#) in the amount of \$100.00. The penalty may only be assessed against the person who committed the Tampering. An owner cannot be assessed for the Tampering committed by their tenant.
- NOTE: See [Section 65.207, Water Code](#), regarding requirements for publication of new penalty provision and [Section 49.004, Water Code](#), for penalty limits for districts.**
15. ***Fee for Unauthorized Actions.***
If the District's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair or replacement of the District's facilities and shall be paid before service is re-established. The fee shall also include the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authorization. All components of this fee will be itemized, and a statement shall be provided to the customer. If the District's facilities or equipment have been damaged due to unauthorized use of the District's equipment, easements, or meter shut-off valve, or due to other unauthorized acts by the customer for which the District incurs losses or damages, the customer shall be liable for all labor and material charges incurred as a result of said acts or negligence. **Note: Payment of this fee will not preclude the District from charging for water lost by unauthorized use or requesting appropriate criminal prosecution.**
16. ***Customer History Report Fee.***
A fee of \$25.00 shall be charged to provide a copy of the customer's record of past water (or sewer service) purchases in response to a customer's request for such a record.

17. ***Meter Test Fee.***
The District shall test a customer's meter upon written request of the customer. Under the terms of [Section E](#) of this service policy, a charge of \$100.00 shall be imposed on the affected account.
18. ***Information Copy Fee.***
A fee for the copying of any public information will be charged to the person requesting that information in compliance with the cost rules of the Texas Government Code, [Section 552.261](#) et. seq.
19. ***Customer Service Inspection Fee.***
A fee of \$50.00 will be assessed each applicant before permanent continuous service is provided to new construction if an additional inspection is required in addition to the initial inspection included with the installation or tap fee.
20. ***Regulatory Assessment.***
A fee of 0.5% of the amount billed for water/sewer service will be assessed each customer; as required under Texas law and TCEQ regulations.
21. ***Additional Assessments.***
In the event any federal, state or local government imposes on the District a "per meter" fee or an assessment based on a percent of water/sewer use or charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.
22. ***Groundwater District Production Fee.***
A fee will be collected to pay a portion of the annual fee charged the District by a Groundwater Conservation District based on the amount of water pumped from the District's wells located within the boundaries of the District, if any.
23. ***Other Fees.***
The actual and reasonable costs for any services outside the normal scope of utility operations that the District may be compelled to provide at the request of a customer shall be charged to the customer.

**SECTION H: DROUGHT CONTINGENCY AND EMERGENCY WATER
DEMAND MANAGEMENT PLAN
Resolution 2019 - 1**

**Post Oak Special Utility District
Drought Contingency Plan for Retail and Wholesale Customers**

Section I: Declaration of Policy, Purpose, and Intent

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the Post Oak Special Utility District ("Post Oak" hereafter) hereby adopts the following administrative rules and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section X of this Plan.

Section II: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the Post Oak by means of public meeting with notice.

Section III: Public Education

Post Oak will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of press releases and/or website postings.

Section IV: Authorization

The General Manager or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The General Manager or his/her designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section V: Application

The provisions of this Plan shall apply to all persons, customers, wholesale customers, and property utilizing water provided by Post Oak. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, municipalities, districts, water supply corporations, and all other legal entities.

Section VI: Definitions

For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, governmental entity, water supply corporation, or organization using water supplied by Post Oak.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- (a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (e) flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- (i) use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

Section VII: Criteria for Initiation and Termination of Drought Response Stages

Post Oak's General Manager or his/her designee shall monitor water supply and/or demand conditions on a monthly basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

The triggering criteria described below are based on: known system capacity limits and supply limitations.

Utilization of alternative water sources and/or alternative delivery mechanisms:

Alternative water source(s) for Post Oak is hauled purchased water. As to the customers of Post Oak, some of them may have alternative water sources such as on-site wells. At all times that any drought stage has been declared by Post Oak and the customer uses an alternative source of water, the customer shall post a sign at least 12 inches by 12 inches in a location and in a print visible to passersby stating "Notice that an alternative water source is being used."

Stage 1 Triggers -- MILD Water Shortage Conditions

Requirements for initiation

Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses, defined in Section VII Definitions, when

Pursuant to requirements specified in the Post Oak purchase contract with the City of Corsicana, notification is received requesting initiation of Stage 1 of the Drought Contingency Plan, or

Continually falling treated water reservoir levels which do not refill above 95 percent overnight

Requirements for termination

Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three consecutive days.

Stage 2 Triggers – MODERATE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section IX of this Plan when

Pursuant to requirements specified in the Post Oak purchase contract with the City of Corsicana, notification is received requesting initiation of Stage 1 of the Drought Contingency Plan, or

Continually falling treated water reservoir levels which do not refill above 90 percent overnight

Requirements for termination

Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three consecutive days. Upon termination of Stage 2, Stage 1, or the applicable drought response stage based on the triggering criteria, becomes operative.

Stage 3 Triggers – SEVERE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan when

Pursuant to requirements specified in the Post Oak purchase contract with the City of Corsicana, notification is received requesting initiation of Stage 1 of the Drought Contingency Plan, or

Continually falling treated water reservoir levels which do not refill above 80 percent overnight

Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of 24 hours or longer

Other events which could cause imminent health or safety risks to the public

Requirements for termination

Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three consecutive days. Upon termination of Stage 3, Stage 2, or the applicable drought response stage based on the triggering criteria, becomes operative.

Stage 4 Triggers – CRITICAL Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when

Pursuant to requirements specified in the Post Oak purchase contract with the City of Corsicana, notification is received requesting initiation of Stage 1 of the Drought Contingency Plan, or

Continually falling treated water reservoir levels which do not refill above 70 percent overnight

Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of 24 hours or longer

Other events which could cause imminent health or safety risks to the public

Requirements for termination

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three consecutive days. Upon termination of Stage 4, Stage 3, or the applicable drought response stage based on the triggering criteria, becomes operative.

Stage 5 Triggers – EMERGENCY Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan when the General Manager, or his/her designee, determines that a water supply emergency exists based on:

1. Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service; **or**
2. Natural or man-made contamination of the water supply source(s).

Requirements for termination

Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three consecutive days.

Section VIII: Drought Response Stages

The General Manager, or his/her designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe, critical, emergency or water shortage condition exists and shall implement the following notification procedures:

Notification

Notification of the Public:

The General Manager or his/ her designee shall notify the public by means of:

*publication in a newspaper of general circulation,
direct mail to each customer,
signs posted in public places
posting on Post Oak's website.*

Additional Notification:

The General Manger or his/ her designee shall notify directly, or cause to be notified directly, the following individuals and entities:

Mayors or city managers of the cities of Hubbard and Coolidge

Stage 1 Response – MILD Water Shortage Conditions

Target: Achieve a voluntary 10 percent reduction in total water use

Best Management Practices for Supply Management:

System water loss control

Voluntary Water Use Restrictions for Reducing Demand:

- (a) Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to

irrigate landscapes only between the hours of midnight and 10:00 a.m. and 8:00 p.m. to midnight on designated watering days.

- (b) All operations of Post Oak shall adhere to water use restrictions prescribed for Stage 1 of the Plan.
- (c) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

Stage 2 Response – MODERATE Water Shortage Conditions

Target: Achieve a 20 percent reduction in *total water use*.

Best Management Practices for Supply Management:

System water loss control

Water Use Restrictions for Demand Reduction:

Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- (c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.

- (e) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the Post Oak.
- (f) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the Post Oak, the facility shall not be subject to these regulations.
- (g) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (h) The following uses of water are defined as non-essential and are prohibited:
 - 1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - 2. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - 3. use of water for dust control;
 - 4. flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - 5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Stage 3 Response – SEVERE Water Shortage Conditions

Target: Achieve a 30 percent reduction in *total water use*

Best Management Practices for Supply Management:

System water loss control

Water Use Restrictions for Demand Reduction:

All requirements of Stage 2 shall remain in effect during Stage 3 except:

- (a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.
- (b) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the Post Oak.
- (c) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

Stage 4 Response – CRITICAL Water Shortage Conditions

Target: Achieve a 40 percent reduction in *total water use*

Best Management Practices for Supply Management:

System water loss control

Water Use Restrictions for Reducing Demand:

All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except:

- (a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10 p.m.
- (c) The filling, refilling, or adding of water to swimming pools, wading pools, and Jacuzzi-type pools is prohibited.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

Stage 5 Response – EMERGENCY Water Shortage Conditions

Target: Achieve a 50 percent reduction in *total water use*

Best Management Practices for Supply Management:

System water loss control

Water Use Restrictions for Reducing Demand:

All requirements of Stage 2, 3, and 4 shall remain in effect during Stage 5 except:

- (a) Irrigation of landscaped areas is absolutely prohibited.

Section IX: Wholesale Water Customers

The following provisions apply specifically to Post Oak wholesale water customers as to Drought Response Stages:

Stage 1 Response—MILD Water Shortage Conditions

(a) The General Manager or his/her designee(s) will contact wholesale customers to discuss water supply and/or demand conditions and will request that wholesale customers initiate voluntary Stage 1 measures to reduce water use

(b) The General Manger or his/her designee(s) will provide regular reports to news media with information regarding current water supply and/or demand conditions and consumer information on water conservation measures and practices.

Stage 2 Response—MODERATE Water Shortage Conditions

(a) The General Manager or his/her designee(s) will contact wholesale customers to discuss water supply and/or demand conditions and will request that wholesale customers initiate mandatory Stage 2 measures to reduce water use

(b) The General Manger or his/her designee(s) will provide regular reports to news media with information regarding current water supply and/or demand conditions and consumer information on water conservation measures and practices.

(c) The General Manager or his/her designee(s) will further prepare for the implementation of pro rata curtailment of water diversions and/or deliveries by preparing a monthly water usage allocation baseline for each wholesale customer.

Stage 3 Response—SEVERE Water Shortage Conditions

a) The General Manager or his/her designee(s) will contact wholesale customers to discuss water supply and/or demand conditions and will request that wholesale customers initiate additional mandatory Stage 3 measures to reduce water use

(b) The General Manger or his/her designee(s) will provide regular reports to news media with information regarding current water supply and/or demand conditions and consumer information on water conservation measures and practices.

(c) The General Manager or his/her designee(s) will initiate pro rata curtailment of water diversions and/or deliveries for each wholesale customer.

Stage 4 Response—Emergency Water Shortage Conditions

(a) The General Manager or his/her designee(s) will contact wholesale customers by telephone or in person and suggest actions, as appropriate, to alleviate problems.

(b) If appropriate, notify city, county, and/or state emergency response officials for assistance.

(c) Assess the severity of the problem and identify the actions needed and time required to solve the problem.

(d) Undertake necessary actions, including repairs an/or clean-up as needed

(e) Prepare a post-event assessment report on the incident and critique of emergency response procedures and actions.

Pro Rate Curtailment

In the event that Post Oak's water supplier initiates allocation of water supplies on a pro rata basis or the triggering criteria specified for Stage 3—Severe Water Shortage Conditions have been met, the General Manager is hereby authorized to initiate allocation of water supplies on a pro rata basis in accordance with Texas Water Code section 11.039.

Contract Provisions

The City of Corsicana or other water supplier and Post Oak with its wholesale water customers will include a provision in every wholesale water contract entered into or renewed after adoption of the plan, including contract extensions, that in case of a shortage of water resulting from drought, the water to be distributed shall be divided in accordance with Texas Water Code section 11.039

Enforcement Upon Wholesale Water Customers

Mandatory water use restrictions or pro rata allocation of available water supplies may be imposed during drought states and emergency water management actions. These water restrictions will be enforced by warnings and penalties as follows:

--On the first violation, a customer will be notified that it has violated the mandatory water use restriction.

--If the first violation has not been corrected after ten (10) days from the notice, Post Oak may assess a fine up to \$5,000.00 per violation.

--Post Oak may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed fifty dollars.

--Post Oak maintains the right, at any violation or action level, to disconnect irrigation systems and/or suspend water services to a customer for public safety issues with reconnection fees and possible citation.

--Subsequent violations of the plan shall result in increased fines per day.

Section X: Enforcement

(a) No person shall knowingly or intentionally allow the use of water from the Post Oak for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the General Manager or his/her designee, in accordance with provisions of this Plan.

(b) Any person who violates this Plan is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than 100 dollars (\$100.00 and not more than 1,000

dollars (\$1,000.00). Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the General Manager shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, hereby established at \$50.00, and any other costs incurred by the Post Oak in discontinuing service. In addition, suitable assurance must be given to the General Manager that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.

- (c) Any person, including a person classified as a water customer of Post Oak, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.
- (d) The General Manger of Post Oak or a police officer may issue a citation to a person he/she reasonably believes to be in violation of this Ordinance. The citation shall be prepared in duplicate and shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the Justice of the Peace Court on the date shown on the citation for which the date shall not be less than 3 days nor more than 5 days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over 14 years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in Justice of the Peace Court to enter a plea of guilty or not guilty for the violation of this Plan. If the alleged violator fails to appear in Justice of the Peace Court, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in Justice of the Peace Court before all other cases.

Section XI: Variances

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

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

Persons requesting an exemption from the provisions of this Ordinance should file a petition for variance with Post Oak within seven business days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the Post Oak Board of Directors at the next regular board meeting for which posting can be accomplished. The customer may function as if the exemption were in place until the board meeting. The petitions for variances shall include the following:

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

Section XII. Surcharges and increases in rates

If any water supplier to Post Oak levies surcharges or increased rates on Post Oak as a result of any level of water shortage or restriction, Post Oak shall pass on and assess the surcharges or increased rates to its retail and wholesale customers based on the method by which they were charged to Post Oak, on a pro rata basis.

Section XIII. Severability

It is hereby declared to be the intention of the Post Oak Board of Directors that the sections, paragraphs, sentences, clauses, and phrases of this Plan are severable, and if any phrase, clause, sentence, paragraph, or section of the Plan shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of the Plan.

NOTE: SECTIONS I AND J, WHICH ARE SAMPLE FORMS, ARE INTENTIONALLY OMITTED

SECTION K. CONFLICT OF INTEREST POLICY

1. Determination of Consanguinity

- (a) Two individuals are related to each other by consanguinity if:
 - (1) one is a descendant of the other; or
 - (2) they share a common ancestor.
- (b) An adopted child is considered to be a child of the adoptive parent for this purpose.
- (c) An individual's relatives within the third degree by consanguinity are the individual's:
 - (1) parent or child (relatives in the first degree);
 - (2) brother, sister, grandparent, or grandchild (relatives in the second degree); and
 - (3) great-grandparent, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, or niece who is a child of a brother or sister of the individual (relatives in the third degree).

1. Determination of Affinity

- a) Two individuals are related to each other by affinity if:
 - (1) they are married to each other; or
 - (2) the spouse of one of the individuals is related by consanguinity to the other individual.
- (b) The ending of a marriage by divorce or the death of a spouse ends relationships by affinity created by that marriage unless a child of that marriage is living, in which case the marriage is considered to continue as long as a child of that marriage lives.
- (c) A husband and wife are related to each other in the first degree by affinity. For other relationships by affinity, the degree of relationship is the same as the degree of the underlying relationship by consanguinity. For example: if two individuals are related to each other in the second degree by consanguinity, the spouse of one of the individuals is related to the other individual in the second degree by affinity.

3. Disqualification to serve as director

- (a) A person is disqualified from serving as a member of the board of directors (the board) of Post Oak Special Utility District (the district) if that person:

(1) is related within the third degree of affinity or consanguinity to a developer of property in the district, any other member of the board, or the manager, engineer, attorney, or other person providing professional services to the district;

(2) is an employee of any developer of property in the district or any director, manager, engineer, attorney, or other person providing professional services to the district or a developer of property in the district in connection with the district or property located in the district;

(3) is a developer of property in the district;

(4) is serving as an attorney, consultant, engineer, manager, architect, or in some other professional capacity for the district or a developer of property in the district in connection with the district or property located in the district;

(5) (A) is a party to a contract with or along with the district except for the purchase of public services furnished by the district to the public generally; or

(B) is a party to a contract with or along with a developer of property in the district relating to the district or to property within the district, other than a contract limited solely to the purpose of purchasing or conveying real property in the district for the purpose of either establishing a permanent residence, establishing a commercial business within the district, or qualifying as a director; or

(6) during the term of office, fails to maintain the qualifications required by law to serve as a director.

(b) Within 60 days after the board determines a relationship or employment exists which constitutes a disqualification under subsection (a), it shall replace the person serving as a member of the board with a person who would not be disqualified.

(c) As used in this section, "developer of property in the district" means any person who owns land located within a district covered under this section and who has divided or proposes to divide the land into two or more parts for the purpose of laying out any subdivision or any tract of land or any addition to any town or city, or for laying out suburban lots or building lots, or any lots, streets, alleys, or parks or other portions intended for public use, or the use of purchasers or owners of lots fronting thereon or adjacent thereto.

(d) Any rights obtained by any third party through official action of a board covered by this section are not impaired or affected by the disqualification under this section of any member of the board to serve, provided that the third party had no knowledge at the time the rights were obtained of the fact that the member of the board was disqualified to serve.

4. Prior directors

A person who has served as a director of the district may not contract with the district or be employed by an organization to which the district has awarded a contract for one year following the date on which the person ceased to serve as a director.

5. Nepotism Prohibition

A board member may not appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual to a position that is to be directly or indirectly compensated from district funds or fees of office if:

- (1) the individual is related to the board member within the third degree of consanguinity or second degree of affinity, or
- (2) the individual is related to another member of the board within the third degree of consanguinity or second degree of affinity.

6. Continuous Employment

(a) Section 5 above does not apply to an appointment, confirmation of an appointment, or vote for an appointment or confirmation of an appointment of an individual to a position if:

- (1) the individual is employed in the position immediately before the election or appointment of the board member to whom the individual is related in a prohibited degree; and
- (2) that prior employment of the individual is continuous for at least six months.

(b) If, under subsection (a), an individual continues in a position, the board member to whom the individual is related in a prohibited degree may not participate in any deliberation or voting on the appointment, reappointment, confirmation of the appointment or reappointment, employment, reemployment, change in status, compensation, or dismissal of the individual if that action applies only to the individual and is not taken regarding a bona fide class or category of employees.

7. Substantial interest in a business entity or in real property

(a) If a board member has a substantial interest in a business entity or in real property, the board member shall file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:

- (1) in the case of a substantial interest in a business entity the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
- (2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

(b) The affidavit must be filed with the secretary of board.

(c) If a board member is required to file and does file an affidavit under Subsection (a), the board member is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the board is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.

(d) The board of directors shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a member of the board has a substantial interest.

Except as provided in subsection (c) above, the affected member may not participate in that separate vote.

(e) The member may vote on a final budget if:

- (1) the member has complied with this chapter; and
- (2) the matter in which the member is concerned has been resolved.

(f) For purposes of this section, a person has a substantial interest in a business entity if:

- (1) the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity; or
- (2) funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.

(g) A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

(h) A board member is considered to have a substantial interest under this section if a person related to the board member in the first degree by consanguinity or affinity has a substantial interest under this section.

8. Board member as surety

No board member may act as surety for a business entity that has work, business, or a contract with the district; or as surety on any official bond required of a board member, officer, or employee of the district.

Sources:

Texas Government Code sections 573.001, 573.002, 573.022, 573.023, 573.024, 573.025, 573.041, 573.062 (nepotism)

Texas Local Government Code sections 171.002, 171.003, 171.004, 171.005

Texas Water Code sections 49.052, 49.072 (disqualifications)